

LOAN APPLICATION FOR A DRINKING WATER PROJECT

Financial Assistance Project Priority List Application

Project Number: DW-036-2022

1. APPLICANT AND CONTACT INFORMATION

1.1 Utility Information

Name: Douglas, City of

Address: 425 E. 10th Street City: Douglas State: AZ Zip: 85607 County: Cochise

1.2 Utility Representative to be Contacted Regarding Application

First Name: Luis Last Name: Pedroza

Title: Finance Director/City Treasurer

Address: 425 E. 10th Street City, State & Zip: Douglas, AZ 85607

Phone: 520-417-7319 Fax: 520-417-7162

E-Mail: luis.pedroza@douglasaz.gov

1.3 Median Household Income: \$ 38,446.00

Median household income was obtained from American Fact Finder (<http://factfinder2.census.gov>) based on US Census Bureau information.

2. SYSTEM INFORMATION

2.1 ADEQ system identification number (PWS #) AZ20402014

2.2 Number of connections to system 5,723 Not Applicable

2.3 Population served by the system 20,000 Not Applicable

2.4 Monthly residential fee (base + use) for 7,500 gallons \$ 23.02 Not Applicable

2.5 Existing debt (principal only) payable by system users \$ 1,200,844.68

2.6 System Compliance

Notice of violations and/or consent orders from regulatory agency (**must mail or upload supporting documents*)

In compliance

2.7 Is the system ACC regulated? Yes No

2.8 Is the system registered with the E-Verify Program? Yes No

Applicants are required to provide proof of participation prior to the execution of a loan or technical assistance agreement.

3. PROPOSED PROJECT INFORMATION

3.1 Project Name: Design and Construction of New Well #18

3.2 Select county in which project is located: Cochise

3.3 Is this request for a project that received financial or technical assistance from WIFA in a previous funding cycle? Yes No

3.4 Type of loan needed: 3-year design loan only Construction loan (may include design and acquisition)

3.5 Briefly summarize the problem below.

The City of Douglas' potable water system is aging and not able to keep up with existing system demands. The City has had trouble meeting peak summer water demands with existing infrastructure. The City currently has 6 active groundwater wells in which two wells produce about 75% of the entire system demands. Other wells are low producing due to age and lower water tables and one well is currently out of service and being analyzed for potential contamination.

3.6 Briefly summarize the solution below.

The City needs additional potable water production to meet existing water demands and prepare for future expected growth in the City. In order to do so, we must construct an additional groundwater well site in order to add to existing water production. Existing infrastructure is not capable of handling peak summer water demands and the City has had to throttle back large irrigation users for the past two years that including the Douglas Municipal Golf course, City parks, and School District grounds. The city is in the process to reactivate an existing well #14 that was taken offline about 11 years ago due to arsenic level traces


above ADEQ established thresholds. The plan is to add an arsenic treatment plant to this well and place it back into production, pending ADEQ approvals. The proposed new well #18 would add production to our system that would provide enough potable water to meet existing demands and also alleviate wells 16 and 17 that produce about 75% of the entire city's potable water supply. Douglas is also growing and demand for service as well. In order to welcome growth into the City, we must be equipped with adequate water supply for new residential and commercial operations. The City has identified a capable well site located on City property within its City limits.

3.6.A If refinancing a prior loan, please describe the project previously financed below.

N/A

3.7 Would you like this project to be considered for WIFA's technical assistance funds? Please visit <http://www.azwifa.gov/technical-assistance-program> for more information.

No

3.8 Project Purpose: Assist Compliant Systems to Meet Future Requirements 

4. EXISTING CONDITIONS AND PROJECT BENEFITS

4.1 Select Expected Project Benefit(s)

- Compliance - Existing Requirements Compliance - Future Requirements Expanded Service
 Reduce Public Health Risks

4.2 Water System Improvement **must mail or upload supporting documents*

- Proposed project addresses deficiencies identified by EPA, ADEQ or ADEQ-delegated agency.

4.3 Consolidation and Regionalization

- Project physically consolidates two or more public water systems into one public water system
 Project is the extension of service to areas currently not served by a public water system.
 Project consolidates the operations, management and/or ownership of two or more public water systems.

