

# **Water Infrastructure Finance Authority**

## **SFY 2016 Drinking Water Intended Use Plan**



**Arizona Drinking Water State Revolving Fund**

## **INTRODUCTION**

The WIFA Board of Directors is pleased to release Arizona's Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP) for the State Fiscal Year (SFY) 2016 funding cycle. The DWSRF IUP describes WIFA's plan to utilize various sources of funds to finance drinking water infrastructure and support related program activities during the SFY 2016 funding cycle from July 1, 2015 through June 30, 2016. This IUP is a required element of the grant application documentation to obtain the FFY 2015 grant award. Arizona herewith submits its IUP for the FFY 2015 funds available to Arizona for the purposes of continuing the development, implementation and administration of the DWSRF program in Arizona.

The Arizona DWSRF Loan Program funds publicly and privately-owned community water systems and non-profit non-community water systems. Eligible projects include treatment, transmission and distribution, source, storage, consolidation and creation of new systems. Projects to acquire land or to refinance debt obligations of publicly-owned systems may also be eligible. The program also places an emphasis on small and disadvantaged communities and on programs that emphasize prevention and sustainability as tools for ensuring safe drinking water.

### **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. The following are the short-term goals of the loan program:

- WIFA will make drinking water infrastructure loans more accessible and affordable to small communities by subsidizing all loans;
- WIFA will provide additional assistance to communities who are identified as disadvantaged;
- WIFA will provide at least 20% of the Capitalization Grant amount as additional subsidization in the form of forgivable principal;
- WIFA will continue to encourage borrowers to address green stormwater infrastructure, water and energy efficiency improvements and other environmentally innovative activities.

### **Section 2: Long Term Goals**

For the purposes of this IUP, a long term goal 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;
- Coordinate with other funding sources, technical resources, regulatory authorities, and private sector legal and financial counterparts;
- Actively pursue leadership in infrastructure finance;
- Efficiently administer WIFA within a positive work environment;
- Facilitate and encourage Board of Directors' involvement in WIFA.

### **Section 3: Important Program Changes**

WIFA plans to adjust the interest vs. fee ratio of the Combined Interest and Fee Rate (CIFR) during SFY 2016. WIFA has implemented a policy providing guidance on the application of additional subsidies which includes how communities that cannot otherwise afford projects (including disadvantaged communities) and green projects (if required by the Capitalization Grant) may receive forgivable principal.

**Section 4: Agreement to Enter Data into PBR and NIMS**

WIFA agrees to enter data into PBR and NIMS.

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

Public review and written comment period of this IUP will be conducted from June 1, 2015 through June 16, 2015.

WIFA will solicit public review and comment on the draft SFY 2016 DWSRF IUP and Project Priority List (PPL) according to the following schedule:

June 1, 2015	Distribution and Web posting of the draft DWSRF IUP and PPL to all interested parties.
June 15, 2015	Public Hearing – 1110 West Washington, Room 130, Phoenix, Arizona 85007 from 1:00 P.M. to 2:00 P.M.
June 16, 2015	Deadline for public comments on the draft DWSRF IUP and PPL.
June 17, 2015	The WIFA Board of Directors to adopt the final draft DWSRF IUP and PPL. IUP will then be sent to EPA for final approval.
July 1, 2015	Begin implementation of the Approved DWSRF IUP and PPL

**Section 6: Assurances and Specific Proposals**

WIFA intends to comply with the following:

- WIFA will comply with its Environmental 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; and
- WIFA will make every effort to comply with EPA’s guidance for timely and expeditious use of funds.

WIFA agrees to the remaining required assurances and proposals in the grant application and the IUP.

**Section 7: Disadvantaged Community Program**

WIFA is committed to providing assistance to public water systems serving Disadvantaged Communities. The Board may designate an applicant 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 60 or more Local Fiscal Capacity points on the DWSRF PPL.

WIFA intends on providing the 20% additional subsidy as forgivable principal to communities who cannot otherwise afford projects (including disadvantaged communities). WIFA’s Disadvantaged Policy allows for extended term, reduced interest or a combination.

