

SFY 2018

Clean Water Intended Use Plan



Water Infrastructure
Finance Authority of
Arizona



Table of Contents

INTRODUCTION.....	1
Section 1: Short Term Goals.....	1
Section 2: Long Term Goals.....	1
Section 3: Important Program Changes.....	2
Section 4: Agreement to Enter Data into CBR and NIMS.....	2
Section 5: Description of Public Notice Process and Actions Taken to Address Public Comments.....	2
Section 6: Assurances and Specific Proposals.....	3
Section 7: Disadvantaged Community Program	3
Section 8: Criteria and Methods for Distribution of Funds (Priority Setting Criteria)	3
Section 9: Bypass Procedures	4
Section 10: Sources and Uses Table.....	4
Section 11: Identify Types of Assistance Provided and Terms (Principal Forgiveness, Extended Terms)	4
Section 12: State Match Sources	6
Section 13: Identification of Overmatch.....	6
Section 14: Anticipated Cash Draw Ratio (proportionality) or Statement of Match Drawdown then Federal	6
Section 15: Estimated Disbursement Schedule	6
Section 16: Identification of any Intended Transfers between Funds.....	6
Section 17: Identification and Explanation of any Cross Collateralization	6
Section 18: Combined Interest and Fee Rate (CIFR).....	6
Section 19: Fees Charged if Applicable and Uses of Fees	7
Section 20: Overview of Program Financial Status and Management	7
Section 22: Binding Commitment Schedule	7
Section 23: Grant Payment Schedule	7
Sections 24-33: Fundable List	9

INTRODUCTION

The Arizona Finance Authority Board of Directors is pleased to release Arizona's Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP) for the State Fiscal Year (SFY) 2018 funding cycle. The CWSRF IUP describes the Water Infrastructure Finance Authority's (WIFA) plan to utilize various sources of funds to finance clean water infrastructure and support related activities during the SFY 2018 funding cycle from July 1, 2017 through June 30, 2018. This IUP is a required element of the grant application documentation to obtain the Federal Fiscal Year (FFY) 2017 grant award.

Because the final funding level for the FFY 2017 Federal Capitalization Grant has not been established at this time, this IUP is based upon Arizona's FFY 2016 funding level (\$9,015,000). If the final amount of the Capitalization Grant is less than the FFY 2016 amount, WIFA will distribute the reduction equally through the budget and sources table. If the final amount of the Capitalization Grant is greater than the FFY 2016 amount, budget items will be revised as necessary.

Arizona herewith submits its IUP for the FFY 2017 funds available to Arizona for the purposes of continuing the development, implementation and administration of the CWSRF program in Arizona.

The Arizona CWSRF Loan Program provides funds for publicly-owned municipal wastewater systems and nonpoint source projects. Eligible projects include planning, design and construction of new wastewater treatment plants, improvements and upgrades to existing wastewater treatment plants, sewer collection systems, water reclamation and reuse facilities, stormwater infrastructure and nonpoint source projects. The program places an emphasis on small and disadvantaged communities and on projects that promote sustainability through water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities. Loan repayments to the State will provide a continuing source of infrastructure financing into the future.

Section 1: Short Term Goals

For the purposes of this IUP, a short-term goal is an activity intended to be initiated and, in some cases, completed within a year.

- WIFA will make wastewater infrastructure loans more accessible and affordable to small communities by subsidizing all loans (providing below market interest rates).
- If available, WIFA will provide up to 20% of the Capitalization Grant amount as additional subsidy in the form of forgivable principal to communities who are identified as disadvantaged.
- WIFA will provide any required percentage/amount of the Capitalization Grant amount for sustainable construction efforts such as water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities.

Section 2: Long Term Goals

For purposes of this IUP, long-term is defined as the life of the program. The following are the long-term goals of the loan program:

- Award WIFA's resources in accordance with the needs of Arizona's citizens;
- Maintain the fiscal integrity of WIFA's funds and assure continuous enhancement for future generations;
- Effectively and efficiently deliver financial and technical assistance;
- Market agency programs and advocate the importance of safe, reliable water through presentations, networking and outreach.

