

county water augmentation authorities; bond

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# **CHAPTER 42**

## **HOUSE BILL 2098**

AN ACT

AMENDING SECTIONS 45-1901, 45-1973 AND 45-1976, ARIZONA REVISED STATUTES; REPEALING SECTION 45-1991, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 11, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 45-1991; AMENDING SECTIONS 45-1993, 45-1994 AND 45-1996, ARIZONA REVISED STATUTES; REPEALING SECTION 45-1997, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 11, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 45-1997; AMENDING TITLE 45, CHAPTER 11, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-2000; RELATING TO THE COUNTY WATER AUGMENTATION AUTHORITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 45-1901, Arizona Revised Statutes, is amended to  
3 read:

4 45-1901. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Active management area" means an active management area  
7 established under chapter 2 of this title.

8 2. "Authority" means a county water augmentation authority  
9 established under this chapter.

10 3. "Board" means the board of directors of the authority.

11 4. "County" means the county containing over fifty ~~per cent~~ PERCENT  
12 of the area of the authority.

13 5. "Operating unit" means a county, city, town, water company or  
14 political subdivision, this state, the United States, an Indian tribe or  
15 any other public or private entity with which an authority has a  
16 contractual relationship for the acquisition, delivery, exchange,  
17 treatment, storage or recharge of water.

18 6. "Project" means ~~a~~ ANY OF THE FOLLOWING:

19 (a) ANY facility necessary or convenient to obtain, divert,  
20 withdraw, transport, exchange, deliver, treat, CONSERVE, STORE or recharge  
21 water, including rights-of-way, CANALS, PIPELINES, PUMPING STATIONS,  
22 STORAGE PROJECTS, RECOVERY WELLS, DELIVERY AND RETENTION FACILITIES, WATER  
23 AND WASTEWATER TREATMENT PLANTS, real and personal property, interests in  
24 property and improvements to property that are necessary or appropriate to  
25 maintain and operate the facilities.

26 (b) THE ACQUISITION OF WATER AND RIGHTS TO WATER.

27 (c) A LOAN OF BOND PROCEEDS FROM AN AUTHORITY TO AN OPERATING UNIT  
28 TO ACQUIRE OR CONSTRUCT ANY FACILITY PRESCRIBED IN SUBDIVISION (a) OF THIS  
29 PARAGRAPH.

30 7. "Water company" means either a private water company as defined  
31 in section 45-402 or an irrigation district that primarily serves  
32 municipal water.

33 Sec. 2. Section 45-1973, Arizona Revised Statutes, is amended to  
34 read:

35 45-1973. Water supply fees

36 The authority may assess fees, including extraction fees,  
37 development impact fees, connection fees, user fees, replenishment fees  
38 and administrative fees, against any operating unit or other person with  
39 which the authority has a contractual responsibility to provide any  
40 service. The amount of the fee and the method of payment shall be  
41 determined pursuant to the agreement between the authority and the  
42 operating unit or person, based on the cost of the service the authority  
43 provides, including the cost of developing an equivalent water supply for  
44 an operating unit that has exchanged with the authority a water right or  
45 right to receive water for a water supply contract with the

1 authority. Any fee assessed under this section is not a rate or charge of  
2 the operating unit and is not subject to regulation by the ~~Arizona~~  
3 corporation commission. The secretary-treasurer of the authority shall  
4 deposit all monies received under this section in EITHER OF THE FOLLOWING:

- 5 1. The general fund of the authority.
- 6 2. IF THE MONIES ARE COLLECTED PURSUANT TO THE CONTRACTING AND  
7 BONDING POWERS OF THE AUTHORITY, THE BOND FUND OF THE AUTHORITY.

8 Sec. 3. Section 45-1976, Arizona Revised Statutes, is amended to  
9 read:

10 45-1976. Payment of interest; investment of bond fund monies

11 The secretary-treasurer of the authority shall:

12 1. Pay ~~matured~~ PRINCIPAL AND interest ~~coupons from~~ DUE ON bonds of  
13 the authority from the bond fund.

14 2. Invest monies in the bond fund, under THE direction of the  
15 board, ~~in bonds of the United States or this state that shall be kept in~~  
16 ~~the bond fund and that may be used to redeem bonds of the authority, on~~  
17 ~~the request of the holders, either by exchanging them for bonds of the~~  
18 ~~authority or by converting them into cash~~ AS PROVIDED IN TITLE 35,  
19 CHAPTER 2.