**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, following a statewide solicitation for projects, WIFA develops a statewide priority list of projects. Projects are scored and ranked on the list based upon public health risk, SDWA compliance, and financial need. Currently, WIFA's DW PPL has 16 project priority list applications totaling \$14,762,967.35.
- **Fundable Range:** The Fundable Range includes the applicants ready to receive design or construction financial assistance.
- **Project Priority List Updates**  
The WIFA Board of Directors may update the DW PPL by adding or deleting projects or adjusting the fundable range for design or construction projects. The decision to update the DW PPL may be based on a project's readiness to proceed, refined project cost estimates, availability of other funding sources or other new information affecting the expansion or contraction of the PPL and Fundable Range. The WIFA Board of Directors adopts the updated DW PPL at a public meeting and the updates are posted on the WIFA website. All projects must meet the applicable requirements under the Safe Drinking Water Act, 42 U.S.C. § 300f to 300j-26.
- **Project Readiness to Proceed**  
Applicants accrue readiness to proceed points based on the following criteria:
  - Approved debt authorization has been received by WIFA.
  - Plans and specifications are complete.
  - Local and state permits have been obtained.
  - The bid or solicitation process has been initiated.

**Section 9: Bypass Procedures and Emergency Funding Procedures**

The Fundable Range process is used to bypass projects that are not ready to proceed. As part of this process, readiness to proceed points are awarded for each of the criteria identified above, with a project needing to accrue at least 40 points out of 100 possible. Projects which have not received at least 40 points are bypassed, allowing projects which are ready to proceed to move forward with obtaining financing.

WIFA may approve emergency funding for eligible applicants if a declaration of emergency is made by the Governor of Arizona or the President of the United States. The term of the loan will not exceed one year and be no more than \$250,000 per emergency event.

**Section 10: Sources and Uses Table**

<b>Arizona DWSRF Sources &amp; Uses for SFY 2016 (FFY 2015 Cap Grant)</b>					
		<b>Federal</b>	<b>WIFA</b>	<b>WIFA Loan</b>	
		<b>Contributions</b>	<b>Revenues</b>	<b>Accounts</b>	<b>Total</b>
<b>Funding Sources</b>					
	Estimated fund balance as of 7/1/2015	\$ -	\$ 4,500,555	\$ 71,420,355	\$ 75,920,909
	New funds expected in SFY 2016	\$ 15,969,000	\$ 2,523,496	8,153,171	\$ 26,645,667
	**Banked Funds (see below)				
	<b>Total Funding Sources</b>	\$ 15,969,000	\$ 7,024,051	\$ 79,573,525	\$ 102,566,576
<b>Funding Uses</b>					
	Financial Assistance Loans	\$ 10,718,940	\$ 3,193,800	\$ 79,573,525	\$ 93,486,265
	15% Set-Aside Wellhead Protection (ADEQ)	\$ 1,100,000			\$ 1,100,000
	15% Set-Aside Technical Assistance (WIFA)	\$ 320,000			\$ 320,000
	10% Set-Aside PWSS (ADEQ)*	\$ 1,200,000			\$ 1,200,000
	4% Set-Aside Administration (WIFA)	\$ 638,760	\$ 733,340		\$ 1,372,100
	2% Set-Aside Capacity Development (ADEQ)	\$ 300,000			\$ 300,000
	Forgivable Principal \$3,193,800 (20%)				
	Green Project Reserve (voluntary)				
	Banked FFY 2014 funds** (10% to ADEQ)	\$ 1,691,300			\$ 1,691,300
	<b>Total Funding Uses</b>	\$ 15,969,000	\$ 3,927,140	\$ 79,573,525	\$ 99,469,665
<i>* ADEQ will provide the additional match required for this portion of the Capitalization Grant</i>					
<i>**ADEQ banked \$1,000,000 from the new FFY 14 Cap. and \$691,300 from the FFY 13 Cap. Grant 10% set-aside</i>					
<i>There are no banked funds in the FFY 15 Cap grant.</i>					

The Safe Drinking Water Act §1452(g) and §1452(k) allows States to set aside up to 31% of the Capitalization Grant for specific activities. These are referred to as the 2%, 4%, 10%, and 15% set-asides and are further described below. Funds not expended in these categories by the end of SFY 2016 will revert to the DW Loan Fund Account.

