

House Engrossed Senate Bill

~~ADWR; application; review; time frames~~
(now: county water augmentation authorities; bond)

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SENATE BILL 1134

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

1 section is not a rate or charge of the operating unit and is not subject to
2 regulation by the ~~Arizona~~ corporation commission. The secretary-treasurer
3 of the authority shall deposit all monies received under this section in
4 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 board,
15 ~~in bonds of the United States or this state that shall be kept in the bond~~
16 ~~fund and that may be used to redeem bonds of the authority, on the request~~
17 ~~of the holders, either by exchanging them for bonds of the authority or by~~
18 ~~converting them into cash~~ AS PROVIDED IN TITLE 35, CHAPTER 2.

19 Sec. 4. Repeal

20 Section 45-1991, Arizona Revised Statutes, is repealed.

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

23 45-1991. Authority to issue bonds

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

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

31 45-1993. Scope of resolution

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

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

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

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

3 45-1994. Hearing; findings

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

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

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

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

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

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

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

41 45-1996. Provisions of bonds; sale

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

43 ~~1. The bond is purchased and taken after a complete disclosure and~~
44 ~~with a full knowledge of all of the surrounding relevant facts and~~

~~1 circumstances and not on the representation, faith or credit of the~~
~~2 authority, this state or any of its political subdivisions.~~

~~3 2. The holder in order to obtain payment may not compel this state~~
~~4 or any of its political subdivisions to exercise its appropriation or~~
~~5 taxing power.~~

~~6 3. The bond does not constitute a debt of this state, any political~~
~~7 subdivision of this state or any operating unit and is payable only from~~
~~8 revenues of the authority.~~

~~9 B. The gross or net revenue derived from any project or any part of~~
~~10 a project may be pledged to secure the payment of any series of bonds.~~

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

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

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

19 3. SET ASIDE, REGULATE AND DISPOSE OF ANY RESERVES AND SINKING
20 FUNDS.

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

24 5. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY
25 CONTRACT WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS
26 THAT THE HOLDERS MUST CONSENT TO AND THE MANNER IN WHICH THAT CONSENT MAY
27 BE GIVEN.

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

31 7. DO ANY OTHER MATTERS THAT MAY AFFECT THE SECURITY AND PROTECTION
32 OF THE BONDS.

33 B. THE BONDS SHALL BE SIGNED BY THE CHAIRPERSON OR VICE CHAIRPERSON
34 AND THE SECRETARY-TREASURER OF THE AUTHORITY. BOARD MEMBERS OR ANY PERSON
35 EXECUTING THE BONDS ARE NOT PERSONALLY LIABLE FOR THE PAYMENT OF THE
36 BONDS. THE BONDS ARE VALID AND BINDING OBLIGATIONS UNLESS BEFORE THE
37 DELIVERY OF THE BONDS ANY OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE
38 BONDS CEASES TO BE A MEMBER OF THE BOARD. FROM AND AFTER THE SALE AND
39 DELIVERY OF THE BONDS, THE BOARD MAY NOT CONTEST THE VALIDITY OF A BOND.

40 C. The authority may provide for reimbursement to the holder OF ANY
41 BONDS of all expenses of litigation and attorney fees incurred in
42 collecting the bonds in the event of default and may provide for and fix
43 the powers and duties of a trustee if necessary to enforce collection.
44 Bond resolutions, agreements and bonds may be in such form and may contain

1 such other conditions and terms as the authority deems appropriate or
2 necessary to make the bonds fully salable and marketable.

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

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

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

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

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

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

30 H. BONDS ISSUED PURSUANT TO THIS ARTICLE ARE OBLIGATIONS OF THE
31 AUTHORITY AND ARE PAYABLE ONLY ACCORDING TO THEIR TERMS AND ARE NOT
32 OBLIGATIONS GENERAL, SPECIAL OR OTHERWISE OF THIS STATE, THE COUNTY IN
33 WHICH THE AUTHORITY IS ESTABLISHED OR, OTHER THAN THE AUTHORITY, A
34 POLITICAL SUBDIVISION OF THIS STATE. PAYMENT OF THE BONDS IS NOT
35 ENFORCEABLE OUT OF ANY MONIES OF THIS STATE OTHER THAN THE INCOME AND
36 REVENUE PLEDGED AND ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER
37 OR HOLDERS OF THE BONDS.