20 Sec. 4. Repeal

21 Section 45-1991, Arizona Revised Statutes, is repealed.

22 Sec. 5. Title 45, chapter 11, article 5, Arizona Revised Statutes,  
23 is amended by adding a new section 45-1991, to read:

24 45-1991. Authority to issue bonds

25 THE AUTHORITY, ACTING THROUGH THE BOARD, MAY ISSUE REVENUE BONDS IN  
26 A PRINCIPAL AMOUNT THAT THE AUTHORITY DETERMINES IS NECESSARY TO PROVIDE  
27 SUFFICIENT MONIES TO ACQUIRE OR CONSTRUCT PROJECTS PURSUANT TO THIS  
28 CHAPTER. THE AUTHORITY MAY ISSUE REVENUE BONDS IN CONJUNCTION WITH ANY  
29 OTHER OPTIONAL OR ALTERNATIVE PLANS PROVIDED IN THIS CHAPTER.

30 Sec. 6. Section 45-1993, Arizona Revised Statutes, is amended to  
31 read:

32 45-1993. Scope of resolution

33 A. Resolutions for a bond issue or issues shall state the amount of  
34 the proposed issue or issues, the proposed interest rate and types and  
35 terms of bonds, ~~that all other methods of necessary financing by the~~  
36 ~~authority have been found impractical, inadvisable or inadequate~~ and that  
37 the issuance of the bonds is necessary and advisable as proposed.

38 B. The authority ~~chairman~~ CHAIRPERSON and secretary-treasurer shall  
39 sign the resolutions. In support of the resolution the authority shall  
40 enter into its record pertinent engineering, economic and financial data,  
41 appropriate maps, drawings, plans, outlines, calculations, summaries and  
42 related agreements and any other essential information constituting a  
43 record appropriate to the resolution.

1 C. The resolution may approve a bond issue to finance an entire  
2 plan or system or any single or joint project, section or other facility  
3 of a related system or plan proposed for ultimate integration and  
4 completion.

5 Sec. 7. Section 45-1994, Arizona Revised Statutes, is amended to  
6 read:

7 45-1994. Hearing; findings

8 A. The ~~chairman~~ CHAIRPERSON of the board, ~~at the earliest practical~~  
9 ~~date,~~ THE EXECUTIVE DIRECTOR OF THE BOARD OR THE CHAIRPERSON'S OR  
10 EXECUTIVE DIRECTOR'S DESIGNEE shall fix a time and place for a hearing ~~at~~  
11 ~~least twenty but not more than thirty days after~~ BEFORE adopting the  
12 resolution. The authority shall ~~publish~~ PROVIDE notice of the time and  
13 place fixed for the hearing ~~twice~~ AT LEAST TWENTY DAYS IN ADVANCE OF THE  
14 HEARING in a newspaper of general circulation in the county in which the  
15 authority is established.

16 B. All pertinent records and documents shall be filed WITH THE  
17 BOARD at least ten days before the date set for the hearing. Prehearings  
18 respecting any particular document, feature or incidental matter or any  
19 separable part or portion of any resolution may be held by the board on  
20 ten days' previous written notice if the board deems that holding a  
21 prehearing is conducive to expediting a ~~final~~ hearing PURSUANT TO  
22 SUBSECTION A OF THIS SECTION, and a decision as to the issues presented  
23 may thereupon be rendered.

24 C. At the time and place fixed for the hearing, the board shall  
25 examine and determine the matters and questions involved. Hearings may be  
26 recessed, adjourned or continued as the board orders.

27 ~~D. Any person who holds an original agreement or proposal made with~~  
28 ~~the authority relating to or concerning the handling, sale, control or~~  
29 ~~disposition of a proposed issue of bonds or who has previously made an~~  
30 ~~offer or bid in good faith to purchase the bonds pursuant to a published~~  
31 ~~invitation for bids by the authority, and any operating unit holding~~  
32 ~~contracts with the authority at least ten days before the date fixed for~~  
33 ~~the hearing, may qualify to be heard.~~

34 ~~E.~~ D. AT THE CONCLUSION OF THE HEARING, if the board finds that  
35 all precedent requirements and conditions have been fulfilled, ~~it~~ THE  
36 BOARD shall approve the bond issue in whole or in part or shall otherwise  
37 disapprove the bond issue as a whole or as to such features or proposals  
38 as do not meet the essential requirements. When the board has made and  
39 entered its findings, ~~it~~ THE BOARD shall enter a decision accordingly.

