



WATER INFRASTRUCTURE
FINANCE AUTHORITY OF ARIZONA

**Conservation, Augmentation, and
Mitigation
WIFA Project Funding
Opportunities**

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WIFA's Programs

- **Clean Water SRF**
Loans and Technical Assistance to Political Subdivisions for Wastewater and Stormwater projects
- **Drinking Water SRF**
Loans and Technical Assistance to Public Water Systems
- **Water Supply Development Fund**
Loans and Technical Assistance to Water Providers
- **Long-Term Water Augmentation Fund**
For Projects that Import Water into Arizona
- **Water Conservation Grant Fund**
Grants to governmental and non-governmental organizations



**Clean Water & Drinking Water
State Revolving Funds (SRF)
Infrastructure and Investment Jobs Act (IIJA)**



SRF - Eligible Borrowers

Cities, towns, tribal entities and special districts:

- Own a community public water system
- Own a wastewater facility
- Manage stormwater

Private water companies

- **Must be a Public Water System**
- Any ACC regulated water provider
- Eligible if not ACC regulated, but must resolve an identified deficiency



SRF - Eligible Projects

Infrastructure project types

- Drinking water
- Wastewater – including reuse
- Stormwater
- Watershed Protection/Restoration

Project phases

- Acquisition
- Planning
- Design
- Construction
- Improvement



Other Eligible Projects

- Stormwater management
 - Green infrastructure
 - Low impact development
 - Flood control
- Watershed management of wet weather discharge
- Integrated water resources planning
- Weather/climate-related resilience planning
- Forest restoration
- Riparian improvements
- Recharge
- Reuse



Bipartisan Infrastructure Law (BIL) Infrastructure and Investment Jobs Act (IIJA)



Bipartisan Infrastructure Law:

Goals

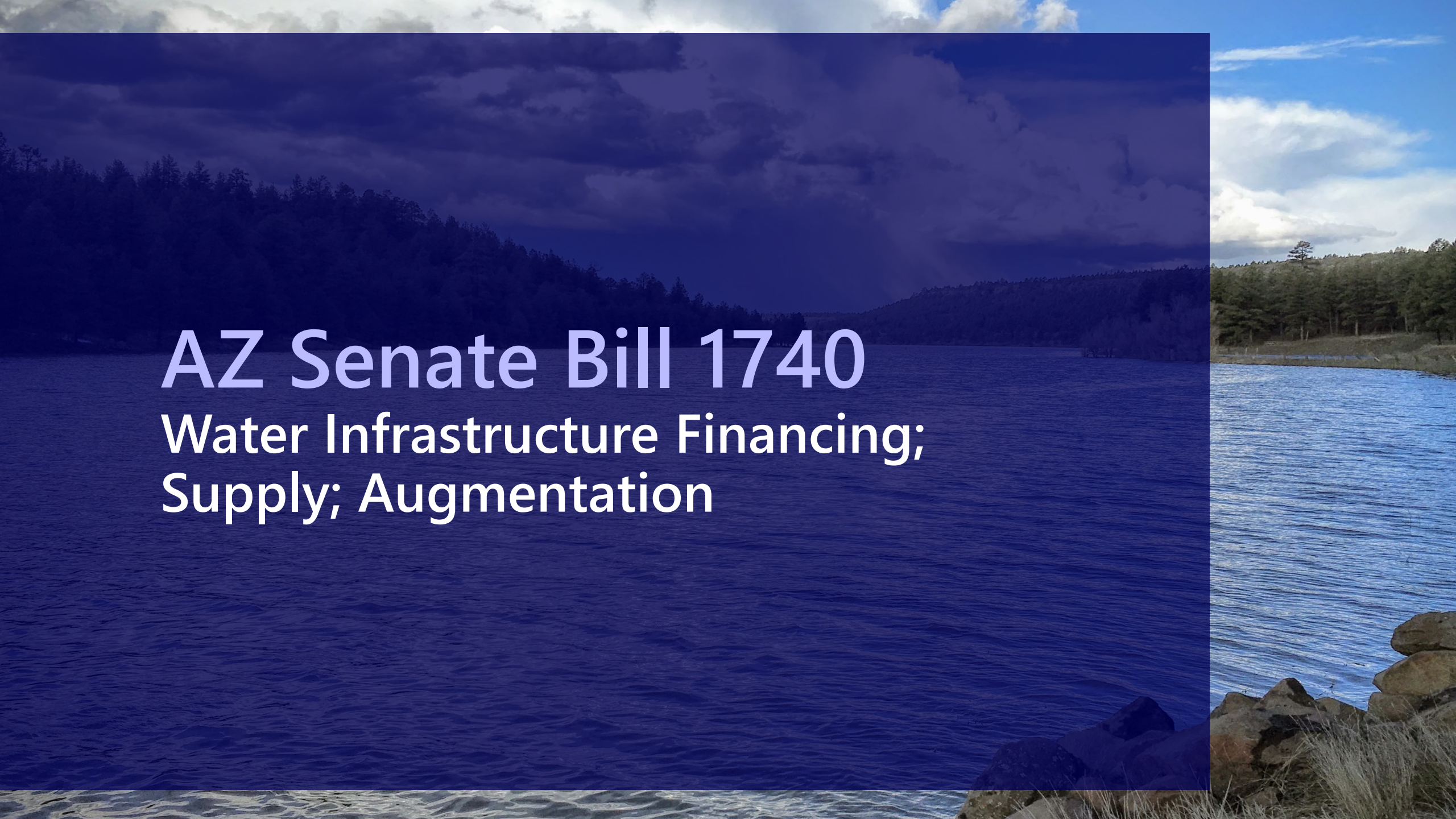
- **Target resources to disadvantaged communities.** It is a top priority for the EPA to ensure that communities that have historically struggled to access SRF funding are prioritized.
- **Make rapid progress on lead-free water for all.** There is no safe level of exposure to lead, yet millions of families across America still suffer from lead contamination in their drinking water. President Biden has set an ambitious goal of replacing 100 percent of the nation's lead service lines.
- **Tackle forever chemicals.** The BIL provides unprecedented funding dedicated to addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants.

