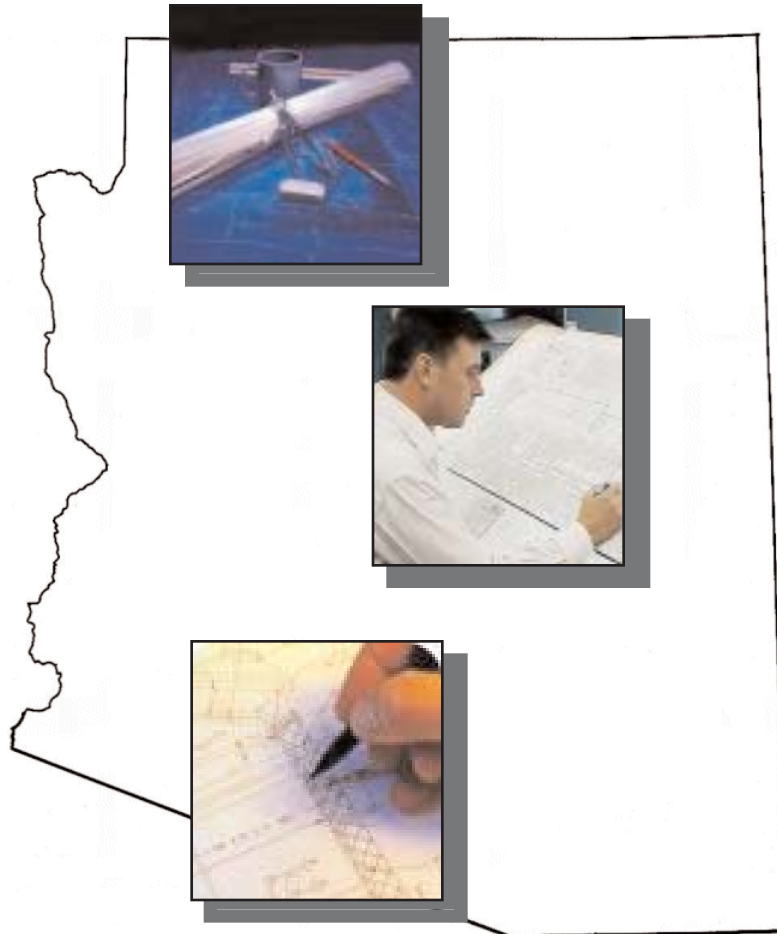


TECHNICAL ASSISTANCE INTENDED USE PLAN



Funding Cycle 2007



Water Infrastructure
Finance Authority of Arizona

October 18, 2006

Table of Contents

Intended Use Plan

Section 1: Introduction

Section 2: Funding Sources and Uses

Section 3: Project Technical Assistance Awards

Section 4: Policy Technical Assistance

Exhibit A: Priority List for Clean Water Project Technical Assistance

Exhibit B: Fundable Range for Clean Water Project Technical Assistance

Exhibit C: Priority List for Drinking Water Project Technical Assistance

Exhibit D: Fundable Range for Drinking Water Project Technical Assistance

Exhibit E: Public Review and Comment

Section 1: Introduction

The Water Infrastructure Finance Authority of Arizona (WIFA) is pleased to present the Technical Assistance (TA) Intended Use Plan (IUP) for Funding Cycle 2007. The TA IUP describes WIFA's plan to utilize various sources of funds to support three types of technical assistance during Technical Assistance Funding Cycle 2007:

- Project Technical Assistance – WIFA will assist an individual drinking water or wastewater system to conceive, plan, design, and develop infrastructure.
- Policy Technical Assistance – WIFA will develop and distribute guidance or perform related activities to benefit a wide range of drinking water and wastewater systems
- Operational Technical Assistance – The Arizona Department of Environmental Quality will assist individual drinking water and wastewater systems to improve day-to-day operations.

Section 2: Funding Sources & Uses

WIFA intends to allocate \$822,081 to technical assistance during Technical Assistance Funding Cycle 2007. As shown in Table 1 below, WIFA intends to allocate \$434,325 for drinking water technical assistance and \$387,756 for clean water technical assistance.

