

SFY 2024

Clean Water Intended Use Plan



Water Infrastructure
Finance Authority of
Arizona



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INTRODUCTION

The Water Infrastructure Finance Authority Board of Directors is pleased to release Arizona’s Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP) for the State Fiscal Year (SFY) 2024 funding cycle. The CWSRF IUP describes the Water Infrastructure Finance Authority’s (WIFA) plan to utilize various sources of funds to finance clean water infrastructure and support related activities during the SFY 2024 funding cycle from July 1, 2023 through June 30, 2024. This IUP is a required element of the grant application documentation to obtain the Federal Fiscal Year (FFY) 2023 grant award.

Arizona herewith submits its IUP for the FFY 2023 funds available to Arizona for the purposes of continuing the development, implementation, and administration of the CWSRF program in Arizona. This IUP is based upon the FFY 2023 CWSRF Federal Appropriation of \$1,638,861,000 less \$863,108,642 for Congressionally Directed Spending. Of this, Arizona’s Capitalization Grant is anticipated to be \$5,067,000.

Additionally, the Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA) of 2021, (P.L. 117-58), increased the federal appropriations to the CWSRF programs. Appropriations from BIL are summarized in Table 1 below.

Table 1. Summary of Federal Appropriations FFY2023

| Appropriation | Federal Amount - FFY 2023 | Arizona’s Amount - FFY 2023 |
|---------------------------------|----------------------------------|------------------------------------|
| CWSRF Base Capitalization Grant | \$1,638,861,000 | \$5,067,000 |
| CWSRF General Supplemental | \$2,202,000,000 | \$14,079,000 |
| CWSRF Emerging Contaminant | \$225,000,000 | \$1,436,000 |
| Total | \$4,065,861,000 | \$20,582,000 |

The Arizona CWSRF Loan Program provides funds for publicly-owned municipal wastewater systems and nonpoint source projects. Eligible projects include planning, design and construction of new wastewater treatment plants, improvements and upgrades to existing wastewater treatment plants, sewer collection systems, water reclamation and reuse facilities, stormwater infrastructure and nonpoint source projects. The program places an emphasis on small and disadvantaged communities and on projects that promote sustainability through water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities. Loan repayments to the State will provide a continuing source of infrastructure financing into the future.

Section 1: Short-Term Goals

For the purposes of this IUP, a short-term goal is an activity intended to be initiated and, in some cases, completed within a year.

- WIFA will make wastewater infrastructure loans more accessible and affordable to small communities by subsidizing all loans (providing below market interest rates).
- If available, WIFA will provide up to 40 percent of the Capitalization Grant amount as additional subsidy in the form of forgivable principal to communities who are identified as disadvantaged, for projects that mitigate stormwater or fulfill the Green Project Reserve requirement.
- WIFA will provide any required percentage/amount of the Capitalization Grant amount for sustainable construction efforts such as water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities.
- WIFA will continue its efforts to allocate uncommitted funds to new projects and when appropriate, to pay off or defease bond debt prior to maturity dates. WIFA expects to commit the \$24.6 million of uncommitted funds to projects within the next year.

As of May 2023, WIFA's undispersed funds are as follows:

| | |
|-----------------------|-----------------------|
| Federal grant awards | \$ 31,369,344 |
| Other available funds | <u>\$ 112,674,531</u> |
| Total | \$ 144,043,875* |

**Of this amount, \$117.7 million is committed to active loans and \$1.7 million is for bond debt service, leaving \$24.6 million in uncommitted funds.*

Section 2: Long-Term Goals

For purposes of this IUP, long-term is defined as the life of the program. The following are the long-term goals of the loan program:

- Award WIFA's resources in accordance with the needs of Arizona's citizens;
- Maintain the fiscal integrity of WIFA's funds and assure continuous enhancement for future generations;
- Effectively and efficiently deliver financial and technical assistance;
- Market agency programs and advocate the importance of safe, reliable water through presentations, networking and outreach.
- Ensure compliance with Title VI of the Civil Rights Act of 1964

