

State of Arizona  
House of Representatives  
Fifty-third Legislature  
First Regular Session  
2017

Senate Engrossed House Bill  
**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

CHAPTER 213  
**HOUSE BILL 2094**

AN ACT

AMENDING SECTION 49-355, ARIZONA REVISED STATUTES; RELATING TO SMALL WATER SYSTEMS FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 49-355, Arizona Revised Statutes, is amended to  
3 read:

4 49-355. Small drinking water systems fund; grants; definition

5 A. The small DRINKING water systems fund is established in the  
6 ~~department of environmental quality. On designation of the director of~~  
7 ~~environmental quality, the fund may be administered by the water~~  
8 infrastructure finance authority of Arizona. The fund consists of monies  
9 appropriated by the legislature. Monies in the fund are exempt from  
10 lapsing under section 35-190. Interest earned on monies in the fund shall  
11 be credited to the fund.

12 B. Monies from the small DRINKING water systems fund shall be used  
13 to provide GRANTS, INCLUDING emergency grants, to interim operators, ~~or~~  
14 ~~interim managers OR OWNERS of small DRINKING water systems that are~~  
15 ~~appointed by the Arizona corporation commission to repair, or replace OR~~  
16 UPGRADE water infrastructure AS REQUIRED FOR COMPLIANCE WITH TITLE 40,  
17 CHAPTER 2, THIS CHAPTER OR ANY RULE ADOPTED UNDER TITLE 40, CHAPTER 2 OR  
18 THIS CHAPTER.

19 C. On recommendation of THE DEPARTMENT IN CONSULTATION WITH the  
20 ~~Arizona~~ corporation commission, the water infrastructure finance authority  
21 of Arizona may approve a grant from the fund to an interim operator, ~~or~~ an  
22 interim manager OR AN OWNER of a small DRINKING water system pursuant to  
23 this section only if the INTERIM operator, ~~or~~ THE INTERIM manager OR THE  
24 OWNER demonstrates that it requires ~~immediate~~ financial assistance to  
25 replace, make repairs to, ~~or to~~ rehabilitate OR UPGRADE the ~~public~~  
26 DRINKING water system infrastructure ~~that is operated by the interim~~  
27 ~~operator or manager~~ in order to correct or avoid an interruption in water  
28 service OR TO COMPLY WITH TITLE 40, CHAPTER 2, THIS CHAPTER OR ANY RULE  
29 ADOPTED UNDER TITLE 40, CHAPTER 2 OR THIS CHAPTER. THE DEPARTMENT SHALL  
30 INCLUDE IN ITS RECOMMENDATION TO THE WATER INFRASTRUCTURE FINANCE  
31 AUTHORITY OF ARIZONA A WRITTEN STATEMENT THAT IS SIGNED BY THE DIRECTOR  
32 AND THAT INCLUDES A DETAILED ASSESSMENT OF THE DIRECT PUBLIC BENEFIT OF  
33 THE GRANT, A CERTIFICATION THAT DISBURSEMENT OF MONIES IS IN THE BEST  
34 INTERESTS OF THIS STATE AND, IF APPLICABLE, A DETERMINATION THAT THE GRANT  
35 IS IN RESPONSE TO AN EMERGENCY.

36 D. BEFORE DISBURSING MONIES TO AN AUTHORIZED RECIPIENT PURSUANT TO  
37 THIS SECTION, THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA SHALL  
38 ENTER INTO A WRITTEN GRANT AGREEMENT WITH THE RECIPIENT. THE TERMS OF THE  
39 AGREEMENT SHALL INCLUDE AT LEAST THE FOLLOWING:

40 1. PERFORMANCE TARGETS AND TARGET DATES FOR MATTERS ASSOCIATED WITH  
41 THE GRANT AS DETERMINED BY THE DEPARTMENT.

42 2. TERMS FOR PAYMENT OF MONIES TO THE RECIPIENT AND REPAYMENT TO  
43 THIS STATE AS PRESCRIBED BY SUBSECTION F OF THIS SECTION.

1 E. THE WRITTEN GRANT AGREEMENT MAY REQUIRE THAT A REASONABLE  
2 PERCENTAGE OF THE TOTAL AMOUNT OF THE GRANT BE WITHHELD UNTIL THE  
3 RECIPIENT MEETS SPECIFIED PERFORMANCE TARGETS.

