

The logo for the Water Infrastructure Finance Authority of Arizona, featuring the acronym "WIFA" in a white box with a blue splash effect behind it.

WIFA

A banner with a scenic background of mountains and a river, containing the text "Water Infrastructure Finance Authority of Arizona".

Water Infrastructure Finance Authority
of Arizona

Draft WIFA Rules
Arizona Administrative Code
Title 18, Chapter 15

SWAG Presentation
October 15, 2008

Decorative graphic of concentric circles representing water ripples in the bottom right corner of the slide.

Overview of WIFA

- WIFA is a Bond Bank
 - AAA Credit Rating
 - Low-Interest Loans
- Portfolio
 - \$1.3 billion financed over life of program
 - Currently have over 200 active loans for \$897 million
- Awarded 37 loans for \$303 Million in FY 2008

Reasons for Rulemaking Docket

➤ Statutory Changes

- HB 2235 (2002)
- HB 2159 (2006)
- **HB 2692 (2007) – Establishment of the Water Supply Development Fund (WSDRF)**

Reorganization of Draft Rule

- Provide clearer understanding of required actions and process of
 - applying for,
 - evaluation of, and
 - receiving financial or technical assistance

- Streamline and reduce duplication
 - Article 1
 - Follow loan and technical assistance grant process
 - Article 2, 3, & 4
 - Article 5

Article 4 – Water Supply Development Revolving Fund

- Structured to mirror process and language of the CWRF and DWRF
- Structured to follow flow of the financial assistance (loan) process

WIFA

Water Infrastructure Finance Authority
of Arizona

Water Infrastructure Finance Authority

2009 Intended Use Plan

WIFA

Arizona Drinking Water State Revolving Fund

Intended Use Plan –

identify sources and uses of
funding available for fiscal
year

WIFA Financial Assistance (Loan) Process

Priority List (pre-application process)

- Score and ranking of projects
- Determine which projects are ready for implementation (fundable)

WIFA eApplications System - download the instructions manual [here!](#)

APPLICANT:

« PREV

domestic Water Improvement District | 018. El Mirage

NEXT »

SECTION 1: APPLICATION INFORMATION

[View Printable](#)

Version

1.1 Applicant:

Job Title:

1.2 Contact Names:
First

Middle Initial Last

1.3 Address:

City: State: Zip:

1.4 Phone:

Fax: E-Mail:

1.5 County in Which Project is Located:

1.6 Number of Connections to System:

Population Served by the System:

1.7 Average Monthly Fee (Base + Use): \$

1.8 Existing Debt (principal only) Payable by System Users: \$

1.9 Median Household Income: \$

1.10 ADEQ System Identification # (PWS #): [Details](#)

1.11 Has this project received prior year WIFA funding? SCORE:

- No
- Yes, request is for a multi-year construction project that received assistance in a previous funding cycle
- Yes, request is to construct a project that received TA funds in a previous funding cycle
- Yes, request is for additional financial assistance to offset actual costs of justified overruns

1.12 Is your company registered with the E-Verify Program? Yes No
(You will be required to provide proof of participation prior to the execution of a loan or grant agreement.)

NOTES

1. DATE: 10/3/2008

REVIEWER: [?](#)

REVIEWS: [?](#)

2. DATE: 7/15/2008

REVIEWER: CHRISTOPHER BYRD

REVIEWS:

No enforcement history for Metro Water's many systems. There however has the following issues:

Monitoring of Lead, Copper, Coliform and Nitrate spanning 1998 to 2006.

CCR for 2202, 2003, 2004.

3. DATE: 6/25/2008

REVIEWER: DEL SMITH

REVIEWS:

No filing with ACC for its approval has been received.

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APPLICANT: 002. Rancho Del Conejo Co...

« PREVIOUS

Company | 028. Flagstaff, City of | 030. Community Wa

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2.4 Briefly summarize below the solution

2.5 Select Type(s) of Needs to be Funded

- | | | |
|--|---|--|
| <input type="checkbox"/> Planning and Design Only | <input type="checkbox"/> Treatment-Bacteriological | <input type="checkbox"/> Treatment-Surface Water |
| <input type="checkbox"/> Treatment-Nitrate | <input checked="" type="checkbox"/> Treatment-Arsenic | <input type="checkbox"/> Treatment-Radionuclides |
| <input type="checkbox"/> Treatment-Organic Chemical(s) | <input type="checkbox"/> Treatment-Primary Standard [Metals(s)] | <input type="checkbox"/> Treatment-DBP |
| <input type="checkbox"/> Treatment-Other | <input type="checkbox"/> Transmission and Distribution | <input type="checkbox"/> Source |
| <input type="checkbox"/> Storage | <input type="checkbox"/> Purchase of System(s) | <input type="checkbox"/> Restructuring |
| <input type="checkbox"/> Land Acquisition | | |