Section 3: Important Program Changes

In 2022, the Arizona Legislature made significant changes to WIFA's structure and mission through SB1740. Most of the changes were related to the creation of three additional funds, separate from the state revolving funds, focused on water supply development, conservation, and augmentation. While the new funds have no direct impact on the CWSRF, the changes have raised WIFA's public profile and generated greater awareness of all of WIFA's assistance programs, including the CWSRF. The bill also changed WIFA's governance structure, including related to decision making under the state revolving funds. Funding decisions under the SRF are now vetted first by a federal programs committee, which consists of representatives from public water systems, domestic water systems, large and small cities or towns, large and small counties, and representatives from the Department of Environmental Quality. The federal programs committee reviews applications and makes recommendations to the WIFA Board of Directors, who ultimately votes on whether to provide funding. The Board of Directors is appointed by a bicameral, bipartisan group of legislators and the Governor and consists of financial and water experts from large and small counties.

WIFA Changed the definition of disadvantaged communities in WIFA Policy III.6. This change will result in a change to the affordability criteria as it relates to Clean Water projects. The BIL Implementation guide published by EPA made it clear that EPA's expectation was that states would evaluate and revise, as needed, the DWSRF disadvantaged community definition and CWSRF affordability criteria. WIFA's goal is to ensure that communities who are most in need of financial assistance are eligible to receive additional subsidy under the disadvantaged and affordability criteria.

In SFY 2022 Arizona Senate Bill 1067 passed which for fiscal years 2023 through 2027 allows cities and towns regardless of their size, to enter into loan agreements with WIFA without obtaining voter approval, provided the agreement is financed with BIL funds. These cities and towns will still be required to obtain a resolution from their governing bodies to enter into a loan with WIFA. This change in statute helps to

streamline the application process and opens up the availability of BIL funds to communities who otherwise would likely not have applied for them.

Section 4: Agreement to Enter Data into SRF Data System

WIFA agrees to enter data into the SRF Data System (formerly known as CBR) no less than quarterly and to enter data for the yearly report (formerly known as NIMS).

Section 5: Description of Public Notice Process and Actions Taken to Address Public Comments

Public review and written comment period of this IUP was conducted from May 24, 2023 through June 7, 2023.

WIFA solicited public review and comment on the draft SFY 2024 CWSRF IUP and Project Priority List (PPL) according to the following schedule.

| | |
|---------------|--|
| May 24, 2023 | Distribution and Web posting of the draft CWSRF IUP and PPL to all interested parties. |
| June 6, 2023 | Public Hearing – online via Zoom at 3:00 p.m. |
| June 7, 2023 | Deadline for public comments on the draft CWSRF IUP and PPL (5:00 pm). |
| June 7, 2023 | Federal program Committee recommendation of adoption of the final draft CWSRF IUP and PPL. |
| June 21, 2023 | Water Infrastructure Finance Authority Board of Directors’ adoption of the final draft CWSRF IUP and PPL. IUP then sent to EPA for final approval. |
| July 1, 2023 | Begin implementation of the Approved CWSRF IUP and PPL. |

Section 6: Assurances and Specific Proposals

WIFA intends to comply with the following:

- WIFA will comply and will notify its borrowers of the requirement to comply with the Civil Rights Act requirements outlined in the Capitalization Grant Terms and Conditions;
- WIFA will comply with its environmental review policy as approved by EPA;
- WIFA will notify its borrowers of the requirement to comply with the Federal Flood Risk Management Standard (equivalency requirement);
- WIFA will notify its borrowers of the requirement to comply with the Davis-Bacon requirements outlined in the Capitalization Grant Terms and Conditions;
- WIFA will notify its borrowers of the requirement to comply with the American Iron and Steel requirements outlined in the Capitalization Grant Terms and Conditions;
- WIFA will notify its borrowers of the requirement to comply with the Build America, Buy American Act requirement outlined in the Capitalization Grant Terms and Conditions (equivalency requirement); and
- WIFA will make every effort to comply with EPA’s guidance for timely and expeditious use of funds.