4 F. THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA MAY  
5 REQUIRE REPAYMENT TO THIS STATE OF A PORTION OR ALL OF THE GRANT MONIES  
6 WITH INTEREST AT AN AGREED RATE AND ON AGREED TERMS. THE REPAYMENT MAY BE  
7 REQUIRED IF EITHER OF THE FOLLOWING APPLIES:

8 1. THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA IN  
9 COORDINATION WITH THE DEPARTMENT FINDS THAT THE GRANT RECIPIENT HAS NOT  
10 MET PERFORMANCE TARGETS SPECIFIED IN THE WRITTEN GRANT AGREEMENT ON OR  
11 BEFORE THE DATES SPECIFIED IN THE AGREEMENT.

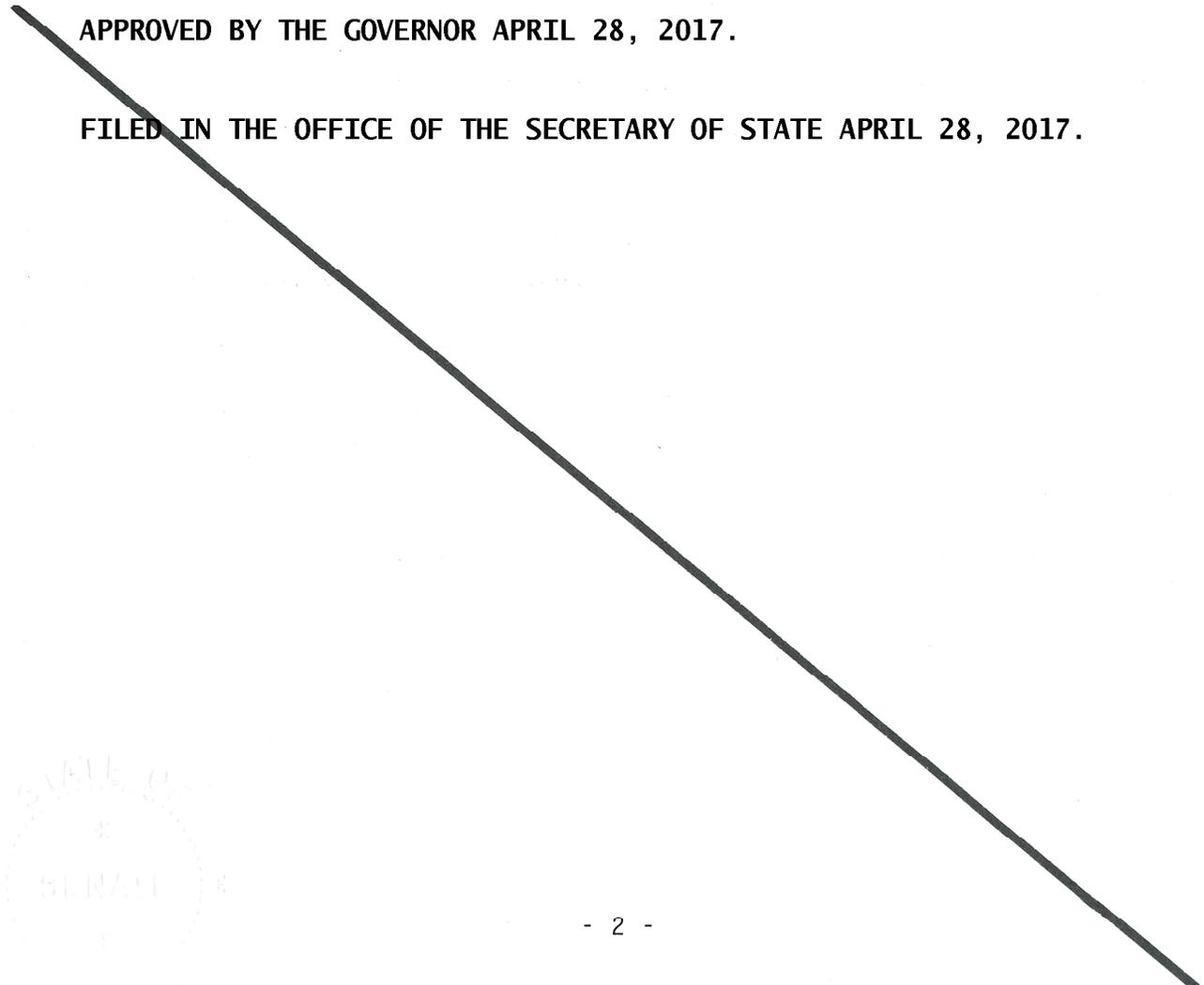
12 2. THE WRITTEN GRANT AGREEMENT PRESCRIBES THE REPAYMENT.