Bipartisan Infrastructure Law

WIFA FY2022 Base and IJA Funding

As of: 3/21/2022

Fund	Purpose	Allocation	Forgivable Percentage	Forgivable	Forgivable Principal Eligibility
Drinking Water	Base	\$12,859,600	30%	\$3,857,880	14% for any eligible recipient/12-35% additional subsidy for disadvantaged communities
	Supplemental	\$32,359,000	49%	\$15,855,910	Disadvantaged Communities
	Emerging Contaminants	\$13,587,000	100%	\$13,587,000	25% for Disadvantaged Communities or Public Water Systems Serving Fewer Than 25,000 Persons
	Lead Service Lines	\$50,986,000	49%	\$24,983,140	Disadvantaged Communities
Clean Water	Base	\$7,913,200	40%	\$3,165,280	10% for any eligible recipient/10-30% mandated additional subsidy for communities that meet affordability criteria
	Supplemental	\$12,021,000	49%	\$5,890,290	Assistance recipients that meet the state's affordability criteria or project types as described in section 603(i) of the CWA.
	Emerging Contaminants	\$632,000	100%	\$632,000	No restriction



AZ Senate Bill 1740

Water Infrastructure Financing; Supply; Augmentation



S.B. 1740

Water Supply Development Revolving Fund

- Established in 2007 to provide financial assistance to water providers, particularly in rural areas that lack access to sufficient water supplies to meet their long-term water demands to construct water supply projects and obtain additional water supplies
- S.B. 1740 made changes to eligibility, loan/grant amounts, and added more funds (\$200M)

Long-Term Water Augmentation Fund

- Established originally under ADWR with the primary purpose of the fund to finance water supply development projects that import water from outside Arizona
- S.B. 1740 transferred responsibility to WIFA and provided \$1B over three years