WIFA has made, and continues to make, a good faith effort to solicit projects to meet the green project reserve (GPR) requirement. The Clean Water Project Priority List currently has two projects totaling \$41,861,700 which will fulfill the GPR requirements for FFY 2023.

Section 7: Disadvantaged Community Program

WIFA is committed to providing assistance to wastewater systems serving Disadvantaged Communities. WIFA changed the definition of disadvantaged communities in WIFA Policy III.6. An applicant may be designated as a Disadvantaged Community if the applicant satisfies one of the following:

1. The community is a designated “colonia” community through the federal government, or
2. The community received 50 or more Local Fiscal Capacity points on the CWSRF PPL, or
3. The community has a Local MHI of 90% or less of the State MHI.

WIFA intends to provide up to 40 percent of the Capitalization Grant in additional subsidy as forgivable principal (unless the grant requirement is higher, in which case this percentage will be adjusted accordingly) to communities who cannot otherwise afford projects (including disadvantaged communities). WIFA’s Disadvantaged Policy allows for forgivable principal, a reduced interest rate or a combination thereof.

Table 2. Grant amounts, forgivable principal amounts, and forgivable principal eligibility

| Grant | Grant Amount | % Available as Forgivable Principal | Dollar Amount of Forgivable Principal |
|----------------------------|---------------------|--|---------------------------------------|
| Base | \$5,067,000 | 40% (only for disadvantaged or green projects) | \$2,026,800 |
| BIL – Supplemental | \$14,079,000 | 49% (only for disadvantaged or green projects) | \$6,898,710 |
| BIL – Emerging Contaminant | \$1,436,000 | 100% | \$1,436,000 |
| Total | \$20,582,000 | | \$10,361,510 |

Section 8: Criteria and Methods for Distribution of Funds (Priority Setting Criteria)

- **Project Priority List and Fundable Range**
 - **Project Priority List (PPL):** On an annual basis, WIFA develops a statewide priority list of projects. Currently, WIFA’s CW PPL has 13 applications totaling \$267,422,194 (see table below). Staff are in discussions with several communities with potential CW projects to be added to the PPL during the year. Further, Tucson Water has a Board approved project from SFY 2023 for PFAS Removal with a total cost of \$74 million (CW 010-2023). WIFA has committed all five years of the CWSRF BIL Emerging Contaminant Capitalization Grant for that project, therefore Tucson will receive the entire \$1,436,000 from the FFY23 BIL Emerging Contaminant CWSRF Capitalization Grant. With the Tucson project the total requests for funding for the FFY 2023 funding cycle is \$268,858,194.
 - **Fundable Range:** The Fundable Range includes the applicants ready to receive design or construction financial assistance.
- **Project Priority List Updates**

The Board may update the CW PPL by adding or deleting projects or adjusting the fundable range for design or construction projects. The decision to update the CW PPL may be based on a project’s readiness to proceed, availability of other funding sources or other new information affecting the expansion or contraction of the PPL and Fundable Range. The Board adopts the updated CW PPL at a public meeting and the updates are posted on WIFA’s website.

Table 3. Grant amounts compared to PPLs received

| Grant | Grant Amount | Number of PPL Applications | Dollar Amount of PPL Applications |
|-------|--------------|----------------------------|-----------------------------------|
|-------|--------------|----------------------------|-----------------------------------|

| | | | |
|----------------------------|---------------------|-----------|-------------------------|
| Base & BIL – Supplemental* | \$19,146,000 | 13 | \$267,422,194.00 |
| BIL – Emerging Contaminant | \$1,436,000 | 1 (SFY23) | \$1,436,000** |
| Total | \$20,582,000 | 14 | \$268,858,194.00 |

*The Base Grant and BIL Supplemental have the same eligibility and therefore have been grouped together.