40 ~~F.~~ E. The decision of the board based on findings of fact that are  
41 supported by a preponderance of the evidence and that are not arbitrary or  
42 unreasonable is final and conclusive.

1           Sec. 8. Section 45-1996, Arizona Revised Statutes, is amended to  
2 read:

3           45-1996. Provisions of bonds; sale

4           ~~A. The bonds shall provide that:~~

5           ~~1. The bond is purchased and taken after a complete disclosure and~~  
6 ~~with a full knowledge of all of the surrounding relevant facts and~~  
7 ~~circumstances and not on the representation, faith or credit of the~~  
8 ~~authority, this state or any of its political subdivisions.~~

9           ~~2. The holder in order to obtain payment may not compel this state~~  
10 ~~or any of its political subdivisions to exercise its appropriation or~~  
11 ~~taxing power.~~

12           ~~3. The bond does not constitute a debt of this state, any political~~  
13 ~~subdivision of this state or any operating unit and is payable only from~~  
14 ~~revenues of the authority.~~

15           ~~B. The gross or net revenue derived from any project or any part of~~  
16 ~~a project may be pledged to secure the payment of any series of bonds.~~

17           A. TO SECURE ANY BONDS PURSUANT TO THIS ARTICLE, THE BOARD, BY  
18 RESOLUTION, MAY:

19           1. PROVIDE THAT BONDS ISSUED PURSUANT TO THIS CHAPTER MAY BE  
20 SECURED BY A FIRST LIEN ON ALL OR PART OF THE MONIES PAID INTO THE  
21 APPROPRIATE ACCOUNT OR SUBACCOUNT ADMINISTERED BY THE AUTHORITY.

22           2. PLEDGE OR ASSIGN TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER  
23 ANY PART OR APPROPRIATE ACCOUNT OR SUBACCOUNT OF THE MONIES IN THE FUNDS  
24 AS IS NECESSARY TO PAY THE PRINCIPAL AND INTEREST OF THE BONDS AS THEY  
25 COME DUE.

26           3. SET ASIDE, REGULATE AND DISPOSE OF ANY RESERVES AND SINKING  
27 FUNDS.

28           4. PROVIDE THAT SUFFICIENT AMOUNTS OF THE PROCEEDS FROM THE SALE OF  
29 THE BONDS MAY BE USED TO FULLY OR PARTLY FUND ANY RESERVES OR SINKING  
30 FUNDS ESTABLISHED BY THE RESOLUTION.

31           5. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY  
32 CONTRACT WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS  
33 THAT THE HOLDERS MUST CONSENT TO AND THE MANNER IN WHICH THAT CONSENT MAY  
34 BE GIVEN.

35           6. PROVIDE FOR PAYMENT FROM THE PROCEEDS OF THE SALE OF THE BONDS  
36 OF ALL LEGAL AND FINANCIAL EXPENSES INCURRED BY THE BOARD IN ISSUING,  
37 SELLING, DELIVERING AND PAYING THE BONDS.

38           7. DO ANY OTHER MATTERS THAT MAY AFFECT THE SECURITY AND PROTECTION  
39 OF THE BONDS.

40           B. THE BONDS SHALL BE SIGNED BY THE CHAIRPERSON OR VICE CHAIRPERSON  
41 AND THE SECRETARY-TREASURER OF THE AUTHORITY. BOARD MEMBERS OR ANY PERSON  
42 EXECUTING THE BONDS ARE NOT PERSONALLY LIABLE FOR THE PAYMENT OF THE  
43 BONDS. THE BONDS ARE VALID AND BINDING OBLIGATIONS UNLESS BEFORE THE  
44 DELIVERY OF THE BONDS ANY OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE

1 BONDS CEASES TO BE A MEMBER OF THE BOARD. FROM AND AFTER THE SALE AND  
2 DELIVERY OF THE BONDS, THE BOARD MAY NOT CONTEST THE VALIDITY OF A BOND.

3 C. The authority may provide for reimbursement to the holder OF ANY  
4 BONDS of all expenses of litigation and attorney fees incurred in  
5 collecting the bonds in the event of default and may provide for and fix  
6 the powers and duties of a trustee if necessary to enforce collection.  
7 Bond resolutions, agreements and bonds may be in such form and may contain  
8 such other conditions and terms as the authority deems appropriate or  
9 necessary to make the bonds fully salable and marketable.

10 D. THE BOARD MAY USE AVAILABLE MONIES TO PURCHASE BONDS THAT MAY BE  
11 CANCELED AT A PRICE NOT EXCEEDING EITHER OF THE FOLLOWING:

12 1. IF THE BONDS ARE THEN REDEEMABLE, THE REDEMPTION PRICE THEN  
13 APPLICABLE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE.