Section 3: Important Program Changes

WIFA may adjust the interest vs. fee ratio of the Combined Interest and Fee Rate (CIFR) during SFY 2018.

On August 6, 2016, Arizona House Bill 2666 became effective, transitioning WIFA to the newly established Arizona Finance Authority (AFA). The existing WIFA Board was replaced with the Arizona Finance Authority Board (Board), consisting of five members appointed by the Governor.

To support WIFA programs and to maintain the expertise of WIFA leadership, the AFA Board approved the membership of the Water and Infrastructure Finance Authority Advisory Board (Advisory Board). The membership includes the previous members of the WIFA Board. The AFA Board also authorized the Advisory Board to continue its review responsibilities and provide recommendations for action to the AFA Board. The Director of ADEQ serves as the Chair of the WIFA Advisory Board.

Under the new approval process, the WIFA Advisory Board meets every other month, providing board actions are necessary, reviews all staff recommendations, and approves recommended actions (including recommended loan approvals) for presentation to the AFA Board. The AFA Board meets approximately one week after the Advisory Board meeting to act on these recommendations.

WIFA is in the process of revising its rules and policies to support and complement recent state statutory changes as a result of Arizona House Bill 2666. The rulemaking will update WIFA's rules to reflect the new governance of the Clean Water and Drinking Water Revolving Fund programs.

Section 4: Agreement to Enter Data into CBR and NIMS

WIFA agrees to enter data into CBR and NIMS.

Section 5: Description of Public Notice Process and Actions Taken to Address Public Comments

Public review and written comment period of this IUP was conducted from March 16, 2017 through March 30, 2017.

WIFA solicited public review and comment on the draft SFY 2018 CWSRF IUP and Project Priority List (PPL) according to the following schedule:

March 16, 2017	Distribution and Web posting of the draft CWSRF IUP and PPL to all interested parties.
March 27, 2017	Public Hearing – 100 N. 15th Ave, Suite 103, Phoenix, Arizona 85007 at 1:00 P.M.
March 30, 2017	Deadline for public comments on the draft CWSRF IUP and PPL.
April 12, 2017	Advisory Board recommendation of adoption of the final draft CWSRF IUP and PPL.
April 26, 2017	Arizona Finance Authority Board of Directors' adoption of the final draft CWSRF IUP and PPL. IUP will then be sent to EPA for final approval.
July 1, 2017	Begin implementation of the Approved CWSRF IUP and PPL.

Section 6: Assurances and Specific Proposals

WIFA intends to comply with the following:

- WIFA will comply with its environmental policy as approved by EPA;
- WIFA will notify its borrowers of the requirement to comply with the Davis-Bacon requirements outlined in the Capitalization Grant Terms and Conditions;
- WIFA will notify its borrowers of the requirement to comply with the American Iron and Steel requirements outlined in the Capitalization Grant Terms and Conditions; and
- WIFA will make every effort to comply with EPA's guidance for timely and expeditious use of funds.

WIFA agrees to the remaining required assurances and proposals in the grant application and the IUP.

WIFA has made, and continues to make, a good faith effort to solicit projects to meet the green project reserve (GPR) requirement. WIFA's GPR marketing plan is described in Exhibit 1.

Section 7: Disadvantaged Community Program

WIFA is committed to providing assistance to wastewater systems serving Disadvantaged Communities. The Board may designate an applicant as a Disadvantaged Community if the applicant satisfies one of the following:

1. The community is a designated "colonia" community through the federal government, or
2. The community received 60 or more Local Fiscal Capacity points on the CWSRF PPL.

WIFA intends on providing up to 20% of the capitalization grant in additional subsidy as forgivable principal (unless the grant requirement is higher, in which case this percentage will be adjusted accordingly) to communities who cannot otherwise afford projects (including disadvantaged communities). WIFA's Disadvantaged Policy allows for extended term, reduced interest or a combination.