**The FFY23 CWSRF Emerging Contaminant Fund has been committed to the Tucson Water PFAS Removal project, CW 010-2023 (total project cost is \$74,000,000.00), which was submitted and awarded in the SFY 2023 funding cycle.

Section 9: Bypass Procedures

The Fundable Range process is used to bypass projects that are not ready to proceed. In determining which projects may be included on the Fundable Range, WIFA evaluates each project for evidence of debt authorization according to A.A.C. R18-15-104. WIFA may not present an application to the Board for consideration until the applicant has provided such evidence. If sufficient funds are not available to fund all projects that are ready to proceed, WIFA will use tie breaking procedures established in A.A.C. R18-15-204.

Section 10: Sources and Uses Table

| Clean Water Sources and Uses | 2024 |
|--|-------------------------|
| Revolving Fund | \$ 112,674,531 |
| Undrawn Federal Funds | \$ 31,369,344 |
| Beginning Funds Available (Estimate: 07-01-23) | \$ 144,043,875 |
| FFY 2023 Base Cap Grant (Forgivable 40%-\$2,026,800) | \$ 5,067,000 |
| FFY 2023 Supplemental Cap Grant (Forgivable 49%-\$6,898,710) | \$ 14,079,000 |
| FFY 2023 Emerging Contaminants Cap Grant (Forgivable 100%-\$1,436,000) | \$ 1,436,000 |
| P&I Repayments from SRF Loans | \$ 32,101,706 |
| Administrative Fees from SRF Loans | \$ 3,541,489 |
| Investment Interest Earned | \$ 2,042,865 |
| State Appropriations | \$ - |
| Revenue Bond Proceeds ¹ | \$ - |
| Total Funding Sources | \$ 202,311,935 |
| Debt Service Payments | \$ 1,654,742 |
| Administration Expenses Paid from Fee Revenue | \$ 250,000 |
| Administration Expenses (4% - from Base Grant) | \$ 202,680 |
| Administration Expenses (4% - from Supplemental Grant) | \$ 563,160 |
| Outstanding Loan Obligations (Closed Loans) ² | \$ 117,677,748 |
| Binding Commitments (Board Approved/Not Closed) ² | \$ 139,194,235 |
| Staff and Professional Technical Assistance from Fee Revenue | \$ 530,000 |
| Total Fund Uses | \$ 120,981,250 |
| Ending Cash Balance | \$ 81,433,605 |
| Project Priority List Projects | \$ 267,422,194 |
| Ending Cash Balance with PPL Projects | \$ (187,424,589) |

1. WIFA is currently evaluating the need to issue bonds during SFY 2024.

2. Loan obligations and commitments are expected to be drawn down over several years, WIFA does not anticipate these amounts to be drawn during completely in SFY 2024,

Financial Assistance Funds for Loans

Eligible projects include planning, design and construction or replacement of wastewater facilities, sewer collection systems, reclamation, recharge, nonpoint source and stormwater infrastructure. The required percentage/amount of the federal grant will be used to finance sustainable projects that emphasize water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities. See the Arizona CWSRF Sources & Uses for SFY 2024 (FFY 2023) Funding Cycle Table for detail.

Section 11: Identify Types of Assistance Provided and Terms (Principal Forgiveness, Extended Terms)

Technical Assistance

Technical Assistance available from WIFA includes staff assistance and professional assistance. The Bipartisan Infrastructure Bill (BIL) of 2021 allows for the states to use an additional 2 percent of their annual CWSRF Capitalization Grants awarded after November 15, 2022 to provide technical assistance to rural, small and tribal publicly owned treatment works. Arizona intends to reserve this set-aside in the application of the FFY 2023 Capitalization Grant.

