



ARIZONA STATE SENATE
Fifty-Fifth Legislature, First Regular Session

FACT SHEET FOR H.B. 2388

water supply development fund; appropriation
(NOW: water supply development fund)

Purpose

Increases the maximum grant allocation from the Water Supply Development Revolving Fund and modifies qualifying factors for financial assistance for water supply projects.

Background

The Water Infrastructure Finance Authority of Arizona (WIFA) is statutorily established to provide financial assistance and loans for construction and improvement of wastewater treatment facilities, drinking water facilities and water reclamation systems. Among its statutory powers and duties, WIFA may issue water supply development bonds to water providers for water supply development projects and provide financial assistance to water providers from the Water Supply Development Revolving Fund to finance water supply development projects ([A.R.S. Title 49, Chapter 8](#)).

The Water Supply Development Revolving Fund was established by the Legislature in 2007 to provide financial assistance to water providers, particularly in rural areas, that lack access to sufficient water supplies to meet their long-term water demands for the purposes of constructing water supply projects and obtaining additional water supplies ([A.R.S. § 49-1271](#)). Monies in the Water Supply Development Revolving Fund may be used for loans or grants to water providers in Arizona for water supply development projects. Current statute prescribes a cap for a single grant for the planning or design of water supply development projects at \$100,000, and fund monies are limited to providing financial assistance to Indian tribes or water providers that meet one of the following criteria: 1) the county Board of Supervisors or the municipal governing body has adopted a requirement that a final plat for a subdivision located outside of an Active Management Area (AMA) may not be approved unless there is a determination for an adequate water supply or the subdivision has a written commitment of water service from a water provider designated as having an adequate water supply; 2) the water provider is located in an AMA; 3) the water provider is located outside of an AMA and has an adequate water supply designation; or 4) the water provider is located outside of an AMA and will use the financial assistance for a water supply development project that has an adequate water supply designation and for which a public report was issued after July 24, 2014 ([A.R.S. § 49-1273](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Increases, from \$100,000 to \$250,000, the maximum amount for a single grant to a water provider from the Water Supply Development Revolving Fund for the planning or design of water supply development projects.

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2. Adds, as an option to qualify for financial assistance from the Water Supply Development Revolving Fund, a water provider located in a county with a population of less than 1.5 million persons.
3. Modifies the definition of *water provider* to remove a municipal water delivery system which has entered into a partnership with a city, town or county for a water supply augmentation plan, and to include any of the following:
 - a) a public water system;
 - b) a county with a population of less than 1.5 million persons; and
 - c) a natural resource conservation district.
4. Modifies the definition of *water supply development* to:
 - a) include planning, designing and building facilities; and
 - b) add active or passive stormwater recharge structures that increase water supplies as qualifying purposes for planning, designing, building or developing the facilities.
5. Becomes effective on the general effective date.

House Action

NREW	2/2/21	DP	10-0-0-0
APPROP	3/9/21	W/D	
3 rd Read	3/11/21		60-0-0

Prepared by Senate Research

March 22, 2021

KN/gs