

SFY 2023

Clean Water Intended Use Plan



Water Infrastructure
Finance Authority of
Arizona



Table of Contents

INTRODUCTION.....	1
Section 1: Short-Term Goals	1
Section 2: Long-Term Goals	2
Section 3: Important Program Changes.....	2
Section 4: Agreement to Enter Data into SRF Data System.....	2
Section 5: Description of Public Notice Process and Actions Taken to Address Public Comments.....	3
Section 6: Assurances and Specific Proposals.....	3
Section 7: Disadvantaged Community Program	3
Section 8: Criteria and Methods for Distribution of Funds (Priority Setting Criteria)	4
Section 9: Bypass Procedures	4
Section 10: Sources and Uses Table.....	5
Section 11: Identify Types of Assistance Provided and Terms (Principal Forgiveness, Extended Terms)	5
Section 12: State Match Sources	7
Section 13: Identification of Overmatch.....	7
Section 14: Anticipated Cash Draw Ratio (proportionality) or Statement of Match Drawdown then Federal	8
Section 15: Estimated Disbursement Schedule	8
Section 16: Identification of any Intended Transfers between Funds.....	8
Section 17: Identification and Explanation of any Cross Collateralization	8
Section 18: Combined Interest and Fee Rate (CIFR).....	8
Section 19: Fees Charged if Applicable and Uses of Fees	8
Section 20: Overview of Program Financial Status and Management	8
Section 21: Leveraging Plan	9
Section 22: Binding Commitment Schedule	9
Section 23: Grant Payment Schedule	9
Sections 24-33: Fundable List	10
Sections 34-43: (These sections are for DWSRF)	17

INTRODUCTION

The Arizona 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) 2023 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 2023 funding cycle from July 1, 2022 through June 30, 2023. This IUP is a required element of the grant application documentation to obtain the Federal Fiscal Year (FFY) 2022 grant award.

Arizona herewith submits its IUP for the FFY 2022 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 2022 CWSRF Federal Appropriation of \$1,638,826,000. Of this, Arizona’s Capitalization Grant is anticipated to be \$7,815,000.

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 BIL Appropriations FFY2022

Appropriation	Federal Amount - FFY 2022	Arizona’s Amount - FFY 2022
CWSRF General Supplemental	\$1,902,000,000	\$12,021,000
CWSRF Emerging Contaminant	\$100,000,000	\$632,000
Total	\$2,002,000,000	\$12,653,000

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.

As of May 2022, WIFA's undispersed funds are as follows:

Federal grant awards	\$ 17,743,318
Other available funds	<u>\$ 108,518,787</u>
Total	\$ 126,262,105*

**Of this amount, \$100.6 million is committed to active loans and \$24.1 million is for bond debt service.*

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

WIFA staff has proposed a change to 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 23, 2022 through June 6, 2022.

WIFA solicited public review and comment on the draft SFY 2023 CWSRF IUP and Project Priority List (PPL) according to the following schedule.

May 23, 2022	Distribution and Web posting of the draft CWSRF IUP and PPL to all interested parties.
June 6, 2022	Public Hearing – online via Webex at 3:00 p.m.
June 6, 2022	Deadline for public comments on the draft CWSRF IUP and PPL (5:00 pm).
June 9, 2022	Advisory Board recommendation of adoption of the final draft CWSRF IUP and PPL.
June 16, 2022	Arizona Finance Authority Board of Directors’ adoption of the final draft CWSRF IUP and PPL. IUP then sent to EPA for final approval.
July 1, 2022	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 with its environmental review policy as approved by EPA;
- 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; 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 seven projects totaling \$107,861,700 which will fulfill the GPR requirements for FFY 2022.

Section 7: Disadvantaged Community Program

WIFA is committed to providing assistance to wastewater systems serving Disadvantaged Communities.

WIFA’s current Disadvantaged Community Designation policy (III.6) defines a disadvantaged community as the following:

1. The community is a designated “colonia” community through the federal government, or
2. The community received 60 or more Local Fiscal Capacity points on the CWSRF PPL.

However, at the June 2022 WIFA Board meeting staff is proposing to change this policy. If the policy is approved by the Board, then the Board may designate an applicant as a Disadvantaged Community if the applicant satisfies one of the following:

3. The community is a designated “colonia” community through the federal government, or
4. The community received 50 or more Local Fiscal Capacity points on the CWSRF PPL, or

5. 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	\$7,815,000	40% (only for disadvantaged or green projects)	\$3,126,000
BIL – Supplemental	\$12,021,000	49% (only for disadvantaged or green projects)	\$5,890,290
BIL – Emerging Contaminant	\$632,000	100%	\$632,000
Total	\$20,468,000		\$9,648,290

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 19 applications totaling \$1,274,661,700 (see table below). Staff are in discussions with several communities with potential CW projects to be added to the PPL during the year.
 - **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*	\$19,836,000	18	\$1,200,661,700
BIL – Emerging Contaminant	\$632,000	1	\$74,000,000
Total	\$20,468,000	19	\$1,274,661,700