Staff Technical Assistance

WIFA will use up to \$500,000 to provide staff technical assistance to borrowers. The purpose of WIFA's Staff Technical Assistance Program is to help prepare systems for construction of capital improvement projects. Awards will be made to small or disadvantaged systems that need assistance in completing the design phase of an infrastructure project, or any system that needs assistance to comply with WIFA's environmental review process, or to prepare a Cost and Effectiveness Analysis or Fiscal Sustainability Plan. Under agreements between the councils of governments and WIFA, the councils of governments will be reimbursed to oversee compliance with Davis-Bacon and to provide assistance with contractor procurement. Fees will be provided to the councils of governments to defray the cost of Davis-Bacon monitoring and procurement. The SFY 2024 allocation for these activities will be \$100,000 (included as part of the \$500,000 staff technical assistance budget). Funds will be available for projects funded with a WIFA construction loan.

Professional Technical Assistance

Professional Technical Assistance includes studies, surveys and other types of reports that provide benefit to a range of wastewater systems statewide. This year, WIFA has budgeted \$30,000 for the clean water portion of the annual Water and Wastewater Residential Rate Survey. This effort includes a survey of approximately 500 utilities, updates to the Rates Dashboard by the University of North Carolina's Environmental Finance Center, survey analysis and final report.

Throughout the Funding Cycle and as circumstances require, WIFA may fund additional Professional Technical Assistance projects. The Board may act to add Professional Technical Assistance projects at a public meeting of the Board.

Program Administration (4 percent plus WIFA Fees)

Section 603(d)(7) of the revised Federal Water Pollution Control Act allows the greatest of a maximum of 4 percent of all grant awards to such fund under this title, \$400,000 per year, or 1/5 percent per year of the current valuation of the fund based on the most recent audited financial statements to cover the reasonable costs of administering the fund.

WIFA will use \$765,840 or 4 percent of the CWSRF Base grant and BIL Supplemental Grant amounts for administrative costs. These funds will be used to pay salaries and associated expenses of program personnel devoting time to the administration of the funds.

Forgivable Principal

WIFA may provide additional subsidization in the form of forgivable principal for up to 90 percent of the loan amount, based on financial need and/or projects eligible under the green project reserve.

WIFA may provide a total of up to 40 percent of the Base Capitalization Grant in subsidy as principal forgiveness to projects. WIFA will provide exactly 49% of the BIL Supplemental CWSRF Grant and 100% of the BIL Emerging Contaminant Grant as principal forgiveness.

Financial Terms and Requirements of Loans

1. All loans for the financing of projects will be for a term not to exceed 30 years from loan closing date. Loan terms are not to exceed the useful life of the project.
2. Terms of financial assistance to publicly-owned wastewater systems serving disadvantaged communities are addressed in Section 7.
3. Repayment of loan principal must begin within 12 months of project completion based on the construction schedule available at the loan closing date or actual completion date or three years from the date of the loan closing, whichever is earlier.
4. Loan disbursements are to be made on a cost reimbursement basis.
5. A maximum of 40 percent of the FFY 2023 Capitalization Grant funds will be provided as forgivable principal. Exactly 49% of the FFY 2023 BIL Supplemental CWSRF Grant and 100% of the FFY 2023 BIL Emerging Contaminant Grant will be provided as forgivable principal. A minimum of 10 percent will be provided for green projects (water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities).
6. Contracts for financial assistance for all CWSRF treatment works projects will require the borrower to comply with Davis-Bacon wage rates.
7. All contracts for construction financial assistance, with the exception of nonpoint source projects, will require the borrower to comply with the Use of American Iron and Steel requirements.
8. Contracts for financial assistance for all CWSRF equivalency projects will require the borrower to comply with the Build America, Buy American (BABA) Act requirements.
9. WIFA will assess income from the Standard Combined Interest and Fee Rate (CIFR) as either fee income or interest income in accordance with the following table.

CIFR – Fee = Interest

| Financial Structure | CIFR | Fee | Interest |
|----------------------------|---|------------|-----------------|
| Governmental | Set in accordance with Section 1 of WIFA Procedure: III.3.1 | 1.5% | CIFR – Fee |

Section 12: State Match Sources

WIFA non-program fee revenues will provide match for the FFY 2023 Capitalization Grants. The FFY 2023 Base Capitalization Grant requires 20% state match (\$1,013,400). The FFY 2023 BIL Supplemental

Capitalization Grant requires 10% state match (\$1,407,900). The FFY 2023 BIL Emerging Contaminant Capitalization Grant does not require a state match.