13 G. EMERGENCY GRANTS MADE PURSUANT TO THIS SECTION ARE EXEMPT FROM  
14 TITLE 41, CHAPTER 23.

15 ~~D.~~ H. For the purposes of this section, "small DRINKING water  
16 system" means a public water system AS PRESCRIBED IN SECTION 49-352 that  
17 serves ~~five hundred~~ TEN THOUSAND or fewer ~~connections~~ PERSONS.

**APPROVED BY THE GOVERNOR APRIL 28, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 28, 2017.**



Passed the House February 13, 2017

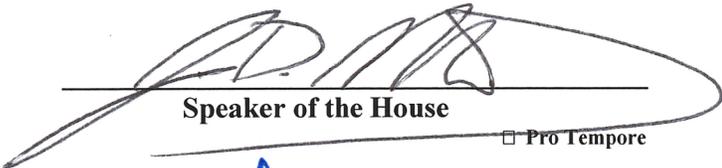
Passed the Senate April 4, 2017

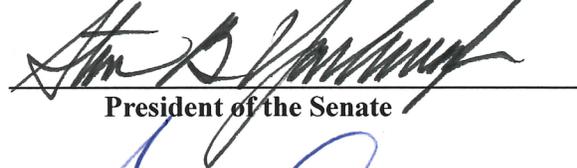
by the following vote: 35 Ayes,

by the following vote: 29 Ayes,

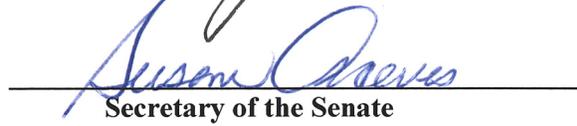
24 Nays, 1 Not Voting

0 Nays, 1 Not Voting

  
\_\_\_\_\_  
Speaker of the House

  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Chief Clerk of the House

  
\_\_\_\_\_  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

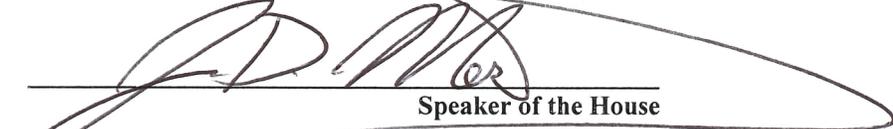
H.B. 2094

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

April 24, 20 17,

by the following vote: 51 Ayes,

0 Nays, 8 Not Voting 1. Vacant

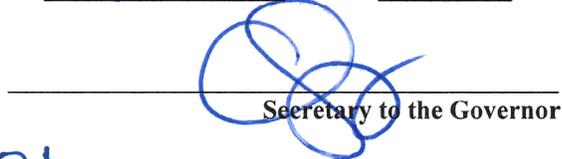
  
\_\_\_\_\_  
Speaker of the House  
Jim Drake  
\_\_\_\_\_  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24<sup>th</sup> day of April, 20 17,

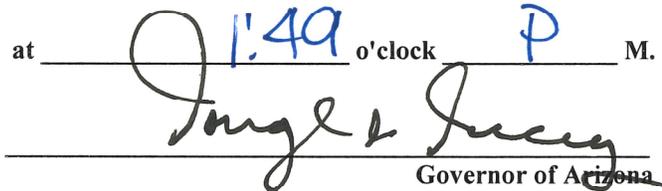
at 2:03 o'clock P. M.

  
\_\_\_\_\_  
Secretary to the Governor

Approved this 28<sup>th</sup> day of

April, 20 17,

at 1:49 o'clock P. M.

  
\_\_\_\_\_  
Governor of Arizona

H.B. 2094

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 28 day of April, 20 17,

at 4:43 o'clock P. M.

  
\_\_\_\_\_  
Secretary of State