**15% Set-aside**

State and Federal Statutes allow setting aside up to 15% of the Federal Capitalization Grant funds to provide local assistance to water systems in Arizona. ADEQ has requested \$1,100,000 for Wellhead Protection activities to protect underground sources of drinking water. WIFA will utilize \$320,000 of this set-aside. \$20,000 will support the drinking water portion of the annual Water and Wastewater Residential Rate Survey. (See Professional Technical Assistance in Section 11 below) \$200,000 will be provided as planning and design assistance through a competitive process (see Planning and Design Technical Assistance Program in Section 11 below). An additional \$100,000 may also be used to provide technical, managerial and financial capacity development assistance.

**10% Set-aside**

State and Federal Statutes allow setting aside up to 10% of the Federal funds for the Public Water System Supervision activities. This set-aside requires an additional 1:1 match which will be provided by ADEQ Fees. ADEQ will use this funding for the PWSS Program, which encompasses all of the various activities involved in implementing the Safe Drinking Water Act requirements in Arizona. These activities include operator certification, source water assessment and protection, development of regulatory guidance and assistance documents, assisting systems in obtaining the technical, financial, and managerial capability to comply with drinking water regulations, and technical consultations on water system and treatment system design. ADEQ is requesting \$1,200,000.

The Sources and Uses Table (Section 10) provides approximately \$93M for new DW loans and WIFA is in discussions regarding other DW projects that should be added to the PPL list during the year.

#### **4% Set-aside**

State and Federal Statutes allow setting aside up to 4% of the Federal funds for the administration of the DWSRF program. WIFA will utilize this set-aside to pay salaries and associated expenses of program's personnel devoting time to the administration of the funds as well as the necessary ancillary services performed by other agencies. These funds will also be used to procure equipment and training necessary for the adequate performance of staff. Expenses for DWSRF-related public meetings, workshops and conferences will also be paid for out of this set-aside. Funds not used immediately will be reserved for use in future years. As evidenced in the Sources and Uses Table, WIFA will provide additional program administration support through use of WIFA Fees.

#### **2% Set-aside**

State and Federal Statutes allow setting aside 2% of the Federal funds to provide local assistance to water systems in Arizona. The 2% set-aside in the amount of \$300,000 will be used by ADEQ's Capacity Development Program (see Staff Technical Assistance in Section 11 below).

#### **ADEQ Drinking Water Program**

The Drinking Water program is federally mandated to ensure safe drinking water supplies for the public. Staff reviews water system construction plans, conducts compliance inspections on drinking water systems, reviews water quality monitoring data, initiates enforcement actions in response to continued or significant noncompliance, and conducts outreach to educate stakeholders on regulatory requirements. The program also evaluates source waters to ascertain their susceptibility to contamination, promotes voluntary community programs aimed at protecting aquifers for drinking water use, and administers the monitoring assistance program to assist public water systems in complying with monitoring requirements under the federal Safe Drinking Water Act. This effort has been funded through WIFA Revenues in the past, but no funds have been requested for FFY 2015.

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

WIFA provides low interest loans for projects eligible under the Safe Drinking Water Act. Eligible projects include treatment, transmission and distribution, source, storage, consolidation and creation of new systems. Projects to acquire land or to refinance debt obligations of publicly-owned systems may also be eligible.

- Subject to the limitation that loan terms are not to exceed the useful life of the project, all loans for the financing of projects will be for a term not to exceed 20 years from loan closing date;

except that under certain conditions (including loans to disadvantaged communities) project financing may be made for a period of up to 30 years.

- WIFA may provide additional subsidization to projects for communities who cannot otherwise afford the projects. The minimum additional subsidy required to be distributed under the FFY 2015 Capitalization Grant is \$3,193,800.

WIFA also provides three types of Technical Assistance:

- **Staff Technical Assistance** - ADEQ's Capacity Development Unit assists small drinking water systems, serving 10,000 or fewer people, to improve their day-to-day operation. For more information contact ADEQ's Drinking Water Division Director.
- **Professional Technical Assistance** – Professional Technical Assistance includes studies, surveys and other types of reports that provide benefit to a range of drinking water systems statewide. WIFA will complete the drinking water portion of the Water and Wastewater Residential Rate Survey with these funds. 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. Additional funds may also be used to provide technical, managerial and financial capacity development assistance.
- **Planning and Design Technical Assistance Program** – The purpose of WIFA’s Planning and Design Technical Assistance Program is to help prepare systems for construction of capital improvement projects. Typically, awards are made to facilities with limited resources that need assistance in completing the planning and/or design phase of an infrastructure project. The request for applications establishes the scoring criteria on which the applications are evaluated. Awards are capped at \$35,000 per project.