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

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	2023	
Revolving Fund	\$	109,851,637
Undrawn Federal Funds	\$	17,743,318
Beginning Cash Balance (Estimate: 07-01-22)	\$	127,594,955
FFY 2022 Base Cap Grant (Forgivable 40%-\$3,165,280)	\$	7,913,200
FFY 2022 Supplemental Cap Grant (Forgivable 49%-\$5,890,290)	\$	12,021,000
FFY 2022 Emerging Contaminants Cap Grant (Forgivable 100%-\$632,000)	\$	632,000
P&I Repayments from SRF Loans	\$	30,090,128
Administrative Fees from SRF Loans	\$	3,455,899
Investment Interest Earned	\$	549,258
State Appropriations	\$	-
Revenue Bond Proceeds	\$	-
Total Funding Sources	\$	182,256,440
Debt Service Payments	\$	24,148,849
Administration Expenses Paid from Fee Revenue	\$	250,000
Administration Expenses (4% - from Base Grant)	\$	312,600
Administration Expenses (4% - from Supplemental Grant)	\$	480,840
Outstanding Loan Obligations (Closed Loans)	\$	100,634,704
Binding Commitments (Board Approved/Not Closed)	\$	-
Staff and Professional Technical Assistance	\$	650,000
Technical Assistance (2% - from Base Grant)	\$	156,300
Technical Assistance (2% - from Supplemental Grant)	\$	240,420
Total Fund Uses	\$	126,873,713
Ending Cash Balance	\$	55,382,727
Project Priority List Projects	\$	1,274,661,700
Ending Cash Balance <i>with PPL Projects</i>	\$	(1,219,278,973)

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 2023 (FFY 2022) 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 2022 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 use or reserve this set-aside in the application of the FFY 2022 Capitalization Grant.

Staff Technical Assistance

WIFA will use up to \$400,000 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 2023 allocation for these activities will be \$100,000 (included as part of the \$400,000 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.

EPA launched the 2022 Clean Watershed Needs Survey. WIFA will use existing fee money to fund the Survey. WIFA has allocated \$250,000 for the 2022 Clean Watersheds Needs Survey.

Throughout the Funding Cycle and as circumstances require, WIFA may fund additional Professional Technical Assistance projects. The Board will 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 \$793,440 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 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. 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.
6. A maximum of 40 percent of the FFY 2022 Capitalization Grant funds will be provided as forgivable principal. Exactly 49% of the FFY 2022 BIL Supplemental CWSRF Grant and 100% of the FFY 2022 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).
7. Contracts for financial assistance for all CWSRF treatment works projects will require the borrower to comply with Davis-Bacon wage rates.
8. 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.
9. Contracts for financial assistance for all CWSRF equivalency projects will require the borrower to comply with the Build America, Buy American (BABA) Act requirements. WIFA's current understanding of BABA requirements is that it will only apply to equivalency projects, if it is determined that BABA must apply to all WIFA funded projects then all borrowers will be required to comply with BABA. The EPA's "Implementation Procedures" have not yet been released so further guidance on BABA is still required. If it is determined that BABA must apply to all WIFA funded projects, then all borrowers will be required to comply with BABA.
10. 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 2022 Capitalization Grants. The FFY 2022 Base Capitalization Grant requires 20% state match (\$1,563,000). The FFY 2022 BIL Supplemental Capitalization Grant requires 10% state match (\$1,202,100). The FFY 2022 BIL Emerging Contaminant Capitalization Grant does not require a state match.

Section 13: Identification of Overmatch

As of June 30, 2021, WIFA has overmatched by \$24,331,237. As of March 2022, WIFA has overmatched by \$23,332,889.

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 2023 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 2022 Federal Capitalization Base Grant, BIL Supplemental Grant, and BIL Emerging Contaminant Grant, WIFA will have received 35 Capitalization Grants (including ARRA) totaling \$349,922,273. In addition, WIFA has received and passed through three SAAP grants totaling \$9,621,347 for a total federal investment of 38 grants totaling \$359,543,620.

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 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 Advisory Board at each Advisory Board meeting defining WIFA's current cash position and lending capacity. At this time, 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.

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 6,228 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 and the requirement of federal procurement processes for A/E contracts. Both are treated on an equivalency basis. If allowed, BABA will also be treated on an equivalency basis. The project(s) in yellow is identified as potential equivalency project(s). It is unknown at this time which projects will be awarded forgivable principal.

Arizona’s Clean Water Revolving Fund Project Priority List – SFY 2023 Funding Cycle

PPL Rank	Applicant	Population	County	Permit #	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
1	^{1,2} City of Eloy	11,000	Pinal	N/A	WWTP Rehab and Solar Project	This project will replace two old blowers with energy efficient "turbo" blowers, replace leaking blower piping with new piping, replace damaged conduit and wires with new electrical, replace the old aeration basin control panel with a new control panel, connect the existing dissolved oxygen sensor to the new aeration basin control panel, and install a 197 kW-dc photovoltaic system at the WWTP.	015 2022	\$1,600,000.00 / \$1,300,000.00	75%
2	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.	029 2022	\$500,000.00	80%