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

43 ~~F. The bonds shall be signed by the chairman or vice-chairman and~~
44 ~~the secretary-treasurer of the authority in office at the date of signing~~
45 ~~and are valid obligations of the authority although before delivery or sale~~

1 ~~the persons whose signatures appear on the bonds may have ceased to be~~
2 ~~officers of the authority.~~

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

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

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

25 Sec. 9. Repeal

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

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

29 45-1997. Attorney general notification

30 THE BOARD SHALL NOTIFY THE ATTORNEY GENERAL OF THE AUTHORITY'S
31 INTENTION TO ISSUE BONDS. THE NOTIFICATION SHALL ADEQUATELY DESCRIBE THE
32 PROJECT. THE ATTORNEY GENERAL SHALL INFORM THE BOARD WITHIN TEN DAYS AFTER
33 RECEIVING THE NOTICE WHETHER THE ATTORNEY GENERAL BELIEVES THE PROPOSED
34 PROJECT DOES NOT COMPLY WITH THIS CHAPTER. IF THE ATTORNEY GENERAL DOES
35 NOT ISSUE AN OPINION WITHIN TEN DAYS AFTER RECEIVING THE NOTICE, THE BOARD
36 MAY ISSUE THE BONDS. IF WITHIN TEN DAYS AFTER RECEIVING THE NOTICE THE
37 ATTORNEY GENERAL ISSUES AN OPINION THAT THE BOND DOES NOT COMPLY WITH THIS
38 CHAPTER, THE BOARD MAY NOT ISSUE THE BONDS. A PERSON MAY NOT BRING AN
39 ACTION CHALLENGING THE LEGALITY OF ANY CONTRACT, AGREEMENT, LEASE,
40 MORTGAGE, OBLIGATION OR PROCEEDING OR THE ISSUANCE OF BONDS PURSUANT TO
41 THIS CHAPTER FROM AND AFTER THIRTY CALENDAR DAYS AFTER THE BOARD IS
42 AUTHORIZED TO ISSUE BONDS.

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

3 45-2000. Wastewater treatment; loan repayment; definitions

4 A. NOTWITHSTANDING ANY OTHER LAW, THE AUTHORITY MAY CONSTRUCT,
5 ACQUIRE OR IMPROVE A WASTEWATER TREATMENT FACILITY, DRINKING WATER FACILITY
6 OR NONPOINT SOURCE PROJECT WITH MONIES BORROWED FROM OR FINANCIAL
7 ASSISTANCE, INCLUDING FORGIVABLE PRINCIPAL, PROVIDED BY THE WATER
8 INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA PURSUANT TO TITLE 49,
9 CHAPTER 8.

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

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

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

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

36 F. A LOAN REPAYMENT AGREEMENT UNDER THIS SECTION DOES NOT CREATE A
37 DEBT OF THE AUTHORITY. THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF
38 ARIZONA MAY NOT REQUIRE THE AUTHORITY TO MAKE PAYMENT ON A LOAN AGREEMENT
39 FROM ANY SOURCE OTHER THAN THOSE SOURCES PERMITTED IN SUBSECTION B OF THIS
40 SECTION.

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

1 H. THIS SECTION IS SUPPLEMENTAL AND ALTERNATIVE TO ANY OTHER LAW
2 UNDER WHICH AN AUTHORITY MAY BORROW MONEY OR ISSUE BONDS. THIS SECTION
3 SHALL BE CONSTRUED AS THE EXCLUSIVE AUTHORIZATION TO ENTER INTO LOAN
4 AGREEMENTS WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA.
5 I. FOR THE PURPOSES OF THIS SECTION:
6 1. "DRINKING WATER FACILITY" HAS THE SAME MEANING PRESCRIBED IN
7 SECTION 49-1201.
8 2. "WASTEWATER TREATMENT FACILITY" HAS THE SAME MEANING PRESCRIBED
9 IN SECTION 49-1201.