Water Conservation Grant Fund

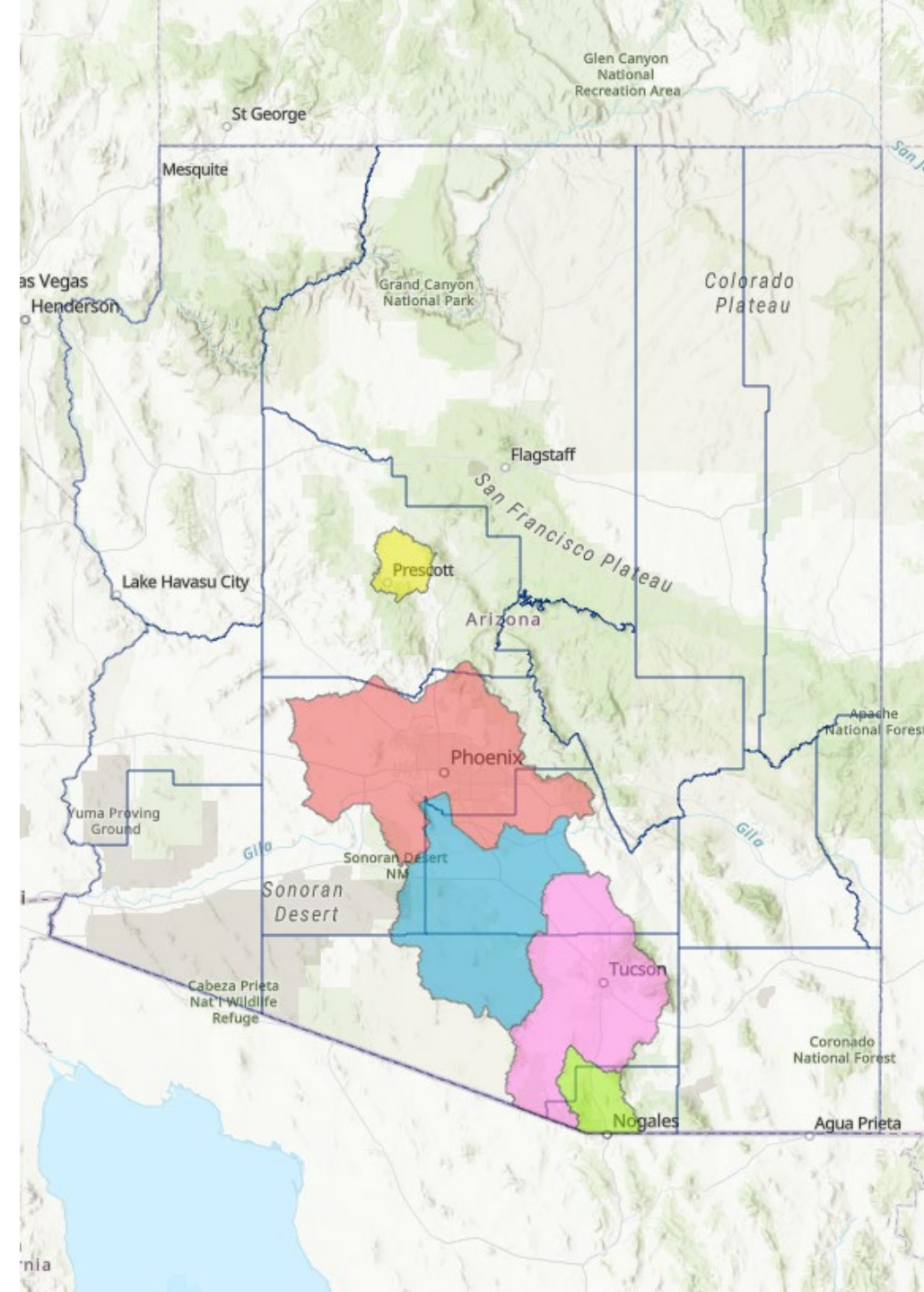
- Brand new program created by floor amendment to S.B. 1740, which provides funding for water conservation grants

