



WATER INFRASTRUCTURE
FINANCE AUTHORITY OF ARIZONA

Funding Stormwater Projects with WIFA

State of the Verde Watershed Conference

Stormwater Workshop

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WIFA's Programs

- **Clean Water SRF**
Loans and Technical Assistance to
Political Subdivisions
- **Drinking Water SRF**
Loans and Technical Assistance to
Public Water Systems
- **Water Supply Development
Fund**
Loans and Technical Assistance to
Water Providers

WIFA's Numbers

→ **\$2,623,086,241**

In loans since 1989

→ **290 +**

Active loans across the state of Arizona

→ **\$102 Million +**

In forgivable principal since 2009

→ **211 Borrowers**

Throughout all of Arizona's Counties

→ **AAA Credit Rating**

Moody's and Fitch



SRF - Eligible Borrowers

Cities, towns, tribal entities and special districts:

- Own a community public water system
- Own a wastewater facility
- Manage stormwater

Private water companies

- Any ACC regulated water provider
- Eligible if not ACC regulated, but must resolve an identified deficiency



SRF - Eligible Projects

Infrastructure project types

- Drinking water
- Wastewater – including reuse
- Stormwater
- Watershed Protection/Restoration

Project phases

- Acquisition
- Planning
- Design
- Construction
- Improvement



CW SRF Eligibilities

- The CW SRF program can fund a wide variety of water quality protection efforts
- The program's flexibility and broad range of project eligibilities enable states to target funds to their specific water quality priorities
- To be eligible for CW SRF assistance, a project must meet the criteria of one of the eleven eligibilities found in Section 603(c) of the Clean Water Act (CWA)





Other Eligible Projects

- Stormwater management
 - Green infrastructure
 - Low impact development
 - Flood control
- Watershed management of wet weather discharge
- Integrated water resources planning
- Weather/climate-related resilience planning
- Forest restoration
- Riparian improvements
- Recharge
- Reuse



Loan flexibility And other incentives



Types of Assistance

Financial Assistance - Loans

- Discounted Interest Rates
- Flexible Terms up to 30 years
- Forgivable Principal

Technical Assistance

- Combined with Financial Assistance
- Initiated with PPL Application
- Services delivered by - WIFA Staff and/or Contract Professionals
- Planning and Design
- Compliance with Federal Requirements

*City of Flagstaff Watershed Protection
Project – Partially funded by WIFA*

Design Loans

Flexible Lending

Loans for the design phase of a project:

- Planning & Design Loans cover costs incurred in the planning and design phase of a water infrastructure project
- Interest-only payments for **3 years** with the principal due at maturity or rolled into longer-term construction loans with WIFA or another funding entity.
- The combined interest and fee rate for three-year design loans is set at a **1%** flat rate.