2.6 Select Expected Project Benefit(s)

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Compliance - Existing Requirements | <input type="checkbox"/> Compliance - New Requirements | <input type="checkbox"/> Expand Service |
| <input checked="" type="checkbox"/> Reduce Public Health Risks | | |

2.7 Current Conditions (Check appropriate project category or categories) SCORE: 100 [Details](#)

- | |
|--|
| <input checked="" type="checkbox"/> Proposed project is above the 80th percentile on the Department's Master Priority List for Capacity Development |
| <input type="checkbox"/> Proposed project is between the 80th and 60th percentiles on the Department's Master Priority List for Capacity Development |
| <input type="checkbox"/> Proposed project is between the 60th and 40th percentiles on the Department's Master Priority List for Capacity Development |
| <input type="checkbox"/> Proposed project is between the 40th and 20th percentiles on the Department's Master Priority List for Capacity Development |
| <input type="checkbox"/> Proposed project is below the 20th percentile on the Department's Master Priority List for Capacity Development |
| <input type="checkbox"/> Proposed project is not listed on the Department's Master Priority List for Capacity Development |

2.8 Water Quality Improvement (you may select from only one of the following categories) SCORE: 100

NOTES

1. DATE: 10/3/2008

REVIEWER: Kimberly Marsh REVIEWS:

2. DATE: 7/2/2008

REVIEWER: CHRISTOPHER BYRD

REVIEWS:

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**Arizona's Drinking Water Revolving Fund
2009 Funding Cycle - Priority List for Drinking Water Revolving Fund
Prepared Date: 10/31/2008**

Ran	Applicant	Populatio	Project Title	Project	Amount	Subsidy Rate Index
			Supplemental Water source Interconnect			
1	SoHi Domestic Water Improvement District	460	Construction	017 2009	\$800,000.00	70%
2	El Mirage, City of	30,000	Mandated Water System Improvements	018 2009	\$8,000,000.00	70%
3	Montezuma Pimrock Water Company, LLC	450	Arsenic Facility Installation	035 2009	\$150,000.00	70%
4	Chino Valley, Town of	525	Appaloosa Water Company Acquisition	013 2009	\$750,000.00	70%
			Tonto Hills Domestic Water Improvement			
5	Tonto Hills Improvement Association	500	District (Proposed)	036 2009	\$800,000.00	75%
6	Appaloosa Water Company	550	Arsenic Treatment System	026 2009	\$225,000.00	70%
7	Wilhoit Water Company - Thunderbird Meadows	320	Storage Tank Replacement	007 2009	\$131,058.00	70%
			Highland Pines Domestic Water Improvement			
8	District	900	Water Main Replacement Project	043 2009	\$650,000.00	70%
			Transfer Water Service from Alpine Water			
9	Alpine DWID	600	Systems to Alpine DWID	004 2009	\$1,400,000.00	70%
10	Wilhoit Water Company - Blue Hills #3	200	arsenic remediation system	005 2009	\$40,000.00	70%
11	Chino Valley, Town of	450	Wilhoit Water Company Acquisition	011 2009	\$250,000.00	70%
12	Beaver Dam Water Company	1,800	Storage Tank / BDWC#2	042 2009	\$104,283.00	70%
13	Joseph City Utilities	1,700	Joseph City Utilities Reservoir	014 2009	\$440,000.00	70%
14	Groom Creek Water Users Association	700	GCWUA Water System Improvements	008 2009	\$1,600,000.00	75%
15	Wilhoit Water Company - Yavapai Estates	250	Arsenic Remediation System	016 2009	\$250,000.00	75%
			Well Drilling, Chemical Feed and Meter			
16	Tucson, City of	710,000	Improvements	041 2009	\$3,500,000.00	75%
			Design/Construction of Arsenic Treatment			
17	Community Water Company of Green Valley	22,000	Facilities	030 2009	\$3,200,000.00	75%
			Water Company System & Municipal System			
18	Somerton, City of	9,750	Improvements	009 2009	\$2,850,000.00	75%
19	Wilhoit Water Company - Thunderbird Meadows	320	Well Installation for Thunderbird Meadows	006 2009	\$145,000.00	70%
20	White Mountain Apache Tribe	12,000	Whiteriver Surface Water Treatment Facility	044 2009	\$4,500,000.00	70%
21	Wilhoit Water Company - Thunderbird Meadows	320	New Well storage and transmission line	034 2009	\$200,000.00	70%
22	Chino Valley, Town of	2,250	Chino Meadows II Water Company Acquisition	010 2009	\$2,500,000.00	75%
23	Chino Valley, Town of	6,600	City of Prescott Service in Chino Valley	012 2009	\$3,100,000.00	70%
			Tonto Village Well #2 Replacement and Storage			
24	Tonto Village Water Co, Inc.	300	Upgrade Project	031 2009	\$112,200.00	75%
25	Joseph City Utilities	1,700	Joseph City Utilities Pipeline (under I-40)	015 2009	\$30,000.00	80%
26	Dells Water Company	180	Storage Capacity	027 2009	\$30,000.00	75%
			East Bench Water System / Water Main			
27	Kingman, City of	44,000	replacements	024 2009	\$17,425,051.00	75%
28	Yarnell Water Improvement Assn	1,700	Cla-Valve Replacement	032 2009	\$100,266.00	75%
29	Metro Water District	47,954	Purchase of Thim Water Systems	001 2009	\$4,200,000.00	80%
30	Flagstaff, City of	65,918	Red Gap Ranch Pipeline Feasibility Study	028 2009	\$2,100,000.00	75%
			16/36 inch Waterline Lone Mountain Parkway/			
31	Peoria, City of	153,592	Lake Pleasant Parkway to El Mirage Road	037 2009	\$6,704,148.00	85%
32	Sonoita Valley Water Company	327	Sonoita Valley Water Co. System Expansion	003 2009	\$629,000.00	80%
			24-inch waterlines- Beardsley Road & 91st			
33	Peoria, City of	153,592	Avenue	038 2009	\$5,384,903.00	85%
34	Peoria, City of	153,592	Twin Buttes Water Treatment Plant - Phase I	039 2009	\$55,155,774.00	85%
Total:					\$127,456,683.00	