14 2. IF THE BONDS ARE NOT THEN REDEEMABLE, THE REDEMPTION PRICE  
15 APPLICABLE ON THE FIRST DATE AFTER PURCHASE ON WHICH THE BONDS BECOME  
16 SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO THAT DATE.

17 ~~D.~~ E. The authority may provide that any holder of bonds, or a  
18 trustee designated by the authority at the time of issuing the bonds, on  
19 proper showing may secure an order of the superior court requiring the  
20 authority, subject to the contracts with operating units then in effect,  
21 to fix and collect rates and charges that will produce adequate revenues  
22 to permit setting up adequate yearly reserves with which to meet future  
23 payments according to the terms of the bond.

24 F. ANY PLEDGE MADE PURSUANT TO THIS ARTICLE IS VALID AND BINDING  
25 FROM THE TIME THE PLEDGE IS MADE. THE MONIES PLEDGED AND RECEIVED TO BE  
26 PLACED IN THE APPROPRIATE FUND ARE IMMEDIATELY SUBJECT TO THE LIEN OF THE  
27 PLEDGE WITHOUT ANY FUTURE PHYSICAL DELIVERY OR FURTHER ACT, AND ANY SUCH  
28 LIEN OF ANY PLEDGE IS VALID OR BINDING AGAINST ALL PARTIES HAVING CLAIMS  
29 OF ANY KIND AGAINST THE BOARD REGARDLESS OF WHETHER THE PARTIES HAVE  
30 NOTICE OF THE LIEN. THE RESOLUTION OR TRUST INDENTURE OR ANY INSTRUMENT  
31 BY WHICH A PLEDGE IS CREATED AND PLACED IN THE BOARD'S RECORDS SHALL SERVE  
32 AS NOTICE TO ALL CONCERNED OF THE CREATION OF THE PLEDGE. THE BOARD IS  
33 NOT REQUIRED TO RECORD THESE INSTRUMENTS OF CREATION IN ANY OTHER PLACE.

34 G. BONDS ISSUED PURSUANT TO THIS ARTICLE, THE TRANSFER OF SUCH  
35 BONDS AND THE INCOME SUCH BONDS PRODUCE ARE EXEMPT FROM TAXATION BY THIS  
36 STATE OR ANY POLITICAL SUBDIVISION OF THIS STATE.

37 H. BONDS ISSUED PURSUANT TO THIS ARTICLE ARE OBLIGATIONS OF THE  
38 AUTHORITY AND ARE PAYABLE ONLY ACCORDING TO THEIR TERMS AND ARE NOT  
39 OBLIGATIONS GENERAL, SPECIAL OR OTHERWISE OF THIS STATE, THE COUNTY IN  
40 WHICH THE AUTHORITY IS ESTABLISHED OR, OTHER THAN THE AUTHORITY, A  
41 POLITICAL SUBDIVISION OF THIS STATE. PAYMENT OF THE BONDS IS NOT  
42 ENFORCEABLE OUT OF ANY MONIES OF THIS STATE OTHER THAN THE INCOME AND  
43 REVENUE PLEDGED AND ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER  
44 OR HOLDERS OF THE BONDS.

1 ~~E.~~ I. All bonds issued by the authority and agreements of the  
2 authority with respect to bonds are subject to this chapter, and no bond  
3 or agreement may contain any provision in conflict with this chapter. An  
4 amendment of this chapter does not diminish or impair the remedy and  
5 rights of the bondholder.

6 ~~F. The bonds shall be signed by the chairman or vice-chairman and  
7 the secretary-treasurer of the authority in office at the date of signing  
8 and are valid obligations of the authority although before delivery or  
9 sale the persons whose signatures appear on the bonds may have ceased to  
10 be officers of the authority.~~

11 ~~G.~~ J. The validity of the bonds is not dependent on or affected by  
12 the legality of any proceeding relating to the acquisition, construction,  
13 improvement or extension of a project for which the bonds are issued. The  
14 bonds shall recite that they are regularly issued pursuant to this chapter  
15 and that recital is prima facie evidence of their legality and validity.

16 ~~H.~~ K. Bonds so issued may be sold when the money is needed for the  
17 purposes for which they are issued. Pending the preparation or execution  
18 of definite bonds, interim receipts or certificates or temporary bonds may  
19 be delivered to the purchaser or purchasers of bonds.