Section 13: Identification of Overmatch

As of June 30, 2022, WIFA has overmatched by \$22,813,081. As of February 2023, WIFA has overmatched by \$22,391,990.

Section 14: Anticipated Cash Draw Ratio (proportionality) or Statement of Match Drawdown then Federal

With the overmatch, WIFA will draw 100 percent of federal funds until the overmatch is reduced. Once the overmatch is depleted, WIFA will draw the proportional state match amount prior to drawing federal funds.

Section 15: Estimated Disbursement Schedule

| First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---------------|----------------|---------------|----------------|
| 20% | 35% | 35% | 10% |

Section 16: Identification of any Intended Transfers between Funds

WIFA currently has no planned transfers between the CWSRF and the DWSRF, however WIFA reserve the right to transfer between the funds in future based on demand.

Section 17: Identification and Explanation of any Cross Collateralization

The Authority maintains the CWSRF and DWSRF as separate and distinct programs. Revenues generated by either program will remain within that program. Any transfers between funds will be temporary in nature and done only to alleviate short-term cash shortages.

Section 18: Combined Interest and Fee Rate (CIFR)

WIFA Procedure has established a target CIFR ranging between 70 percent and 95 percent of the tax-exempt AAA MMD Rate for governmental entities. CIFR/subsidies on each loan will be set pursuant to the criteria below:

- Total Points; and
- Local fiscal capacity of the area served by the system requesting assistance.

Section 19: Fees Charged if Applicable and Uses of Fees

As in past years, SFY 2024 fees will be used for providing match to the federal grant through loan disbursements, administration of the SRF, and technical assistance. WIFA is collecting program fees and using those for the administration of the program. WIFA is currently tracking its program income and will be reporting the revenue received and spent on its Federal Financial reports.

Section 20: Overview of Program Financial Status and Management

With the FFY 2023 Federal Capitalization Base Grant, BIL Supplemental Grant, and BIL Emerging Contaminant Grant, WIFA will have received 38 Capitalization Grants (including ARRA) totaling \$370,504,273. In addition, WIFA has received and passed through three SAAP grants totaling \$9,621,347 for a total federal investment of 41 grants totaling \$380,125,620.

The Arizona CWSRF program supports the National USEPA Strategic Plan Goal 2 (Clean and Safe Water), Objective 2.2 (Protect Water Quality), Sub-objective 2.2.1 (Improve Water Quality on a Watershed Basis). Specifically, Arizona established and is managing the revolving loan fund to finance the cost of infrastructure improvements which will achieve or maintain compliance with the Clean Water Act requirements.

All planned and prior year loans have assisted public wastewater systems and nonpoint source projects in meeting the federal and state clean water compliance requirements. Details of Arizona's CWSRF activities supporting the National USEPA Strategic Plan will be included in the CWSRF Annual Report as well as in the EPA's SRF Data Reporting System (formerly known as Clean Water Benefit Reporting system (CBR) and the Clean Water National Information Management System (CW NIMS)).

Section 21: Leveraging Plan

As a matter of practice, WIFA pays close attention to its cash position and lending capacity. This practice includes reports to the WIFA Board and Federal program Committee during regular meetings. Based on current demand, resources available, and increased marketing activities WIFA is considering a Bond Issue during this fiscal year. It is worth noting that WIFA's program leverage is cross collateralized and the need for this issue would be primarily due to considerable demand for both clean water and drinking water projects. The decision to leverage will be based on demand on the loan fund for projects to address public health concerns, market conditions and long-term impact to the fund.

Section 22: Binding Commitment Schedule

When the Board approves an applicant's financial assistance request, WIFA staff prepares and circulates financial assistance (loan) documents to evidence the binding commitment in accordance with applicable federal and state requirements. Based on the PPL, WIFA expects to enter into binding commitments at 1,306 percent of the federal cap grant amount (dollars on PPL vs the federal cap grant).