WIFA's New Governance

Member	WIFA Board	Long-Term Water Augmentation Committee	Water Supply Development Committee	Federal Programs Committee	Water Conservation Fund Committee
Statewide Water/Finance Leader	Voting	Voting	Voting		
Urban - Governor	Voting	Voting	2 Voting		
Urban - Governor	Voting	Voting			
Urban - Senate President/Leadership	Voting	Voting			
Urban - House Speaker/Leadership	Voting	Voting			
Rural - Governor	Voting	2 Voting	Voting		
Rural - Governor	Voting		Voting		
Rural - Senate President/Leadership	Voting		Voting		
Rural - House Speaker/Leadership	Voting		Voting		
Senate President	Non-voting				
House Speaker	Non-voting				
Senate Minority Leader	Non-voting				
House Minority Leader	Non-voting				
State Land Commissioner	Non-voting				
Director of ADOA	Non-voting				
Director of ADWR	Non-voting			Voting	Voting
Director of ADEQ	Non-voting			Voting	
CEO of ACA	Non-voting			Voting	
Director of ACC				Voting	
City or Town >50,000				Voting	
City or Town <50,000				Voting	
DWID or SD County >500,000**				Voting	
DWID or SD County <500,000***				Voting	
PWS >500 Connections				Voting	Voting
PWS <500 Connections				Voting	Voting
County >500,000**				Voting	Voting
County <500,000***					Voting
Water Conservation Advocacy Group					Voting
University					Voting
Natural Resource Conservation District					Voting

Water Supply Development Fund

- Almost operational in 2012
- WSDF Amended in 2021 – HB 2388
- Funded in the SFY 2022 Budget (\$46M)
- No federal requirements
- **S.B. 1740 changed the following:**
 - Appropriated an additional \$150M for roughly \$200M total
 - Eligible entity = water providers and cities, towns, counties, districts, commissions, authorities, or other public entities located outside AMAs in Maricopa, Pima, or Pinal county
 - Loan max = \$3M and grant max = \$2M
 - Project prioritization criteria changed
 - Debt authorization does not require voter approval if pledging revenue



Water Supply Development Fund

What's Eligible?

ARS 49-1201

"Water supply development" means either of the following:

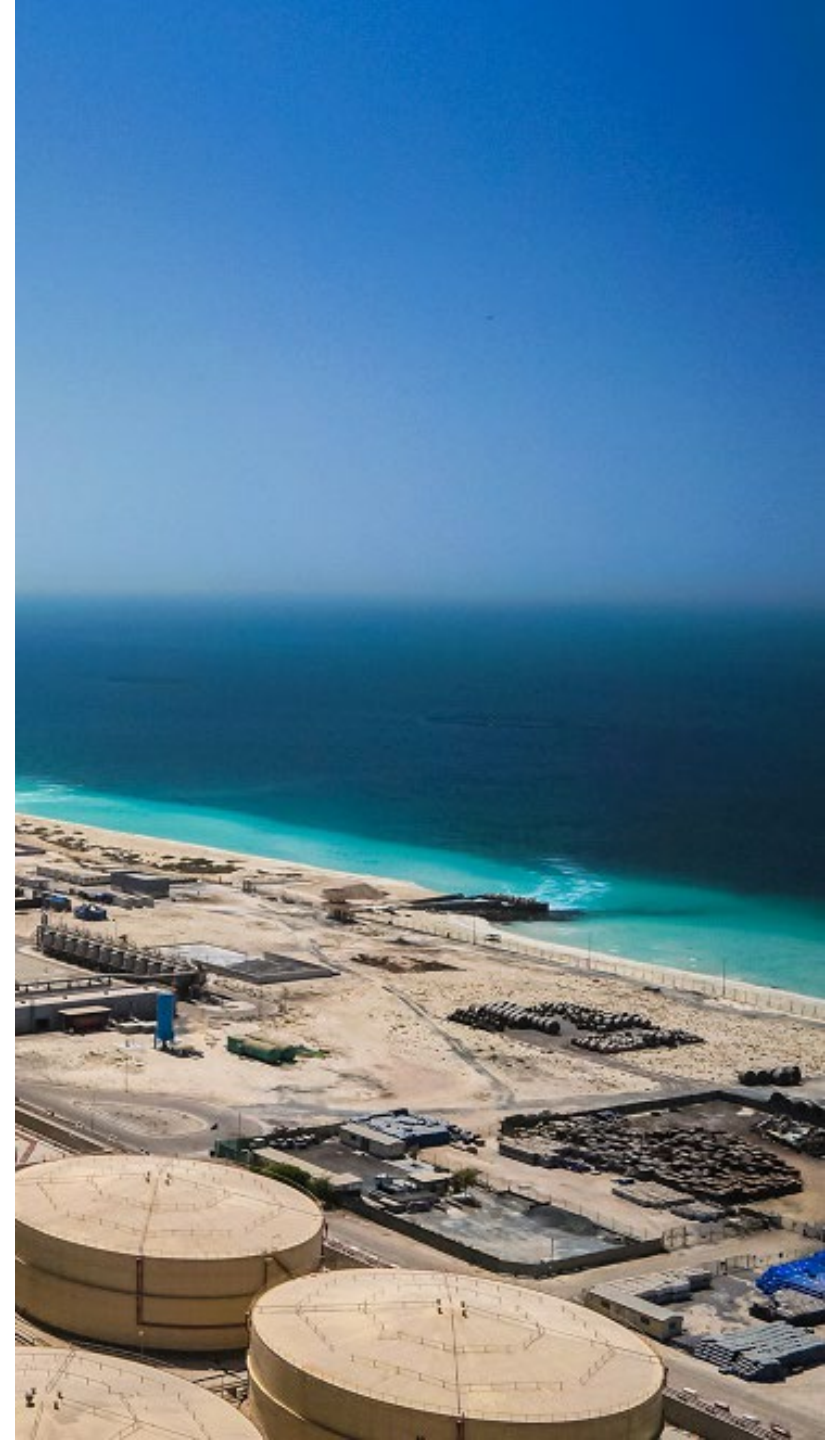
- a. Acquiring water or rights to or contracts for water to augment the water supply of a water provider
- b. Planning, designing, building or developing facilities for any of the following purposes:
 - I. Conveyance, storage or recovery of water.
 - II. Reclamation and reuse of water.
 - III. Replenishment of groundwater.
 - IV. Active or passive stormwater recharge structures that increase water supplies.
 - V. Conservation through reducing existing water use or more efficient uses of existing water supplies.