20 L. EACH OPERATING UNIT THAT OWNS, OPERATES OR OTHERWISE BENEFITS  
21 FROM PROJECTS THAT ARE FINANCED BY BONDS ISSUED PURSUANT TO THIS CHAPTER  
22 SHALL COLLECT FROM EACH END USER THAT BENEFITS FROM THE PROJECTS THAT  
23 PROPORTION OF THE REVENUE REQUIRED UNDER SECTION 45-1992 THAT IS EQUAL TO  
24 THE PROPORTION OF THE BENEFITS OF THE PROJECTS ALLOCATED TO EACH END USER  
25 TO ENSURE ALL NECESSARY FISCAL RESERVES, OPERATION COSTS, MAINTENANCE AND  
26 DEPRECIATION CHARGES AND PAYMENT AMOUNTS DUE TO THE AUTHORITY IN  
27 CONNECTION WITH THE AUTHORITY'S PAYMENT OF PRINCIPLE AND INTEREST OF THE  
28 BONDS. THIS SECTION DOES NOT AFFECT THE CORPORATION COMMISSION'S  
29 AUTHORITY TO PRESCRIBE JUST AND REASONABLE CLASSIFICATIONS TO BE USED AND  
30 JUST AND REASONABLE RATES AND CHARGES TO BE MADE AND COLLECTED BY PUBLIC  
31 SERVICE CORPORATIONS. NOTWITHSTANDING THIS SUBSECTION, ANY PROJECT  
32 ALLOCATION BY AN OPERATING UNIT IS SUBJECT TO RESTRICTIONS ON PLACE OF USE  
33 UNDER THIS TITLE.

34 Sec. 9. Repeal

35 Section 45-1997, Arizona Revised Statutes, is repealed.

36 Sec. 10. Title 45, chapter 11, article 5, Arizona Revised Statutes,  
37 is amended by adding a new section 45-1997, to read:

38 45-1997. Attorney general notification

39 THE BOARD SHALL NOTIFY THE ATTORNEY GENERAL OF THE AUTHORITY'S  
40 INTENTION TO ISSUE BONDS. THE NOTIFICATION SHALL ADEQUATELY DESCRIBE THE  
41 PROJECT. THE ATTORNEY GENERAL SHALL INFORM THE BOARD WITHIN TEN DAYS  
42 AFTER RECEIVING THE NOTICE WHETHER THE ATTORNEY GENERAL BELIEVES THE  
43 PROPOSED PROJECT DOES NOT COMPLY WITH THIS CHAPTER. IF THE ATTORNEY  
44 GENERAL DOES NOT ISSUE AN OPINION WITHIN TEN DAYS AFTER RECEIVING THE  
45 NOTICE, THE BOARD MAY ISSUE THE BONDS. IF WITHIN TEN DAYS AFTER RECEIVING

1 THE NOTICE THE ATTORNEY GENERAL ISSUES AN OPINION THAT THE BONDS DO NOT  
2 COMPLY WITH THIS CHAPTER, THE BOARD MAY NOT ISSUE THE BONDS. A PERSON MAY  
3 NOT BRING AN ACTION CHALLENGING THE LEGALITY OF ANY CONTRACT, AGREEMENT,  
4 LEASE, MORTGAGE, OBLIGATION OR PROCEEDING OR THE ISSUANCE OF BONDS  
5 PURSUANT TO THIS CHAPTER FROM AND AFTER THIRTY CALENDAR DAYS AFTER THE  
6 BOARD IS AUTHORIZED TO ISSUE BONDS.

7 Sec. 11. Title 45, chapter 11, article 5, Arizona Revised Statutes,  
8 is amended by adding section 45-2000, to read:

9 45-2000. Wastewater treatment; loan repayment; definitions

10 A. NOTWITHSTANDING ANY OTHER LAW, THE AUTHORITY MAY CONSTRUCT,  
11 ACQUIRE OR IMPROVE A WASTEWATER TREATMENT FACILITY, DRINKING WATER  
12 FACILITY OR NONPOINT SOURCE PROJECT WITH MONIES BORROWED FROM OR FINANCIAL  
13 ASSISTANCE, INCLUDING FORGIVABLE PRINCIPAL, PROVIDED BY THE WATER  
14 INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA PURSUANT TO TITLE 49,  
15 CHAPTER 8.