Section 23: Grant Payment Schedule

WIFA will receive all payments in the first quarter available.

Sections 24-33: Fundable List

Arizona combines the Fundable and Comprehensive lists into one list. WIFA applies all crosscutters to all CWSRF projects, with the exception of FFATA, BABA, and the requirement of federal procurement processes for A/E contracts. Those requirements are treated on an equivalency basis. The Tucson Water, 010-2023, project has been identified as potential equivalency project. It is unknown at this time which projects will be awarded forgivable principal.

Arizona’s Clean Water Revolving Fund Project Priority List – SFY 2024 Funding Cycle

| PPL Rank | Applicant | Population | County | Permit # | Project Name | Description | Project Number | Amount Requested / Probable Green Amount | Subsidy |
|----------|--|------------|---------|----------|---|---|----------------|--|---------|
| 1 | ¹ City of San Luis, Arizona | 35,257 | Yuma | N/A | West Wastewater Treatment Plant Expansion | The City is looking to expand the wastewater treatment plant (West). The expansion of the west wastewater treatment plan will allow the increase capacity of current needs for the community. | 010 2024 | \$13,300,000.00 | 80% |
| 2 | ¹ Yavapai-Apache Nation | 3,322 | Yavapai | N/A | Yavapai-Apache Nation MVWRF Project | The Middle Verde District and Montezuma District of the Yavapai-Apache Nations Reservation located in Camp Verde, Arizona, is in critical need of a wastewater treatment facility to replace the existing 3-cell facultative lagoon treatment system previously installed by the Indian Health Service. The Nation will construct a packaged membrane bioreactor wastewater treatment system, referred to as the Middle Verde Water Reclamation Facility (MVWRF). | 011 2024 | \$16,304,494.00 | 70% |

| PPL Rank | Applicant | Population | County | Permit # | Project Name | Description | Project Number | Amount Requested / Probable Green Amount | Subsidy |
|----------|-------------------------------------|------------|----------|-----------|--|---|----------------|--|---------|
| 3 | Pinewood Sanitary District | 3,500 | Coconino | AZ0025879 | Pinewood Sanitary District Treatment Plant and Collections System Upgrades | This project includes Pinewood Sanitary District expanding its capacity for proper treatment, adding sewer to the West RV Park, M/H replacement, mainline repair, and new Lake Odell Lift station. | 008 2024 | \$15,000,000.00 | 85% |
| 4 | ¹ Bisbee, City of | 5,308 | Cochise | AZ0026077 | WWTP Upgrade to A+ Effluent | This project will install a filtration system at the WWTP to produce A+ effluent which will allow the city to discharge their effluent into the San Pedro River to replenish the aquifer. | 007 2024 | \$500,000.00 | 80% |
| 5 | ^{1,2} Casa Grande, City of | 53,658 | Pinal | AZ0025178 | Wastewater Improvements | The City plans to add up to 1.2 million gallons per day (mgd) of effluent recharge basins and 5 mgd of aquifer injection wells to increase its recharge capacity of the Water Reclamation Facility to over 12 mgd. | 001 2024 | \$34,835,000.00 /\$34,835,000.00 | 85% |
| 6 | ¹ City of Globe | 6,068 | Gila | AZ0020249 | Wastewater Improvements | This project will connect current septic systems to the public sewer system. Engineering is needed to determine the condition and necessary improvements to the system, contain odors and improve safety at the lift station, to determine how to improve security systems, and to upgrade the headworks and clarifiers to improve performance and reliability. | 002 2024 | \$4,000,000.00 | 85% |