4.4 Water and Energy Efficiency Index

- 50% to 100% of total project costs are for water or energy efficiency components or environmentally innovative approaches.
 10% to 49% of project costs are for water or energy efficiency components or environmentally innovative approaches.
 less than 10% of the project costs are for any water or energy efficiency components or environmentally innovative approaches.

Use textbox to enter description of the project's green components:

The new well is expected to have SCADA water management tools installed that will help efficiently manage water production in this well and throughout the entire system. Another well in production will also reduce the amount needed for other wells to be in production saving on wear and tear and electrical costs. New well pumping capacity will be sized appropriately for efficiencies and to meet required water demands.

\$ 270,000.00 Cost of water or energy efficiency or environmentally innovative approaches that are part of this loan

5. READINESS TO PROCEED INDICATORS

5.1 Debt Authorized? Yes No (For more information, see WIFA Debt Authorization Guidance Document)

Enter authorization/expected authorization date:

Mail or upload copy of official governing body debt authorization resolution, election results or ACC order

5.2 Project Design* (Select only one)

- Project is in planning stages
- Engineer has been selected
- Currently under design
- Ready for construction

Enter design completion/anticipated design completion date:

5.3 Applicable Plan and Specification Approvals* (Select only one)

- Approval to construct has been obtained
- Plans and specification have been submitted to permitting agency for approval
- Design has not been completed
- Other or not applicable

Enter permit/anticipated permit(s) receipt date:

If not applicable or if multiple permits are required, please explain:

5.4 Project Bids* (Select only one)

- Project is not ready for bid
- Project is currently out for bid
- Bidding is complete

Enter bid/anticipated bid award date:

5.5 Project Construction

When do you plan to begin project construction? If you need to begin the project before the requested financial assistance is awarded, please provide details.

Construction is Projected to commence September 2022. Due to the urgent need for this project, we will need to begin design before financial assistance is awarded and we may need to begin construction before award as well. We will seek Mayor and Council authorization for debt and overall for the project before any type of work begins. We will ensure compliance with American Iron and Steel and Davis Bacon Wages throughout the project. We will also propose a reimbursement resolution to Mayor and Council to allow for the project to commence before award and seek permission from our Council to proceed with the project and to be reimbursed from the loan once it's approved. We understand the risks involved in proceeding without an official award in place but necessary due to the urgency of the project.

*** Alternative project delivery methods are acceptable for WIFA-funded projects.**

6. REQUESTED AMOUNT AND SUPPORTING DOCUMENTS

6.1 Estimated Date WIFA Funding Required:

6.2 Estimated Financial Assistance Costs & Funding Source

Funding Source	Project Costs
Amount funded locally:	\$ 0.00
Amount requested from WIFA for this project:	\$ 1,800,000.00

Amount requested to refinance *(For governmental entities only)*: \$ 0.00

Other source: \$ 0.00

Total: \$ 1,800,000.00

File Attachments:

Reference Name	Document Name	Date Added	Added By
No record found.			

CERTIFICATION AND AUTHORIZATION

I certify that the information contained in this application is, to the best of my knowledge, true, accurate and correct.

I hereby affirm that I, Luis Pedroza, am the Deputy City Manager/City Treasurer and I am authorized by Douglas, City of to submit this application on behalf of the organization for which I am acting.

ENVIRONMENTAL REVIEW CHECKLIST

Drinking Water Projects

Project Number: DW-036-2022

Please complete the following checklist to allow WIFA to determine the necessary environmental review requirements for the proposed project. Please contact WIFA at (602) 364-1310 or ljones@azwifa.gov with any questions.