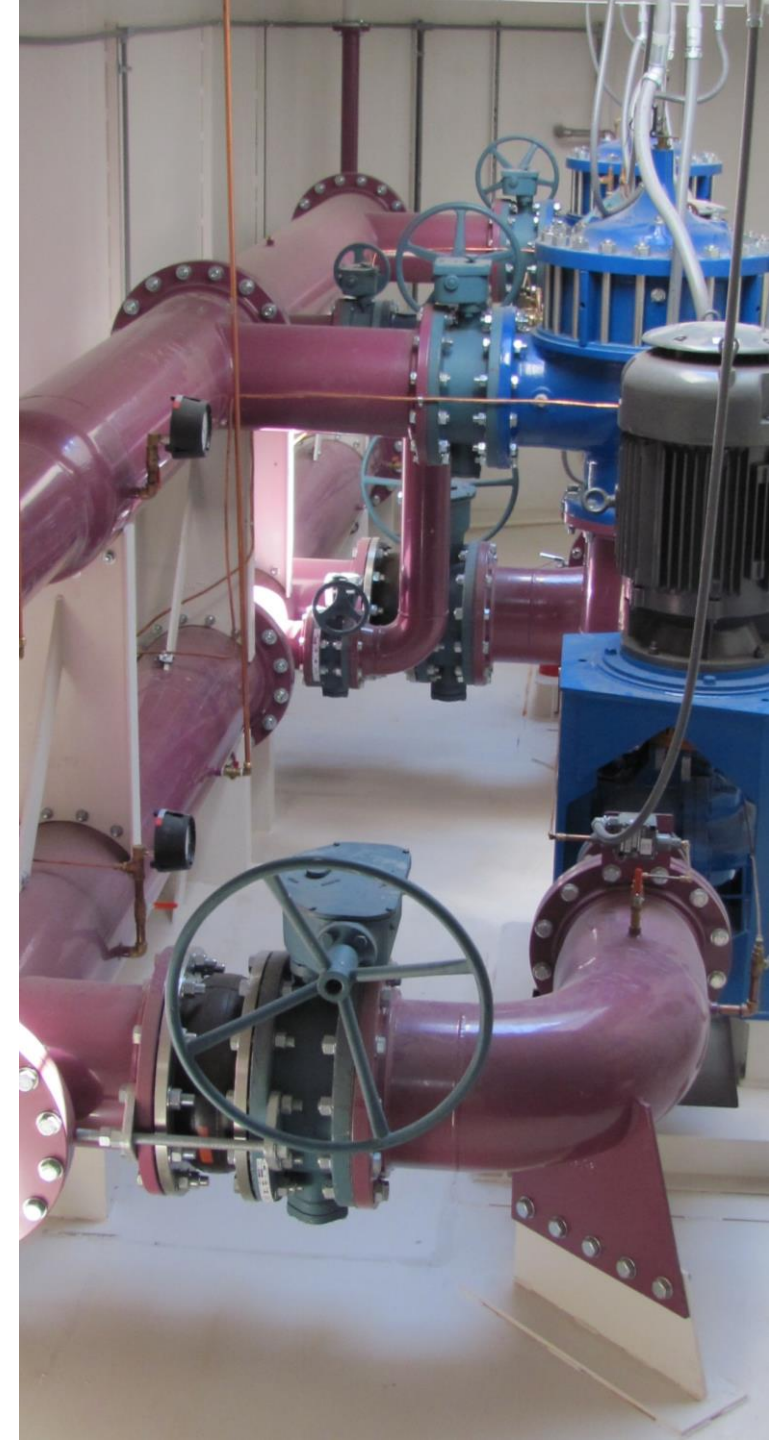
Forgivable Principal

Clean Water State Revolving Fund

forgivable principal for any eligible project**, including:

- Disadvantaged communities (*up to **50%** of project costs*)
- Green projects (*up to **20%** of eligible project costs*)
 - Water and energy efficiency projects
 - Includes reclaimed and reuse projects
- Projects that mitigate stormwater (*up to **20%** of eligible project costs*)
- Annual funding is determined by federal grant award
 - FFY 2020 - \$4,293,600
 - FFY 2021 - \$4,292,800

** *subject to availability and priority*



Disadvantaged Communities

Automatically eligible:

- Colonia – designated by a federal agency
- MHI of 90% of states or lower automatically qualifies as disadvantaged

Disadvantaged status may also be based on:

- Low median household income **AND**
- High water or wastewater rates charged to residents **AND**
- Existing level of debt





Bipartisan Infrastructure Law (BIL) Infrastructure and Investment Jobs Act (IIJA)



Bipartisan Infrastructure Law:

Goals

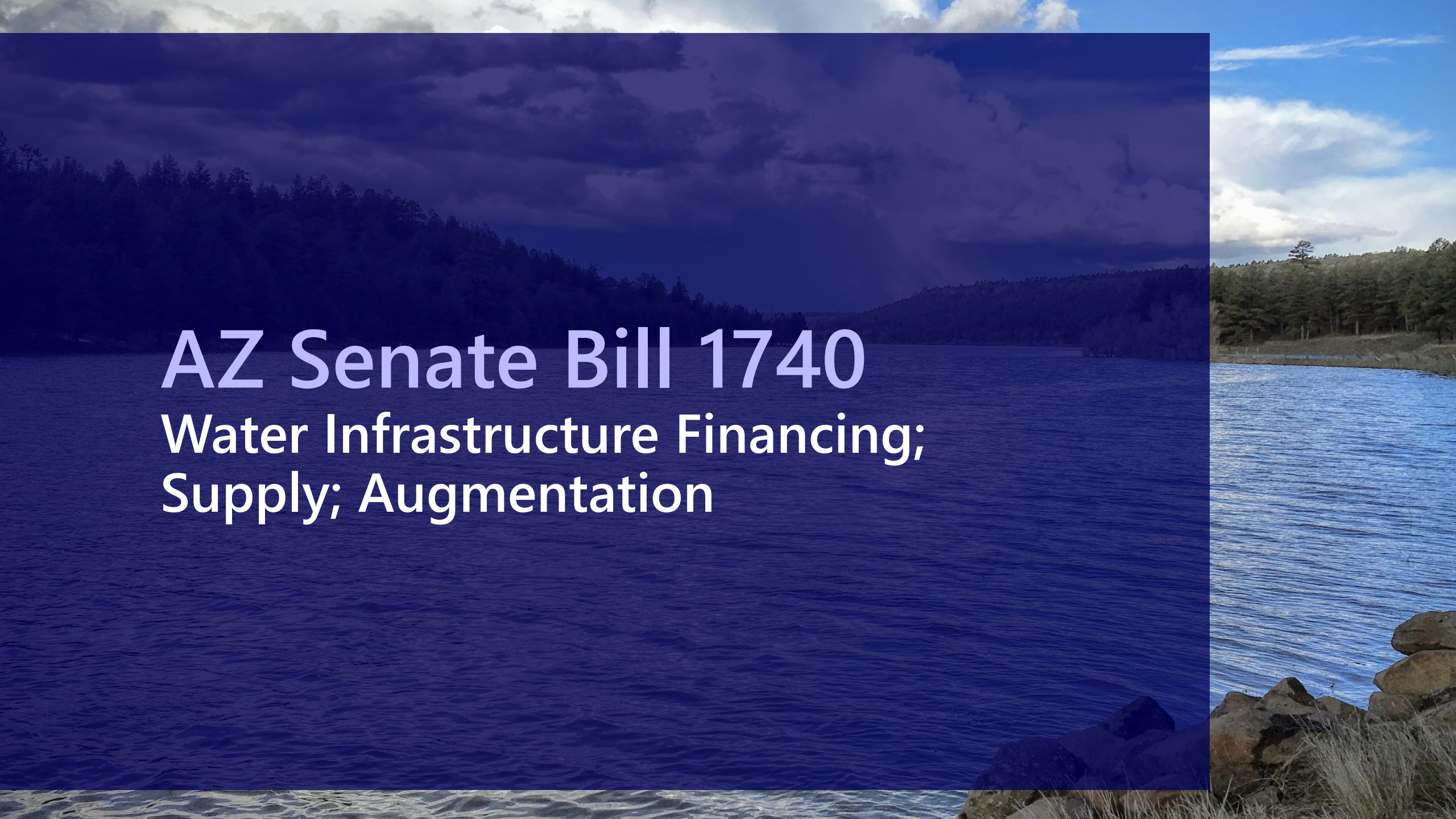
- **Target resources to disadvantaged communities.** It is a top priority for the EPA to ensure communities that have historically struggled to access SRF funding are prioritized.
- **Make rapid progress on lead-free water for all.** There is no safe level of exposure to lead, yet millions of families across America still suffer from lead contamination in their drinking water. President Biden has set an ambitious goal of replacing 100 percent of the nation's lead service lines.
- **Tackle forever chemicals.** The BIL provides an unprecedented level of funding dedicated to addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants.