**Financial Terms of Loans**

- 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 initial principal advance, whichever is earlier.
- Loan disbursements are to be made on a cost reimbursement basis.
- 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.
- A minimum of 20% of the FFY 2015 Capitalization Grant funds will be provided as forgivable principal.
- All contracts for construction financial assistance will require the borrower to comply with the Davis-Bacon Act regardless of the source of funding if required as part of the FFY 2015 Capitalization Grant.
- All contracts for construction financial assistance will require the borrower to comply with the Use of American Iron and Steel as described in WIFA’s Capitalization Grant regardless of the source of funding if required as part of the FFY 2015 Capitalization Grant.
- 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.

**Combined Interest and Fee Rate (CIFR) for 20 Year Loans**

Financial Structure	CIFR
Governmental	Municipal Market Data Index (MMD) multiplied by the Subsidy
Non-Governmental	Prime Rate plus 200 basis points multiplied by the Subsidy

**Section 12: State Match Sources**

As demonstrated in the Sources and Uses Table, WIFA revenues will provide match for the FFY 2015 Capitalization Grant.

**Section 13: Identification of Overmatch**

Through April 2015, WIFA has overmatched the federal grants when viewed in a cumulative perspective by \$11,836,417 (through June 30, the overmatch was \$12,848,619).

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

With the overmatch, WIFA will draw 100% federal funds until the overmatch is depleted. Once the overmatch is depleted WIFA will draw the state match equivalency 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.

**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)**

For 20 year term loans, the WIFA Board of Directors has established a target CIFR ranging between 70% and 95% of the tax-exempt AAA MMD Rate for governmental entities and the Prime Rate plus 200 basis points for non-governmental entities. CIFR/subsidies on individual loans will be set pursuant to the criteria below:

- Total Priority Value Points;
- Local fiscal capacity of the area served by the system requesting assistance; and,
- Lending capacity of Arizona’s DWSRF.

**Section 19: Fees Charged if Applicable and Uses of Fees**

Section 11 describes how fees are charged. The Sources and Uses table demonstrates how fees will be used for SFY 2016, providing match to the federal grant, administration of the SRF, and providing support to ADEQ’s Drinking Water Program.



**Section 20: Overview of Program Financial Status and Management**

The Federal Capitalization Grant for FFY 2015 will be \$15,969,000. See Table below.

<b>AZ DWSRF Capitalization Grants</b>		
	<b>Document</b>	<b>Total Amount</b>
1	FS99989498	\$16,938,300.00
2	FS99990299	\$14,863,800.00
3	FS99990200	\$7,905,300.00
4	FS99990201	\$7,937,900.00
5	FS99990202	\$9,126,300.00
6	FS99990203	\$9,071,400.00
7	FS99990204	\$9,345,300.00
8	FS99990205	\$9,455,400.00
9	FS99990206	\$23,350,750.00
10	FS99990207	\$23,358,750.00
11	FS99990208	\$23,118,000.00
12	FS99990209	\$23,118,000.00
13	2F00T05809	\$55,340,000.00
14	FS99990210	\$27,259,000.00
15	FS99990211	\$18,614,000.00
16	FS99990212	\$18,026,000.00
17	Supplement	\$301,000.00
18	FS99990213	\$16,913,000.00
19	FS99990214	\$15,969,000.00
20	FS99990215	\$15,969,000.00
	<b>Total</b>	<b>\$330,011,200.00</b>

The Arizona DWSRF program supports the EPA Strategic Plan Goal 2 (Clean and Safe Water), Objective 1 (Protect Human Health), Sub-objective 1 (Water Safe to Drink) listed below. Specifically, Arizona established and is managing the revolving loan fund to make low cost loans and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with Safe Drinking Water Act requirements. Arizona DWSRF activities support USEPA Program Reporting Measure SDW-04 Fund Utilization and SDW-05 DWSRF projects that have initiated operations.

All planned and prior year loans have assisted public water systems in meeting the federal and state drinking water compliance requirements. Details of Arizona’s DWSRF activities supporting EPA’s Strategic Plan will be included in the DWSRF Annual Report as well as in the Drinking Water National Information Management System (DW NIMS), Drinking Water Project Benefit Reporting System (PBR); and the Federal Funding Accountability and Transparency Act (FFATA) Reporting System.