Section 1. General Information

Applicant Name:	Douglas, City of	Date:	04/17/2022
Project Contact:	Luis Pedroza	Phone Number:	520-417-7319
Project Title:	Design and Construction of New Well #18	Project Number:	DW-036-2022
Physical Location:	<input type="text" value="Vacant Lot at A Avenue and 25th Street, Douglas, AZ 85607"/>		

Section 2. Categorical Exclusions. A project for which the answer to any part of statement 1 is "yes" may be eligible for a Categorical Exclusion. However, if any of the statements from 1a. through 1e. is answered "yes," then the project is not eligible for a Categorical Exclusion. [A.A.C. R-18-15-106(B)]

	Yes	No	Comments/Documentation (as applicable)
1. The project relates to existing infrastructure systems and involves minor upgrading, minor expansion of system capacity, rehabilitation (including functional replacement) of the existing system and system components, or construction of new minor ancillary facilities adjacent to or on the same property as existing facilities.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>
1a. The project involves new or relocated discharges to surface water or groundwater.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>
1b. The project will likely result in the substantial increase in the volume or the loading of pollutant to the receiving water.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>
1c. The project will provide capacity to serve a population 30% greater than the existing population.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>
1d. A state or other regional growth plan or strategy does not support this project. <i>Answering "yes" indicates that the project is not supported.</i>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>
1e. The project directly or indirectly involves or relates to upgrading or extending infrastructure systems primarily for the purposes of future development.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>

Section 3. Extraordinary Circumstances. [A.A.C. R-18-15-106(C)] If any of the following extraordinary circumstances apply to the project, it is not eligible for a Categorical Exclusion.

	Yes	No	Comments/Documentation (as applicable)
1. The project is known or expected to have potentially significant adverse environmental impacts on the quality of the human environment either individually or cumulatively over time.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>
2. The project is known or expected to have disproportionately high and adverse human health or environmental effects on any community, including minority, low-income, or federally-recognized Indian tribal communities.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>
3. The project is known or expected to significantly affect federally listed threatened or endangered species or their critical habitat.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="text"/>

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|-----|---|-----------------------|----------------------------------|--|
| 4. | The project is known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric, archeological, or cultural value, including but not limited to, property listed on or eligible for the Arizona or National Registers of Historic Places.
http://azstateparks.com/SHPO/review.html | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 5. | The project is known or expected to significantly affect environmentally important natural resource areas such as: | | | |
| 5a. | wetlands | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 5b. | floodplains | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 5c. | significant agricultural lands | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 5d. | aquifer recharge zones | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 5e. | wild and scenic rivers
http://www.rivers.gov/arizona.php | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 5f. | significant fish or wildlife habitat | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 5g. | other environmentally important natural resource areas. | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 6. | The project is known or expected to cause significant adverse air quality effects. | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 7. | The project is known or expected to have a significant effect on the pattern and type of land use or growth and distribution of population, including altering the character of existing residential areas, or may not be consistent with state or local government, or federally-recognized Indian tribe approved land use or federal land management plans. | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 8. | The project is known or expected to cause significant public controversy about a potential environmental impact of the proposed action. | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 9. | The project is known or expected to be associated with providing financial assistance to a federal agency through an interagency agreement for a project that is known or expected to have potentially significant environmental impacts. | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |
| 10. | The project is known or expected to conflict with federal, state, or local government, or federally-recognized Indian tribe environmental, resource-protection, or land-use laws or regulations. | <input type="radio"/> | <input checked="" type="radio"/> | <input style="width: 200px; height: 25px;" type="text"/> |

Section 4. Special conditions

		Yes	No	Comments/Documentation (as applicable)
1.	The project is for planning purposes only and does not include design or construction. <i>*If yes, the project may be exempt from environmental review requirements.</i>	<input type="radio"/>	<input checked="" type="radio"/>	<input style="width: 200px; height: 25px;" type="text"/>
2.	An Environmental Assessment under NEPA has been conducted for this project or earlier phases of this project.	<input type="radio"/>	<input checked="" type="radio"/>	<input style="width: 200px; height: 25px;" type="text"/>

**If yes, provide a copy of the Environmental Assessment.*

CERTIFICATION AND AUTHORIZATION

I certify that the information contained in this Environmental Review Checklist is, to the best of my knowledge, true, accurate and correct.

I hereby affirm that I, Luis Pedroza, am the Deputy City Manager/City Treasurer and I am authorized by Douglas, City of to submit this Environmental Review Checklist on behalf of the organization for which I am acting.