Bipartisan Infrastructure Law

WIFA FY2022 Base and IJA Funding

As of: 3/21/2022

Fund	Purpose	Allocation	Forgivable Percentage	Forgivable	Forgivable Principal Eligibility
Drinking Water	Base	\$12,859,600	30%	\$3,857,880	14% for any eligible recipient/12-35% additional subsidy for disadvantaged communities
	Supplemental	\$32,359,000	49%	\$15,855,910	Disadvantaged Communities
	Emerging Contaminants	\$13,587,000	100%	\$13,587,000	25% for Disadvantaged Communities or Public Water Systems Serving Fewer Than 25,000 Persons
	Lead Service Lines	\$50,986,000	49%	\$24,983,140	Disadvantaged Communities
Clean Water	Base	\$7,913,200	40%	\$3,165,280	10% for any eligible recipient/10-30% mandated additional subsidy for communities that meet affordability criteria
	Supplemental	\$12,021,000	49%	\$5,890,290	Assistance recipients that meet the state's affordability criteria or project types as described in section 603(i) of the CWA.
	Emerging Contaminants	\$632,000	100%	\$632,000	No restriction

The image features a landscape with a large body of water in the foreground and a forested shoreline in the background. The sky is filled with dramatic, dark clouds. A vertical split occurs on the right side of the image, where the dark blue overlay ends, revealing the natural colors of the water and sky. The text is overlaid on the dark blue portion of the image.

AZ Senate Bill 1740

Water Infrastructure Financing; Supply; Augmentation



S.B. 1740

Water Supply Development Revolving Fund

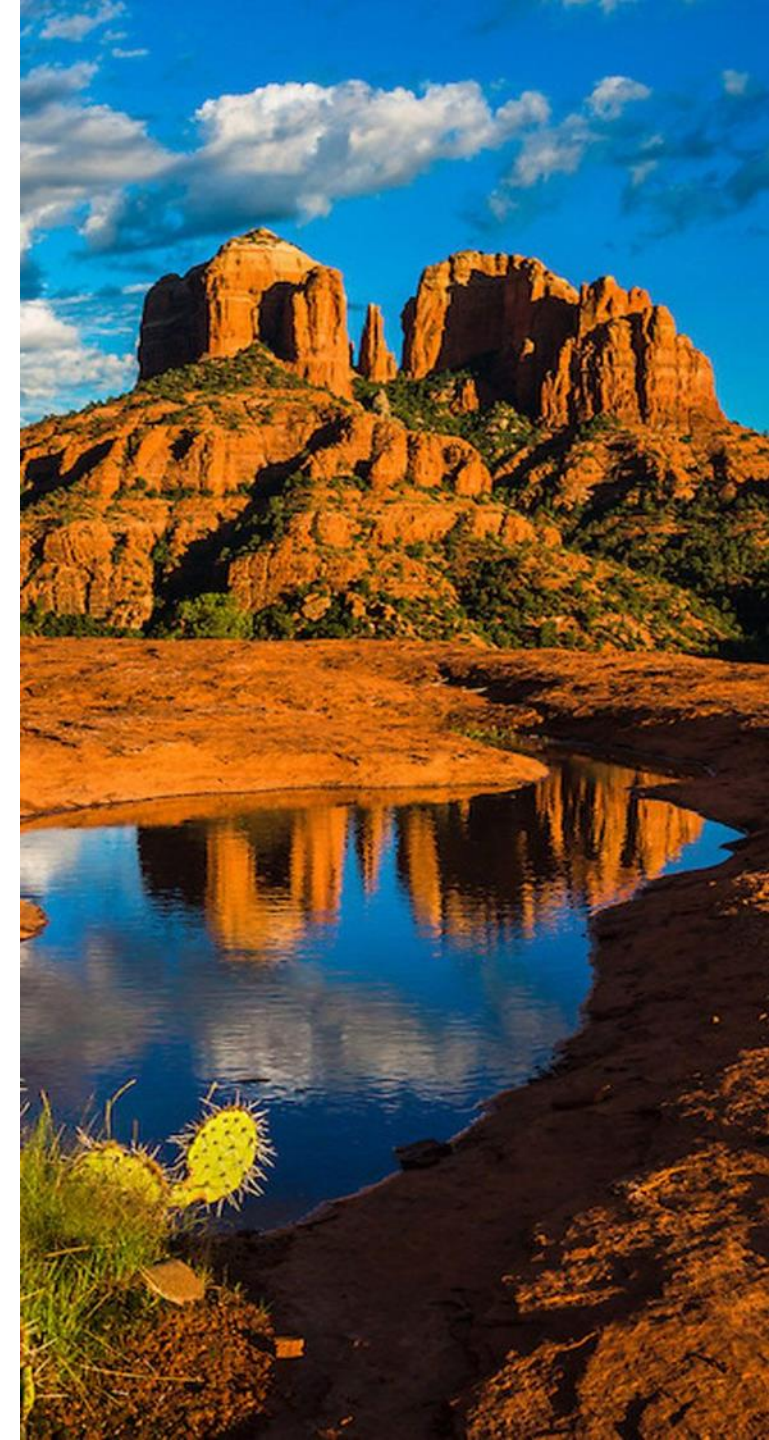
- Established in 2007 to provide financial assistance to water providers, particularly in rural areas, that lack access to sufficient water supplies to meet their long-term water demands for the purposes of constructing water supply projects and obtaining additional water supplies
- S.B. 1740 made changes to eligibility, loan/grant amounts, and added more funds (\$200M)