Measure	Measure Text	National Planning Target	Region 9 Commitment	Arizona Target
SDW-04	Fund utilization rate [cumulative dollar amount of loan agreements divided by cumulative funds available for projects] for the DWSRF	89%	90%	100%
SDW-05	Number of DWSRF projects that have initiated operations (cumulative)	8,900*	519*	170

\* DATA from Office of Water: FY 2014 National Water Program Guidance, at the following link:  
[http://water.epa.gov/resource\\_performance/planning/upload/FY-2014-NWPG-Appendix-A-06-11-2013-V3.pdf](http://water.epa.gov/resource_performance/planning/upload/FY-2014-NWPG-Appendix-A-06-11-2013-V3.pdf)

### 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 of Directors at each Board meeting defining WIFA's current cash position and lending capacity. As a result of slow loan demand and prepayments, it appears that WIFA's next Bond Issue won't be needed until late in the year or early next year.

### Section 22: Binding Commitment Schedule

When the WIFA Board of Directors 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 DW PPL, WIFA expects to enter into binding commitments at 92% (dollars on PPL vs. the federal cap grant). WIFA is currently in discussions with borrowers on potential projects that will likely be added to the FY2016 PPL. WIFA's process is to accept PPL applications throughout the fiscal year as opposed to locking the PPL at the beginning of the year.

### Section 23: Grant Payment Schedule

WIFA will receive all payments in the first quarter available.

**Sections 24-33:** These Sections are for CWSRF, not applicable to DWSRF.

**Section 34-43: Fundable List**

Arizona combines the Fundable and Comprehensive lists into one list. WIFA applies all crosscutters to all projects with the exception of FFATA. FFATA is treated on an equivalency basis (see yellow highlight below). It is unknown at this time which projects will be awarded forgivable principal.

**Arizona’s Drinking Water Revolving Fund Project Priority List – 2016 Funding Cycle**

<b>PPL Rank</b>	<b>Applicant</b>	<b>Population</b>	<b>County</b>	<b>PWS Number</b>	<b>Project Name</b>	<b>Description</b>	<b>Project Number</b>	<b>Amount Requested / Probable Green Amount</b>	<b>Subsidy</b>
1	*Monte Vista Water Company	85	Cochise	AZ0402043	Arsenic Removal System and Well Site Improvements	Monte Vista Water Co. is out of compliance with the arsenic MCL and has a leaking hydropneumatic tank that has been in service for over 20 years. The Company intends to install an arsenic removal system and replace the tank with a VFD-controlled well pump, flow meter, and an 85-gal pressure tank for surge control.	008 2015	\$60,000.00	75%
2	*Harrisburg Utility Company, Inc	959	La Paz	AZ0415029	Water Storage Tank Replacement	Fix-it-first: Utility was cited by ADEQ for damage to storage tank #2 resulting in leakage. An inspection determined that due to corrosion the tank was beyond repair and taken out of service. Utility is requesting funding for a replacement tank.	007 2015	\$115,000.00	80%

3	Lake Verde Water Company Inc.	68	Yavapai	AZ0413038	Arsenic Treatment and Storage Tank Repair	Fix-it-first: The system is in exceedance of the MCL for arsenic. The sole storage tank is also out of service. The company will install an arsenic treatment system and repair the storage tank.	030 2015	\$500,000.00	80%
4	*Sun Leisure Utility Company	100	Yuma	AZ0414075	Uranium Treatment and Well Pump Replacement	System is under a consent order from ADEQ to resolve uranium exceedances. Sun Leisure will install a filtration system and modify their well to replace well pump from 100 GPM to 30 GPM pump, replace pump motor from 7.5 HP to 2 HP motor controlled with a VFD.	021 2015	\$50,000.00	80%
5	*Cibola Mutual Water Co. Inc.	70	La Paz	AZ0415123	TTHM Removal System	Cibola Mutual Water Company is not compliant with ADEQ requirement for TTHM levels. Cibola intends to purchase a GridBee TTHM Removal System.	001 2015	\$87,051.00	80%
6	Tierra Buena Water Company Inc.	320	Maricopa	AZ0407073	Arsenic Remediation	The Company's single source production well has exceeded the MCL for arsenic. With the assistance of a WIFA Grant, the Company has completed the design stage for a treatment plant and is now ready to proceed with the construction phase. The Company is currently in compliance, however, will be in non compliance at the end of the Q4, 2014.	003 2016	\$899,506.00	85%