Table 1: Funding Sources and Uses

	Clean Water Assistance	Drinking Water Assistance	Total
Funding Sources			
Capacity Development		\$434,325	\$434,325
Fees	\$387,756		\$387,756
Total Sources	\$387,756	\$434,325	\$822,081
Funding Uses			
Project Technical Assistance	\$302,756	\$349,325	\$652,081
Policy Technical Assistance	\$10,000	\$10,000	\$20,000
Operational Technical Assistance	\$75,000	\$75,000	\$150,000
Total Uses	\$387,756	\$434,325	\$822,081

WIFA will award **Project Technical Assistance** to individual drinking water and wastewater systems in accordance with criteria summarized in Section 3. During Funding Cycle 2007, WIFA intends to support a variety of **Policy Technical Assistance** studies, surveys, and related activities for the benefit of a wide range of water and wastewater systems as summarized in Section 4.

The Arizona Department of Environmental Quality will use funds to provide **Operational Technical Assistance** to drinking water and wastewater systems. In addition, ADEQ will fund a Border Infrastructure Engineer with some Operational Technical Assistance funds. The Border Infrastructure Engineer will be available to provide value engineering services to WIFA projects as well as provide Arizona border communities with technical assistance and support to address water and wastewater infrastructure deficiencies. If the funding is not used for Operational Technical

Assistance during the Funding Cycle, WIFA will reallocate the funding to Project or Policy Technical Assistance.

Section 3: Project Technical Assistance Awards

Eligible Systems

WIFA solicits Project Technical Assistance applications from Arizona's political subdivisions, public water systems and Indian communities as designated by the federal Clean Water and Drinking Water Acts. In accordance with criteria developed by stakeholders, WIFA awards Project Technical Assistance to individual drinking water and wastewater systems in accordance with the priority lists and fundable ranges described in this section and in the exhibits.

Project Technical Assistance Priority Scoring Criteria

WIFA ranks requests on the priority lists by priority score using the following formula:

$$\text{Priority Score} = \text{Existing Conditions} + \text{Project Benefits} + \text{Local Fiscal Capacity.}$$

Section 4: Policy Technical Assistance

During Funding Cycle 2007, WIFA intends to dedicate \$20,000 to fund the Policy Technical Assistance summarized below. Throughout the Funding Cycle and as circumstances require, WIFA may fund other Policy Technical Assistance projects or postpone action on the items summarized below. The Board will act to add or postpone Policy Technical Assistance at a Public Meeting of the Board.

□ 2006 Water & Wastewater Residential Rate Survey

WIFA will use an outside contractor to help complete a significant update to our annual Water and Wastewater Residential Rate Survey. Year after year, this information proves invaluable to municipal water and wastewater and private water systems as they evaluate the need for increased investment in infrastructure and the need to adjust or modify their user rates. This will be the third update to the Survey.

**Priority Lists for
Clean Water Technical Assistance
2007 Funding Cycle**

Exhibit A
2007 Funding Cycle -- Priority List for Clean Water Project Technical Assistance
October 18, 2006

WIFA generates the Priority List to compare and prioritize applicant requests for assistance based on priority criteria approved by WIFA's Board of Directors. To determine if an applicant will receive an award from WIFA, see Exhibit B.