Water Conservation Grant Fund

- Brand new program created by floor amendment to S.B. 1740 which provides funding for water conservation grants

Water Supply Development Fund

- Almost operational in 2012
- WSDF Amended in 2021 – HB 2388
- Funded in the SFY 2022 Budget (\$46M)
- No federal requirements
- **S.B. 1740 changed the following:**
 - Eligible entity = water providers and cities, towns, counties, districts, commissions, authorities, or other public entities located outside AMAs in Maricopa, Pima, or Pinal county
 - Loan max = \$3M and grant max = \$2M
 - Project prioritization criteria changed



Water Supply Development Fund

What's Eligible?

ARS 49-1201

"Water supply development" means either of the following:

- a. Acquiring water or rights to or contracts for water to augment the water supply of a water provider
- b. Planning, designing, building or developing facilities for any of the following purposes:
 - I. Conveyance, storage or recovery of water.
 - II. Reclamation and reuse of water.
 - III. Replenishment of groundwater.
 - IV. Active or passive stormwater recharge structures that increase water supplies.
 - V. Conservation through reducing existing water use or more efficient uses of existing water supplies.



Water Conservation Grant Fund

What's Eligible?

a) Education/research programs

b) Programs/projects:

- rainwater harvesting
- gray water systems
- efficiency upgrades
- drought-resistant landscaping/turf removal
- water use reducing practices
- groundwater recharge
- groundwater and surface water conservation
- landscape watershed protection, restoration and rehabilitation, including through green infrastructure and low-impact development
- coordinated water management