| PPL Rank | Applicant | Population | County | Permit # | Project Name | Description | Project Number | Amount Requested / Probable Green Amount | Subsidy |
|----------|--|------------|----------|-----------|---|---|----------------|--|---------|
| 7 | ² City of Peoria | 186,146 | Maricopa | AZ0024945 | Reclaimed Water Transmission Main - Project 2 | The City of Peoria intends to design and construct a new 24-inch reclaimed water transmission main that connects two of the wastewater reclamation facilities together. This will allow for additional recharge opportunities and maximizing the use of the effluent. | 004 2024 | \$7,026,700.00 / \$7,026,700.00 | 85% |
| 8 | ¹ Flagstaff, City of | 76,831 | Coconino | N/A | Spruce Wash Drainage Improvements | This project includes a series of capacity and mitigation improvements to Spruce Wash watershed to mitigate probable flood events during summer monsoon season. | 003 2024 | \$50,000,000.00 | 85% |
| 9 | ¹ Fort Mojave Tribal Utilities Authority | 6,000 | Mohave | N/A | WWTP Expansion and Rehabilitation | The proposed design will be for a 3.0 MGD plant utilizing surface aeration and advanced treatment to enhance the quality of the effluent water produced. | 012 2024 | \$65,000,000.00 | 80% |
| 10 | ¹ City of Williams, Arizona | 3,538 | Coconino | AZ0025755 | Williams Wastewater Treatment Plant Expansion Project | The existing wastewater treatment plant has reached its operational capacity. The project will expand the wastewater treatment plant to 1.3 million gallons for a total capacity of 2.3 million gallons. | 013 2024 | \$40,000,000.00 | 80% |
| 11 | ¹ Stringfield Ranch Domestic Water Improvement District | 528 | Yavapai | N/A | Stringfield Ranch DWID Onsite and Offsite Sewer Lines | This project will install sewage lines to connect a development to the City of Prescott's wastewater system. Prescott has agreed to accept and treat the sewage and treated effluent will be recharged into the aquifer for credits. | 009 2024 | \$4,456,000.00 | 85% |

| PPL Rank | Applicant | Population | County | Permit # | Project Name | Description | Project Number | Amount Requested / Probable Green Amount | Subsidy |
|----------|---------------------------------|------------|----------|-----------|---|---|----------------|--|---------|
| 12 | ¹ Flagstaff, City of | 76,831 | Coconino | AZ0020427 | Biosolids Solar Drying Facility at Wildcat Hill Water Reclamation Plant | The Wildcat Hill Water Reclamation Plant is an end-of-the line facility serving Flagstaff, Arizona. The facility currently has a dedicated land disposal area for solids, which is a finite resource. Solar drying beds would enable further processing of solids to create bio-char, a nutrient-rich substance used as top cover at landfills, or agricultural applications. | 005 2024 | \$7,000,000.00 | 85% |
| 13 | ¹ Flagstaff, City of | 76,831 | Coconino | AZ0020427 | Wildcat Hill Primary Effluent Pump Station & Headworks Replacements | The Wildcat Hill Effluent Pump Station was built in 1983. This project replaces the pump station entirely to manage flows that accommodate a series of needs. This also provides needed redundancy to allow for partial-system shutdown for repairs and maintenance. | 006 2024 | \$10,000,000.00 | 85% |

Total: **\$267,422,194.00**

¹ Eligible for disadvantaged community designation

² Eligible for Green Project Reserve

WIFA's SFY 2023 PPL included the following information for Tucson Water's application which was awarded the FFY 2023 CWSRF BIL Emerging Contaminant Fund:

| Applicant | Population | County | Permit # | Project Name | Description | Project Number | Amount Requested / Probable Green Amount | Subsidy |
|--------------|------------|--------|-----------|--------------|--|----------------|--|---------|
| Tucson Water | 542,629 | Pima | P-103370P | PFAS Removal | This project will construct a treatment system for PFAS and 1-4 dioxane removal in treated effluent the city stores or delivers to customers following disinfection. This project will reduce or eliminate the possibility of contaminating currently unaffected portions of the aquifer and provide safe drinking water to customers. | 010 2023 | \$74,000,000.00 | 85% |

Sections 34-43:

These Sections are for DWSRF, not applicable to CWSRF.