WIFA Financial Assistance (Loan) Process

- Project Finance Application Submittal and Review
 - Project is ready for implementation (fundable)
 - Loan evaluation and underwriting
 - Project Finance Committee and Board Review

- Financial Assistance Agreement

Article 4 - Water Supply Development Revolving Fund

- Eligibility
- Intended Use Plan
- Priority List and Priority List Ranking
 - A.R.S. §49-1274(C) – determine order and priority with respect to water supply development issues:
 - Water Demand
 - Conservation and Water Management
 - Benefits of the Project
 - Sustainability Index
 - Local Fiscal Capacity (combines financial need and cost-effectiveness of project)

Article 4 – Water Supply Development Revolving Fund

- Fundable Range for Financial Assistance
 - Evidence the project is prepared for implementation
- Financial Assistance Application
 - Specifies the conditions that must be met before an application will be forwarded to the Committee
- Application Review
 - Specifies the information the Authority will provide to the Committee for review.
 - Specifies the actions required by the Committee and the Board

Article 5 - Technical Assistance Programs

- Clean Water Technical Assistance Program
- Drinking Water Technical Assistance Program
- Water Supply Development Technical Assistance Program

Article 5 - Technical Assistance Programs

- Authority will prepare an Intended Use Plan (IUP)
- Technical Assistance Grants
 - Eligibility criteria
 - Help achieve or enhance the legal, financial, technical or managerial capabilities
 - Facilitate the design, construction, acquisition, improvement or consolidation

Article 5 - Technical Assistance Programs

- Solicited and awarded per the State's Grant statute – A.R.S. §41-2702
 - Includes specifying criteria or factors under which applications will be evaluated for award and relative importance of each criteria or factor.

Technical Assistance Programs

➤ Evaluation criteria categories

- Financial Capacity –
 - Consider the revenue sufficiency, credit worthiness and fiscal controls of the grant applicant.
- Technical Capacity –
 - Consider the necessity of the project and any environmental impacts associated with the proposed capital improvement project.
- Managerial Capacity –
 - Consider the grant applicants ability to effectively manage the project.
- Legal Capacity –
 - Consider any actions required for the grant applicant to achieve debt authorization or other necessary legal assistance.