Priority List					Total Estimated Costs	Pre-Design or Design
Rank	Applicant	Project Title	Project #	Year		
1	City of Bullhead City	Section 18 WWTP Expansion	010	2007	\$425,000	P
2	City of Kingman	Hilltop WWTP Upgrade and Expansion	004	2007	\$123,600	P
3	Concho Water and Sewer Improvement District	Feasibility Study and District Formation	009	2007	\$44,000	P
4	Mayer DWID	Sewer System Installation	008	2007	\$85,000	P
5	City of San Luis	Feasibility Study for Regional Sludge Bio-Generation Facility	014	2007	\$45,000	P
6	City of Holbrook	Pre-Design for Hill Sewer Interceptor	011	2007	\$37,424	P
7	Town of Winkelman	WWTP System Evaluation	018	2007	\$45,000	P
8	Ehrenberg Improvement Association	Feasibility Study and District Formation	019	2007	\$60,000	P
9	Fort Mojave Tribal Utilities Authority	Feasibility Study/208 Plan Update	016	2007	\$70,000	P
10	City of Somerton	Feasibility Study for Regional Sludge Bio-Generation Facility	003	2007	\$45,000	P
11	Town of Pima	Sewer Feasibility Study	020	2007	\$43,500	P
12	Town of Chino Valley	Wastewater System Master Plan	017	2007	\$75,000	P
13	Queen Valley Sanitary District	Sanitary Expansion Plan	013	2007	\$70,000	P
14	Town of Mammoth	Wastewater Headworks Improvements	006	2007	\$43,750	D
15	Town of Cave Creek	Wastewater Treatment Plant Design	002	2007	\$1,535,000	D
16	Town of Oro Valley	Reclaimed Water System Phase 2	007	2007	\$441,050	D
17	Town of Camp Verde	Wastewater System Master Plan	012	2007	\$105,000	P
18	Town of Cave Creek	New Collection System Design	001	2007	\$1,035,000	D
19	Delta City Improvement District	Wastewater Connection for Subdivision	005	2007	\$35,000	P
20	Town of Parker	Parker Annex Wastewater System	015	2007	\$85,000	P

Exhibit B
2007 Funding Cycle -- Fundable Range for Clean Water Project Technical Assistance
October 18, 2006

WIFA generates and periodically updates the Fundable Range from the Priority List -- See Exhibit A. The Fundable Range can change based on local readiness and willingness to proceed. Projects not appearing in the Fundable Range qualify for WIFA Loans.

To ensure commitment to a successful project, WIFA requires local match towards the total estimated project costs. Such local match can take the form of a short-term, low-interest rate loan from WIFA as part of a total package of assistance.

Fundable Range Rank	Applicant	Project #	Total Estimated Costs	Maximum WIFA Grant	Local Match or WIFA Loan
1	City of Bullhead City	010 2007	\$425,000	\$35,000	\$390,000
2	City of Kingman	004 2007	\$123,600	\$30,900	\$92,700
3	Mayer DWID	008 2007	\$85,000	\$35,000	\$50,000
4	City of Holbrook	011 2007	\$37,424	\$9,356	\$28,068
5	City of San Luis	014 2007	\$45,000	\$35,000	\$10,000
6	Fort Mojave Tribal Utilities Authority	016 2007	\$70,000	\$17,500	\$52,500
7	Town of Chino Valley	017 2007	\$75,000	\$35,000	\$40,000
8	Queen Valley Sanitary District	013 2007	\$70,000	\$35,000	\$35,000
9	Town of Oro Valley	007 2007	\$441,050	\$35,000	\$406,050
10	Town of Camp Verde	012 2007	\$105,000	\$35,000	\$70,000

**Priority Lists for
Drinking Water Technical Assistance
2007 Funding Cycle**

Exhibit C
2007 Funding Cycle -- Priority List for Drinking Water Project Technical Assistance
October 18, 2006

WIFA generates the Priority List to compare and prioritize applicant requests for assistance based on priority criteria approved by WIFA's Board of Directors. To determine if an applicant will receive an award from WIFA, see Exhibit D.