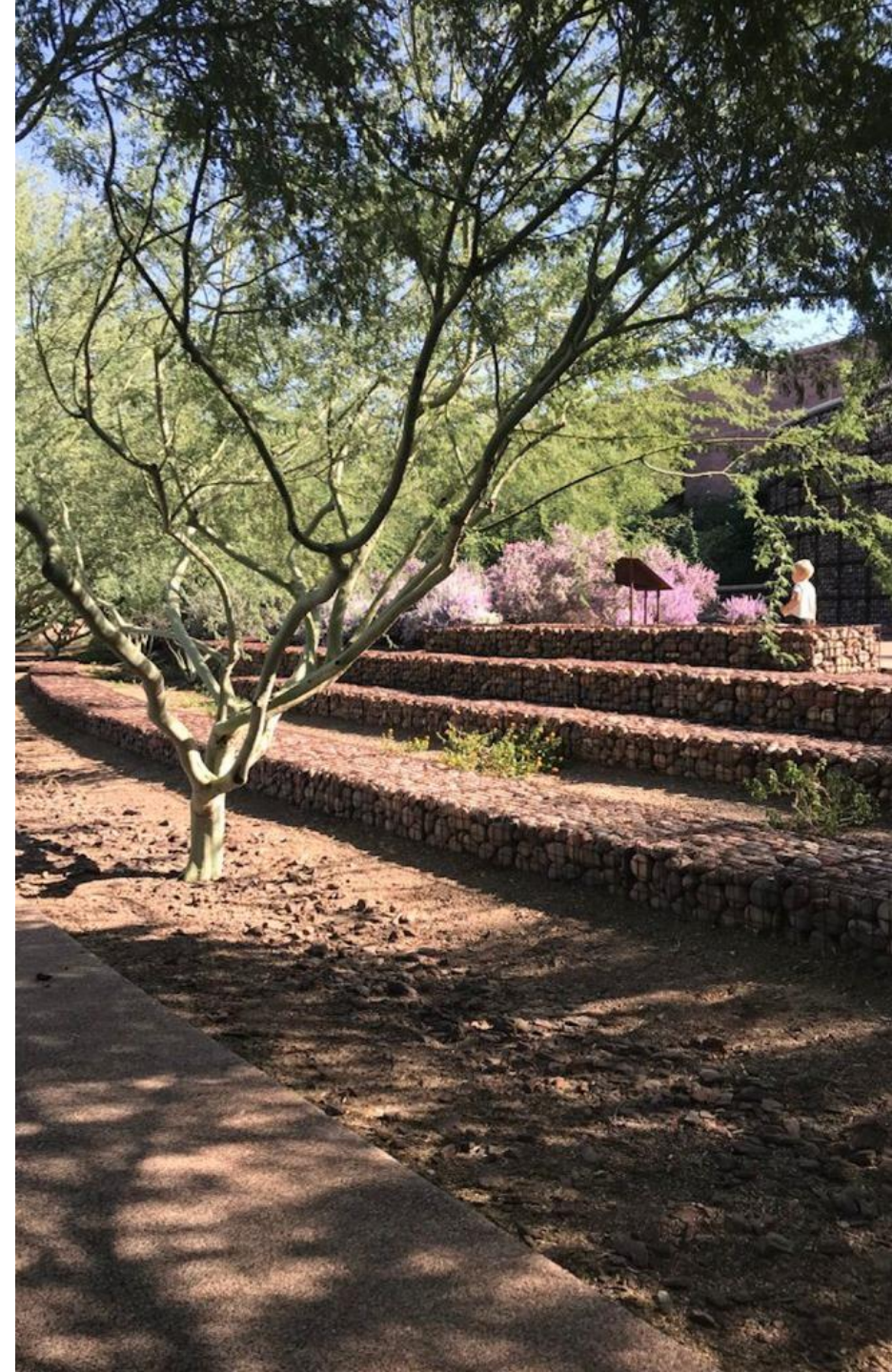
Water Conservation Grant Fund

Who is Eligible?

- Cities/Towns; Counties; Districts; Commissions; Authorities; Other public entities; Nongovernmental organizations that focus on water conservation or environmental protection

How Much Available?

- a single water conservation program grant max = \$3M
- a single water conservation project grant max = \$250,000
- at least a 25% match is required



Funded Stormwater Projects

City of Peoria Section 12 Neighborhood Drainage Improvements:

- Stormwater drainage control improvements such as gutters, underground stormwater pipes, grass or concrete channels, and retention basins
- \$6.29M loan with \$1M in forgiveness



City of Flagstaff Flagstaff Watershed Protection Project:

- Forest thinning to prevent catastrophic wildfires and subsequent flooding
- WIFA loan for \$6M with \$1M in loan forgiveness

PROTECT Our Water... Property... and Lives!

"I'm voting YES ON 405 to help protect Cocanino Estates, Downtown, Sunnyside, Continental, other Flagstaff neighborhoods, and MAU's campus from the consequences of big wildfires and severe flooding."