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WIFA

A banner image showing a landscape with mountains and a body of water under a blue sky. The text 'Water Infrastructure Finance Authority of Arizona' is overlaid on the image.

Water Infrastructure Finance Authority
of Arizona

Questions on WIFA loan
or grant process?

Decorative graphic of several concentric circles representing water ripples, located in the bottom right corner of the slide.

What's Next

- Defining the priority and ranking criteria categories [A.R.S. §49-1274(C)]
- Prioritization of tied projects
- Technical Assistance Grants

What's Next

➤ Article 4 - WSDRF

- Defining the priority and ranking criteria categories [A.R.S. §49-1274(C)]
 - Water Demand
 - Conservation and Water Management
 - Benefits of the Project
 - Sustainability Index
 - Local Fiscal Capacity (combined financial need and cost-effectiveness of project)

What's Next

Water Demand -- The Authority shall evaluate the existing, near-term and long-term water demands of the water provider as compared to the existing water supplies of the water provider.

Conservation and Water Management -- The Authority shall evaluate the existing and planned conservation and water management programs of the water provider.

Benefits of the Project -- The Authority shall evaluate the current conditions of the water provider's facilities and evaluate how effectively the project will benefit the infrastructure needs and long-term water demand.

Sustainability Index -- The Authority shall evaluate the sustainability of the water supply to be developed through the project.

Local Fiscal Capacity -- The Authority shall evaluate the need for financial assistance of the project and impact of the project on the community, including the cost effectiveness of the project.

What's Next

➤ Article 4 - WSDRF

- Evaluation criteria for each category
 - Determine maximum points for each Category
 - Determine point system for the specific evaluation items under each criteria
 - most important items given the higher points

Concept -Evaluation Criteria

1. Water Demand (WD): The Authority shall evaluate the existing, near-term and long-term water demands of the water provider compared to existing water supplies. (Select one from each of the following - 150 pts max)

A. Existing Demand		B. Near-Term Demand		C. Long-Term Demand	
50	Existing water supply is equal or less than the existing water demand	50	Existing water supply is equal or less than the water demand anticipated in 10 years	50	Existing water supply is equal or less than the water demand anticipated in 25 years
40	Existing water supply is at least 5% but less than 25% of the existing water demand	40	Existing water supply is at least 5% but less than 25% of the water demand anticipated in 10 years	40	Existing water supply is at least 5% but less than 25% of the water demand anticipated in 25 years
30	Existing water supply is at least 25% but less than 50% of the existing water demand	30	Existing water supply is at least 25% but less than 50% of the water demand anticipated in 10 years	30	Existing water supply is at least 25% but less than 50% of the water demand anticipated in 10 years
20	Existing water supply is at least 50% but less than 75% of the existing water demand	20	Existing water supply is at least 50% but less than 75% of the water demand anticipated in 10 years	20	Existing water supply is at least 50% but less than 75% of the water demand anticipated in 25 years
10	Existing water supply is at least 75% of the existing water demand	10	Existing water supply is at least 75% of the water demand anticipated in 10 years	10	Existing water supply is at least 75% of the water demand anticipated in 25 years

2. Conservation and Water Management (CWM): The Authority shall evaluate the existing and planned conservation and water management programs of the water provider. (Select all applicable from the following - 80 pts max)

A. Conservation Programs		B. Water Management	
10	Water provider has existing conservation requirements / policies enacted	10	Water provider has submitted a System Water Plan to ADWR
10	Water provider has a conservation incentive / rebate program	10	Water provider incorporates land use planning in master water plan or general plan or policies
10	Water provider provides education regarding water conservation	10	Project will make a new water source available for use
10	Project is to expand existing conservation requirements / policies	10	Project involves developing a plan for water conservation / water management

What's Next

➤ Article 4 - WSDRF

- Prioritization of tied projects
 - Project with highest project benefit (?)
 - based on the two most important criteria categories

What's Next

- Article 5 – WSD Technical Assistance Grants
 - Local match component to grants
 - Defining evaluation category
 - Technical Capacity –
 - Consider the necessity of the project and any environmental impacts associated with the proposed capital improvement project.

Timeline

Date	Action
Oct & Nov 2008	Finalize draft text of WSDRF and ranking criteria
December 2008	Provide copy of rule to WIFA Board for review and comment
February 2008	Discuss comments from WIFA Board and make final draft revisions
April 2009	File Notice of Proposed Rulemaking
Late August 2009	File Notice of Final Rulemaking
October 2009	GRRC Council
December 2009	Effective date of rule