Priority List Rank	Applicant	Project Title	Project #	Estimated Costs	% Local Match	Pre-Design or Design
1	Park Water Company	Water System Master Plan	018 2007	\$20,000	25%	P
2	Picacho Water Improvement Corporation	System Assessment / Capital Improvement Plan	014 2007	\$47,000	25%	P
3	Diamond Valley Water Users Corp.	Well and Distribution System Rehabilitation Project	003 2007	\$70,000	50%	P
4	Gila County	Blue Ridge Drinking Water Source Financial Feasibility Study	001 2007	\$35,000	50%	P
5	Concho Water and Sewer Improvement District	Water and Sewer Improvement Project	013 2007	\$44,000	50%	P
6	Havasu Heights DWID	Hydrogeologic and System Evaluation	015 2007	\$45,000	50%	P
7	Livco Water Co.	Water System Evaluation	017 2007	\$30,000	50%	P
8	Ponderosa Park DWID	GIS mapping & Hydrological Model - Add new well	008 2007	\$13,000	25%	P
9	Valle Escondido DWID	Well and Distribution System Upgrades	016 2007	\$40,000	25%	P
10	Flowing Wells Irrigation District	Arsenic Removal Pilot Study	005 2007	\$65,000	75%	P
11	Town of Mammoth	Water System Replacement and Upgrade	009 2007	\$43,750	50%	P
12	Antelope Peak Domestic Water Improvemnt District	Well and Distribution System Upgrades	004 2007	\$42,000	25%	D
13	Highland Pines DWID	Storage Tank and Main Replacement Engineering	011 2007	\$50,000	75%	P
14	Grand Canyon Caverns and Inn, LLC	Arsenic Remediation Project	006 2007	\$75,000	25%	D
15	East Slope Water Co.	Water System upgrades	020 2007	\$70,000	50%	D
16	Town of Chino Valley	Paulden New Water Production and Importation Facility	019 2007	\$125,000	25%	D
17	Chandler Heights Citrus Irrigation District	Drinking Water Master Plan	012 2007	\$70,000	100%	P
18	Green Valley DWID	Expansion of Master Plan and Capital Requirements	010 2007	\$74,800	75%	P
19	Delta City Improvement District	Drinking Water Connection to Subdivison	007 2007	\$35,000	100%	D
20	Sunsites-Pearce Fire District	Richland Station Well (Dry) - Drilling	002 2007	\$35,000	75%	D

Exhibit D
2007 Funding Cycle -- Fundable Range for Drinking Water Project Technical Assistance
October 18, 2006

WIFA generates and periodically updates the Fundable Range from the Priority List -- See Exhibit C. The Fundable Range can change based on local readiness and willingness to proceed. Projects not appearing in the Fundable Range qualify for WIFA Loans.

To ensure commitment to a successful project, WIFA requires local match towards the total estimated project costs. Such local match can take the form of a short-term, low-interest rate loan from WIFA as part of a total package of assistance.

Fundable Range Rank	PWS #	Applicant	Project #	Estimated Total Costs	Maximum WIFA Grant	Local Match or WIFA Loan
1	11042	Park Water Company	018 2007	\$20,000	\$15,000	\$5,000
2	04037	Picacho Water Improvement Corporation	014 2007	\$47,000	\$35,000	\$12,000
3	11407	Diamond Valley Water Users Corp.	003 2007	\$70,000	\$35,000	\$35,000
4	04037	Gila County	001 2007	\$35,000	\$26,250	\$8,750
5	08026	Havasu Heights DWID	015 2007	\$45,000	\$22,500	\$22,500
6	13044	Ponderosa Park DWID	008 2007	\$13,000	\$9,750	\$3,250
7	11087	Valle Escondido DWID	016 2007	\$40,000	\$35,000	\$5,000
8	10051	Flowing Wells Irrigation District	005 2007	\$65,000	\$16,250	\$48,750
9	11018	Town of Mammoth	009 2007	\$43,750	\$21,875	\$21,875
10	11712	Antelope Peak Domestic Water Improvemnt District	004 2007	\$42,000	\$31,500	\$10,500
11	13034	Highland Pines DWID	011 2007	\$50,000	\$12,500	\$37,500
12	NA	Grand Canyon Caverns and Inn, LLC	006 2007	\$75,000	\$35,000	\$40,000
13	02028	East Slope Water Co.	020 2007	\$70,000	\$35,000	\$35,000
14	10157	Green Valley DWID	010 2007	\$74,800	\$18,700	\$56,100

Exhibit D
2007 Funding Cycle – Public Review and Comment
October 18, 2006

Public comment will be conducted from Friday, July 1 thru Friday, May 26 at 5 pm. The public review and written comment period will be advertised May 19, 22 and 23 in Arizona's three major newspapers.

A public hearing will be conducted in Phoenix on Wednesday, May 25, 2006 at the Arizona Department of Environmental Quality, 1110 W. Washington Street, Room 145, Phoenix, AZ 85007 from 1:00 p.m. to 2:00 p.m.

The WIFA Board of Directors will adopt the final TA IUP and PLs on June 21, 2005 at WIFA's bi-monthly board meeting. The IUP and PLs will become effective on July 1, 2006.

Public comment should be directed to the Communications Director, Tiffany N. Troidl, who may be reached by phone: (602) 364-1314 or e-mail: ttroidl@azwifa.gov.