—Celia Barotz, Flagstaff City Council

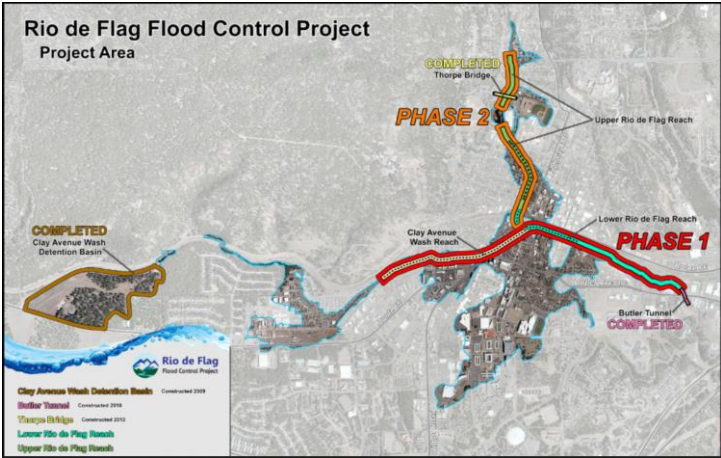
www.sites.google.com/site/yeson405

Forest Health and Water Supply Protection Project

VOTE YES ON 405

City of Flagstaff Rio de Flag Flood Control Project:

- 20-year effort between the City of Flagstaff and US Army Corps of Engineers to prevent flooding
- WIFA loan for \$20M with \$1M loan forgiveness





Application Process

From preliminary to closing

Loan Application Milestones

01

Preliminary Application

Preliminary application is submitted through our online portal at www.applicant.azwifa.gov

02

Obtain Debt Authorization

Applicant's governing body obtains Debt Authorization and completes the Project Finance Application.

03

Board Review and Approval

Applicant attends a bi-monthly Advisory Board Meeting.

Loan is executed and funding is available

Application Tips

Contact WIFA Staff early in the process!

- Contact WIFA Staff to confirm eligibility, ask questions about the process, learn about the requirements, and find out what incentives we can offer
- You can find staff email and phone numbers on WIFA's website

**WIFA Main Line
(602)364-1310**

**WIFA Website
azwifa.gov**

Put in a PPL early in the process!

The Project Priority List (PPL) application allows us to:

- Score and rank your project
- Determine if the community qualifies as disadvantaged
- Determine the level of discount that will be applied to your interest rate
- Assign a project manager who will walk you through the next steps

LOAN APPLICATION FOR A CLEAN WATER (WASTEWATER OR STORMWATER) PROJECT
Financial Assistance Project Priority List Application
Project Number: CW-xxx-2020

1. APPLICANT AND CONTACT INFORMATION

1.1 Utility Information
Name: _____
Address: _____ City: _____ State: _____ Zip: _____ County: _____

1.2 Utility Representative to be Contacted Regarding Application
First Name: _____ Last Name: _____
Title: _____
Address: _____ City, State & Zip: _____
Phone: _____ Fax: _____
E-Mail: _____

1.3 Median Household Income: _____

Request a PFA meeting!

- Using the information from the PPL Staff will help you review the Project Finance Application and answer any questions you have before applying.

Application/ Addendum	Requested Attachments
Project Finance Application	
Project Data Addendum	Application Authorization
Legal Capability Addendum	Project Information
Financial Capability Addendum	Debt Authorization Materials Evidence of Corporate Authority <i>(required for non-governmental only)</i>
Technical Assistance Addendum	Financial Statements/Reports Single Audits Monthly Financial Data Rate Ordinance or Schedule Tariff Schedule Bank Statements <i>(required for non-governmental only)</i> Evidence of Insurance Coverage Outstanding Debt Information Current and Proposed Budgets
Technical Capability Addendum	
Managerial Capability Addendum	Map of Service Area
Consultant Capability Addendum	
Community Description Addendum	
W-9 Form	
Certification of Positive Effort for DBE (MBE/WBE)	Certification Form
E-Verify	Proof of Registration
Fiscal Sustainability Plan (CW only)	Certification Form
Cost and Effectiveness Form (CW only)	Certification Form
SHPO Form	
UEI Number Guidance	



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Thank You

www.azwifa.gov

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