



NEWS RELEASE

WATER INFRASTRUCTURE FINANCE AUTHORITY

Arizona's water and wastewater funding source

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Arizona's Water Infrastructure Needs Total \$7.4 Billion

PHOENIX (June 7, 2013) – Imagine coming home after a long walk, turning on your faucet to grab a drink and finding that you don't have water. Turning on your tap and enjoying good quality drinking water is something many of us take for granted. We use it to bathe, to cook, to clean, to water our plants. Access to clean and safe drinking water is something everyone can agree is a priority.

A report released earlier this week by the U.S. Environmental Protection Agency (EPA) shows that Arizona will need \$7.44 billion in drinking water infrastructure improvements over the next 20 years.

Such a large number might make one wonder what is wrong with our water. But actually this is just the cost of maintaining what we already enjoy. Because the pipes that need repair are underground and treatment plants are hidden behind block walls, we typically don't think about what it costs until we see our water rates rising. Rate increases usually go hand in hand with the infrastructure improvements necessary to ensure a reliable water supply.

The *Drinking Water Infrastructure Needs Survey and Assessment* report identifies the investments needed in each state through 2030. Much of Arizona's infrastructure is over 30 years old, and investments in upgrading and repairing pipes and treatment plants, storage tanks and water distribution systems, are vital to public health and the economy. It's important that Arizona's infrastructure needs are evaluated and addressed so that Arizonans continue to enjoy the quality of life we're accustomed to.

Every four years, each state conducts a survey of drinking water providers to determine what infrastructure they will need over the next 20 years to continue to provide safe drinking water to their customers. The Water Infrastructure Authority (WIFA) of Arizona is responsible for collecting the information and submitting it to EPA. Consistent with all other participating states, Arizona gathered data from a statistical sampling of the state's approximately 800 water providers. These data were used to calculate the total needs for the state.

Arizona ranks 16th out of the 36 states that completed a full needs survey. Our neighbor to the west, California, reported nearly \$45 billion in needs, about six times greater than Arizona's. Indeed, California has a population that is about six times larger than ours. More people means more infrastructure and more money required to provide water.

The assessment shows that improvements are primarily needed in:

- Distribution and transmission (pipes): nearly \$5 billion to replace or refurbish aging or deteriorating water lines
- Treatment: approximately \$1.4 billion to construct, expand or rehabilitate infrastructure to reduce contamination
- Storage: \$684 million to construct, rehabilitate or cover finished water storage reservoirs

- Source: \$334 million to construct or rehabilitate intake structures, wells and spring collectors

This is consistent with the national outlook – distribution and transmission needs were the greatest and source needs were the lowest ranked nationally.

The national report helps determine the percentage of funding that the Water Infrastructure Finance Authority (WIFA) of Arizona will receive from EPA. In 2013, WIFA received \$18.3 million in federal funds for drinking water infrastructure. WIFA manages the State Revolving Funds for both drinking water and wastewater and is able to provide low cost financing and grants to ensure safe, reliable drinking water and proper wastewater treatment. The funds are sustained by the loan repayments that come back from WIFA's borrowers, along with bond proceeds and federal dollars. Over the last twenty years, Arizona has received \$500 million in federal funds, yet has invested over \$2 billion into drinking water and wastewater infrastructure for Arizona's communities.

In essence, Arizona's infrastructure dollars are recycled from community to community as loan repayments that come back to WIFA. It's a smart way for Arizona to provide a sustainable source of funding to keep our infrastructure in good condition and preserve the quality of life that we enjoy.

WIFA has more than \$100 million available for financing water infrastructure projects to ensure Arizonans have safe, reliable drinking water. Funding is directed to communities with the greatest need, whether those needs are financial or environmental.

For more information, please visit WIFA's website at www.azwifa.gov.

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