PPL Rank	Applicant	Population	County	Permit #	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
3	^{1,2} Superstition Mountains Community Facilities District No. 1	19,627	Pinal	AZ0023931	Water Reclamation Facility Expansion	The District is seeking financial assistance to design 3.0 MGD of additional capacity at their water reclamation facility to serve the growth within the newly expanded areas in the City of Apache Junction.	009 2022	\$7,200,000.00 / \$7,200,000.00	80%
4	^{1,2} Town of Miami	2,100	Gila	N/A	Town of Miami WWTP Energy Savings Improvement Project	This project will include installing a screening machine at the lift station, replacing two blowers with energy efficient turbo blowers, replacing WWTP diffusers in the anoxic zone, the aeration basin, and the aerobic digester, installing a dissolved oxygen sensor in the aeration basin, installing a SCADA system, and installing solar PV at the lift station and WWTP.	011 2022	\$3,000,000.00 / \$1,500,000.00	75%
5	³ 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.	020 2022	\$74,000,000.00	85%

PPL Rank	Applicant	Population	County	Permit #	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
6	^{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.	013 2022	\$34,835,000.00 / \$34,835,000.00	85%
7	Kearny, Town of	2,250	Pinal	P-103709	WWTP Rehab	This project will rehabilitate several components of the WWTP to bring the facility back into compliance with the Arizona Department of Environmental Quality.	016 2022	\$1,000,000.00	85%
8	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.	019 2022	\$4,000,000.00	85%

PPL Rank	Applicant	Population	County	Permit #	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
9	² Surprise, City of	134,538	Maricopa	AZG2021-002	Special Planning Area 1 Water Reclamation Facility Plant Capacity Increase & Enhancements	The existing water reclamation facility is antiquated and unable to meet permit requirements. It has been determined that it is more environmentally friendly, cost effective and beneficial to plant operations to upgrade the existing 12.8 MGD components to achieve a functional capacity of 16.3 MGD.	018 2022	\$35,000,000.00 / \$24,000,000.00	85%
10	Flagstaff, City of	76,000	Coconino	N/A	North East Area Master Drainage Improvements	This project will mitigate flooding in the East Flagstaff drainage system include Appalachian Avenue Detention Basin and areas identified in the North East Area Master Drainage Study.	021 2022	\$20,000,000.00	85%
11	Flagstaff, City of	76,000	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.	022 2022	\$50,000,000.00	85%
12	¹ Town of Chino Valley	6,750	Yavapai	P-104236	WWTP Equalization Basin And Blowers Project	The Town plans to add an equalization basin and modify the blowers to regulate flows at the wastewater treatment plant which will create potential energy savings by allowing more waste to be treated in off peak hours.	017 2022	\$1,500,000.00	80%

PPL Rank	Applicant	Population	County	Permit #	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
13	Flagstaff, City of	76,000	Coconino	AZ0020427	Design for new Water Reclamation Plant at Wildcat Hill Facility	The Wildcat Hill Water Reclamation Plant has reached its hydraulic and solids capacity and has no redundancy in case of failure. A second treatment train will manage capacity, update the plant to newer technology and provide needed redundancy to allow for plant repair shutdown within the system.	024 2022	\$30,000,000.00	85%
14	Flagstaff, City of	76,000	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. 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.	025 2022	\$7,000,000.00	85%
15	Flagstaff, City of	76,000	Coconino	AZ0020427	Wildcat Hill Primary Effluent Pump Station & Headworks Replacements	The Wildcat Hill Effluent Pump Station was built 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.	026 2022	\$10,000,000.00	85%

PPL Rank	Applicant	Population	County	Permit #	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
16	Flagstaff, City of	76,000	Coconino	AZ0020427	Wildcat Hill Water Reclamation Plant Electrical Upgrades	The equipment has reached the end of its useful life, and an entire replacement of the system is needed. Replacing the entire electrical system will allow for proper wiring and interface to accommodate new technologies in SCADA and automated operations.	027 2022	\$15,000,000.00	85%
17	Inscription Canyon Ranch Sanitary District	1,600	Yavapai	N/A	Wastewater Treatment Plant Expansion	The District plans to expand the current treatment plant to meet demand by adding capacity of approximately 70,000 gallons per day, in addition to adding sludge processing equipment.	014 2022	\$3,000,000.00	85%
18	² Phoenix, City of	2,500,000	Maricopa	AZ0020559	City of Phoenix Wastewater CIP Program	The projects will include a WWTP rehab and expansion, addition of advanced water treatment and a direct potable reuse facility, gravity sewer lines rehab, force main rehab, and the addition of cybersecurity, process controls, energy conservation measures, high efficiency motors, and renewable energy (solar, fuel cell, biogas).	028 2022	\$970,000,000.00 / \$32,000,000.00	85%

PPL Rank	Applicant	Population	County	Permit #	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
19	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.	023 2022	\$7,026,700.00 / \$7,026,700.00	90%

Total: **\$1,274,661,700**

¹ Eligible for disadvantaged community designation

² Eligible for Green Project Reserve

³ Eligible for BIL Emerging Contaminant Grant Funds

Sections 34-43:

These Sections are for DWSRF, not applicable to CWSRF.