

# Drinking Water State Revolving Fund Eligibility Requirements

**WIFA Policy #: II.9**

**Purpose:**

*To provide guidance on determining eligibility for the Drinking Water State Revolving Fund*

**Policy:**

**Section 1: Types of Public Water Systems**

To be eligible for Drinking Water State Revolving Fund financial or technical assistance, a drinking water system must be a public water system as defined by the Safe Drinking Water Act and as determined by ADEQ. A public water system serves “at least 15 service connections or regularly serves at least 25 individuals.”

There are two types of public water systems: community and non-community. WIFA conforms to the determination made by ADEQ; the definitions are provided below for clarification.

A community water system serves water to a residential population and is defined as a public water system that:

- (A) serves at least 15 service connections used by year-round residents of the area served by the system; or
- (B) regularly serves at least 25 year-round residents.

A non-community water system serves water to a non-residential population and can be one of the following two types:

- (A) Non-transient non-community – serves at least 25 of the same people at least six months per year, but not year-round. Some examples are schools, office buildings, and hospitals which have their own water systems.
- (B) Transient non-community – serves the public, but not the same individuals for more than six months. Some examples are campgrounds and rest areas that have their own water systems.

Eligibility requirements differ for each type, and also depend upon whether the ownership of the system is governmental or non-governmental (private).

**Section 2: Eligibility Requirements**

*Governmental Requirements*

If the drinking water system is owned by a governmental unit (city, town, county, special district), it must be a *community water system* to be eligible for WIFA assistance. Non-community water systems owned by a governmental entity are not eligible, because the Safe Drinking Water Act establishes that only *non-profit* non-community water systems are eligible for Drinking Water State Revolving Funds. A governmental entity cannot qualify as a non-profit organization. (A non-profit organization must have tax-exempt status/federal tax-exempt ID number from the IRS.)

***Non-governmental Requirements***

If the drinking water system is owned by a private, non-governmental entity, the water system must be:

1. Regulated by the Arizona Corporation Commission (ACC); **and**
2. One of the following:
  - (a) A community water system; **or**
  - (b) A non-community water system owned by a non-profit organization.

In addition to the requirements above, all applicants must demonstrate legal capability, financial capability, technical capability and managerial capability as described in A.A.C. R18-15-104.

Applicants that do not meet eligibility requirements may apply for Planning and Design Technical Assistance if the funding will be used to achieve eligibility in one of the following ways: formation of a public water system, formation of a governmental unit, or conformance with ACC requirements.

**Responsibility:** Chief Financial Officer

**Statutory Reference:** A.R.S. Title 49, Chapter 8

**Rule Reference:** A.A.C. R18-15-104 and R18-15-301


**Original Issue Date:** April 20, 2011

**Previous Amendment Date(s):** June 15, 2011, August 19, 2015

**Most Recent Amendment Date:** October 6, 2017 (*Replaces All Previous Versions*)

**Approval:**

  
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**Executive Director**

  
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**Date**