16 B. THE AUTHORITY MAY ENTER INTO A LOAN REPAYMENT AGREEMENT WITH THE  
17 WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA. A LOAN REPAYMENT  
18 AGREEMENT IS PAYABLE FROM ANY REVENUES OTHERWISE AUTHORIZED BY LAW TO BE  
19 USED TO PAY LONG-TERM OBLIGATIONS.

20 C. THE BOARD SHALL OBTAIN APPROVAL FOR THE LOAN REPAYMENT AGREEMENT  
21 IN THE SAME MANNER PROVIDED BY LAW FOR APPROVING AND ISSUING OTHER BONDS  
22 OR LONG-TERM OBLIGATIONS PAYABLE FROM REVENUES THAT ARE TO BE USED TO PAY  
23 THE LOAN.

24 D. A LOAN REPAYMENT AGREEMENT ENTERED INTO PURSUANT TO THIS SECTION  
25 SHALL CONTAIN THE COVENANTS AND CONDITIONS PERTAINING TO THE CONSTRUCTION,  
26 ACQUISITION OR IMPROVEMENT OF A WASTEWATER TREATMENT FACILITY, DRINKING  
27 WATER FACILITY OR NONPOINT SOURCE PROJECT AND REPAYMENT OF THE LOAN AS THE  
28 WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA DEEMS PROPER.

29 E. LOAN AGREEMENTS MAY PROVIDE FOR THE PAYMENT OF INTEREST ON THE  
30 UNPAID PRINCIPAL BALANCE OF THAT AGREEMENT AT THE RATES ESTABLISHED IN THE  
31 AGREEMENT. THE AGREEMENT MAY PROVIDE FOR PAYMENT OF THE AUTHORITY'S  
32 PROPORTIONATE SHARE OF THE EXPENSE OF ADMINISTERING THE CLEAN WATER AND  
33 DRINKING WATER REVOLVING FUNDS ESTABLISHED BY SECTIONS 49-1221 AND 49-1241  
34 AND MAY PROVIDE THAT THE AUTHORITY PAY FINANCING AND LOAN ADMINISTRATION  
35 FEES APPROVED BY THE WATER INFRASTRUCTURE FINANCE AUTHORITY. THESE COSTS  
36 MAY BE INCLUDED IN THE ASSESSMENT AMOUNTS PLEDGED TO REPAY THE LOAN. AN  
37 AUTHORITY IS BOUND BY AND SHALL FULLY PERFORM THE LOAN REPAYMENT  
38 AGREEMENTS, AND THE AGREEMENTS ARE INCONTESTABLE AFTER THE LOAN IS FUNDED  
39 BY THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA. THE BOARD SHALL  
40 AGREE TO PAY ANY COSTS INCURRED BY THE WATER INFRASTRUCTURE FINANCE  
41 AUTHORITY IN ISSUING BONDS OR OTHERWISE BORROWING TO FUND A LOAN.

42 F. A LOAN REPAYMENT AGREEMENT UNDER THIS SECTION DOES NOT CREATE A  
43 DEBT OF THE AUTHORITY. THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF  
44 ARIZONA MAY NOT REQUIRE THE AUTHORITY TO MAKE PAYMENT ON A LOAN AGREEMENT

1 FROM ANY SOURCE OTHER THAN THOSE SOURCES PERMITTED IN SUBSECTION B OF THIS  
2 SECTION.

3 G. AN AUTHORITY MAY EMPLOY OR CONTRACT FOR THE SERVICES OF  
4 ATTORNEYS, ACCOUNTANTS, FINANCIAL CONSULTANTS AND OTHER EXPERTS IN THEIR  
5 FIELDS AS DEEMED NECESSARY TO PERFORM SERVICES WITH RESPECT TO THE LOAN  
6 REPAYMENT AGREEMENT.

7 H. THIS SECTION IS SUPPLEMENTAL AND ALTERNATIVE TO ANY OTHER LAW  
8 UNDER WHICH AN AUTHORITY MAY BORROW MONEY OR ISSUE BONDS. THIS SECTION  
9 PROVIDES THE EXCLUSIVE AUTHORIZATION TO ENTER INTO LOAN AGREEMENTS WITH  
10 THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA.

11 I. FOR THE PURPOSES OF THIS SECTION:

12 1. "DRINKING WATER FACILITY" HAS THE SAME MEANING PRESCRIBED IN  
13 SECTION 49-1201.

14 2. "WASTEWATER TREATMENT FACILITY" HAS THE SAME MEANING PRESCRIBED  
15 IN SECTION 49-1201.

APPROVED BY THE GOVERNOR APRIL 13, 2026.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 13, 2026.