Long-Term Water Augmentation Fund

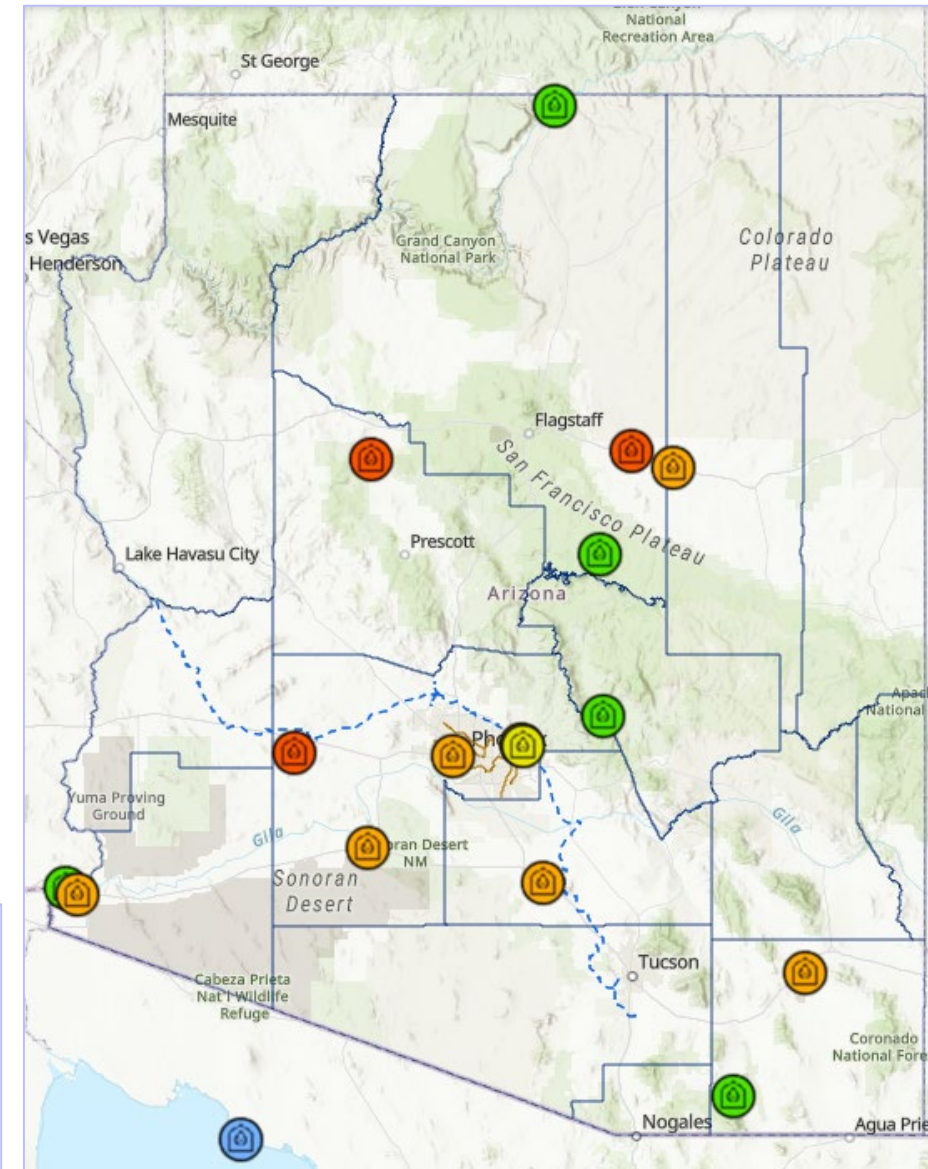
What's Eligible?

- a) funding projects that import water from outside of Arizona
- b) purchasing imported water/rights to imported water
- c) acquiring/constructing water-related facilities to convey or deliver imported water
- d) conducting investigations (i.e., environmental reviews)
- e) contracting for water needs assessments
- f) finance/refinance projects that reduce existing water use or optimize uses of existing water supplies



Long-Term Water Augmentation Funding

- 1-Billion-dollar investment - \$333 Million x three years
- At least seventy-five percent of the monies in the fiscal years 2023, 2024, and 2025 must fund one or more water importation projects (A.R.S. 49-1303(A)(1))
- The Board will determine the projects, water asset purchases, augmentation concepts, and financial assistance agreements that the fund will participate in based on the financial, technical, legal, feasibility, and water augmentation potential of the investment being considered
- The fund has broad flexibility with deal structure



Water Conservation Grant Fund

What's Eligible?

a) Education and research programs

b) Programs and projects for:

- rainwater harvesting
- gray water systems
- efficiency upgrades
- drought-resistant landscaping/turf removal
- water use reducing practices
- groundwater recharge
- groundwater and surface water conservation
- landscape watershed protection, restoration, and rehabilitation, including through green infrastructure and low-impact development
- coordinated water management



Water Conservation Grant Fund

Eligible Recipients

- Cities/Towns; Counties; Districts; Commissions; Authorities; Other public entities;
- Nongovernmental organizations that focus on water conservation or environmental protection

Funding Availability

- a single water conservation **program** grant max = \$3M
- a single water conservation **project** grant max = \$250,000
- **at least** a 25% match is required





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Thank You!

Questions?

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