7	Truxton Canyon Water Company	2,202	Mohave	AZ0408035	Arsenic Treatment	Fix-it-first: The Company will construct an arsenic treatment plant.	004 2016	\$259,800.00	85%
8	*Clarkdale, Town of	4,097	Yavapai	13024	Upper Town Water Main Replacement/Refinance Project	Fix-it-first: The water distribution system serving Upper Town in Clarkdale consists of 90+ year old steel pipe ranging in size from 4" to 6". The age and condition of the existing steel piping contributes to numerous leak repairs, operational issues, and additional maintenance responsibilities. The installation of new C-900 water mains and isolation valves will improve water quality, conserve water, reduce operational costs, reduce service outages due to leaks, reduce system flushing due to dirty water complaints, and improve system operations.	017 2016	\$8,795,000.00	80%
9	Christopher Creek Haven	225	Gila	AZ0404005	Storage Tank Replacement	Fix-it-first: The system's tanks are old and require many repairs. The system plans to replace two tanks.	015 2015	\$30,000.00	85%
10	*Montezuma Rimrock Water Company LLC	450	Yavapai	AZ0413071	Storage Tank Replacement	Fix-it-first: The two existing 10,000 gallon storage tanks leak profusely, have been repaired numerous times and are beyond repair. In order to meet customer demand, two 40,000 gallon storage tanks must be	006 2016	\$108,000.00	80%

						constructed.			
11	*Clarkdale, Town of	4,097	Yavapai	AZ0413024	Water System Security Improvements	Town has two potable water storage reservoirs which do not conform with Security Standards. At the 89A Reservoir: install 350 feet of security fencing. At the Haskell Springs Reservoir site: install 1400 feet of security fencing with an access gate and install security lighting, alarm systems and surveillance systems.	008 2016	\$68,000.00	80%
12	Clear Springs Utility Company	1,180	Cochise	AZ0402008,AZ 0402049	Capital Improvements (Storage, Electric and Waterline)	Fix-it-first: Water system needs to upgrade aging infrastructure and address inadequate storage. Project will install storage and upgrade electric at country wells 3 and 7; install 100,000 gallons of storage at well 16; refurbish well 16; refurbish existing 100,000 gallon storage tank and install back-up generator at well 18 site; replace existing aged water line that was installed in the 1960's; move water main to a public utility easement.	009 2015	\$426,249.00	85%

13	*Solitude Trails Domestic Water Improvement District	110	Gila	AZ0404233	Deep Well On-Site	DWID desires to develop a new high quality, reliable, sustainable water source located within in District boundaries at a site where no other shallow wells are located.	001 2016	\$510,000.00	80%
14	East Slope Water Company	3,430	Cochise	AZ0402094	System Improvements (Storage, Water Main and Booster Station Improvements)	Fix-it-first: East Slope Water company is an aging water system that has insufficient storage, frequent line breaks in the aging infrastructure as well as insufficient water supply due to shallow wells. The Company proposes to install water main and interconnect water lines in various locations throughout the water systems, install an emergency interconnect with the adjacent Pueblo del Sol Water Company, replace a storage tank, and upgrade a booster station and hydropneumatic tank.	009 2016	\$2,396,811.00	85%
15	*Appaloosa Water Company	630	Yavapai	AZ0413208	Backup Generator	Company proposes to increase its storage tank capacity and install a backup generator.	010 2016	\$41,000.00	80%
16	Golden Shores Water Company	3,100	Mohave	AZ0408024	Replacement of Well #2 and Abandonment of Two Inoperable Wells	Well #2 has failed and is deemed inoperable/unable to be repaired. A new well will be drilled on existing Well #2 site.	011 2016	\$416,550.35	85%

**Total:**

**\$14,762,967.35**

*\* Eligible for disadvantaged community designation*



**Section 44: IUP Includes Set-Asides Taken and Authority to be Banked if Applicable**

See Sources and Uses Table for Set-Aside budgeted for FFY 2015.

**Section 45: IUP Includes Uses of the Set-Aside Funds and Expected Timeline of Expenditure**

Section 10 describes the uses of the set-aside funds. ADEQ provides a timeline in a separate work plan for their portion.

**Section 46: IUP Includes Expected Outcomes of the Set-Aside Funds**

Provided by ADEQ under separate cover.