Section 8: Criteria and Methods for Distribution of Funds (Priority Setting Criteria)

- **Project Priority List and Fundable Range**
 - **Project Priority List (PPL):** On an annual basis, WIFA develops a statewide priority list of projects. Currently, WIFA's CW PPL has two project priority list applications totaling \$10,288,400. The Sources and Uses table provides approximately \$120 million for new CW loans. Staff are in discussions with communities with potential CW projects that may be added to the PPL list during the year.
 - **Fundable Range:** The Fundable Range includes the applicants ready to receive design or construction financial assistance.
- **Project Priority List Updates**

The Board may update the CW PPL by adding or deleting projects or adjusting the fundable range for design or construction projects. The decision to update the CW PPL may be based on a project's readiness to proceed, availability of other funding sources or other new information affecting the expansion or contraction of the PPL and Fundable Range. The Board adopts the updated CW PPL at a public meeting and the updates are posted on WIFA's website.
- **Project Readiness to Proceed**

Applicants accrue readiness to proceed points based on the following criteria:

 - Approved debt authorization has been submitted to WIFA.
 - Plans and specifications are complete.
 - Local and state permits have been obtained.
 - The bid or solicitation process has been initiated.

Section 9: Bypass Procedures

The Fundable Range process is used to bypass projects that are not ready to proceed. As part of this process, readiness to proceed points are awarded for each of the criteria identified above, with a project needing to accrue at least 40 points out of 100 possible. Projects which have not received at least 40 points are bypassed, allowing projects which are ready to proceed to move forward with obtaining financing.

Section 10: Sources and Uses Table

Arizona CWRP Sources & Uses for SFY 2018 (FFY 2017)				
	Federal Contributions	WIFA Revenues	WIFA Loan Accounts	Total
Funding Sources				
Estimated fund balance as of 7/1/2017	\$ -	\$ 1,838,171	\$ 180,566,982	\$ 182,405,154
New funds expected in SFY 2018	\$ 9,015,000	\$ 999,962	\$ 1,088,149	\$ 11,103,110
Total Funding Sources	\$ 9,015,000	\$ 2,838,133	\$ 181,655,131	\$ 193,508,264
Funding Uses				
Financial Assistance Loans	\$ 8,654,400	\$ 1,803,000	\$ 110,000,000	\$ 120,457,400
Clean Water Programs (ADEQ)				\$ -
Technical Assistance		\$ 150,000		\$ 150,000
Administration	\$ 360,600	\$ 718,100		\$ 1,078,700
Forgivable Principal \$1,803,000 Green Project Reserve \$901,500				
Total Funding Uses	\$ 9,015,000	\$ 2,671,100	\$ 110,000,000	\$ 121,686,100
<i>State match can be WIFA bond proceeds, WIFA CW fees or state general fund monies.</i>				

To date in SFY2017, WIFA has closed \$1,640,000 in CW loans. Two projects received binding commitments from the Board in SFY2017 but have not yet closed. The requested amounts for these two projects are \$21,600,000 and approximately \$3,000,000. Both are anticipated to close prior to the end of SFY2017. The Sources and Uses table provides approximately \$120 million for new CW loans. The SFY2018 CW PPL includes \$10,288,400 in new applications. WIFA is continuing its efforts to market the programs to prospective borrowers. Staff are in discussions regarding other CW projects that should be added to the PPL list during the year. Finally, WIFA will defease a portion of its outstanding bond debt in SFY 2018.

Financial Assistance Funds for Loans

Eligible projects include planning, design and construction or replacement of wastewater facilities, sewer collection systems, reclamation, recharge, nonpoint source and stormwater infrastructure. The required percentage/amount of the federal grant will be used to finance sustainable projects that emphasize water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities. See the Arizona CWSRF Sources & Uses for SFY 2018 (FFY 2017) Funding Cycle Table for detail.

Section 11: Identify Types of Assistance Provided and Terms (Principal Forgiveness, Extended Terms)

Technical Assistance

Technical Assistance available from WIFA includes planning and design assistance and professional assistance.

1. Planning and Design Technical Assistance Program

WIFA will use up to \$100,000 for planning and design assistance. WIFA solicits applications from Arizona's political subdivisions and Indian communities. The purpose of WIFA's Planning and Design Technical Assistance Program is to help prepare systems for construction of capital improvement projects. Typically, awards are made to facilities with limited resources that need assistance in completing the planning and/or design phase of an infrastructure project. The request for applications issued establishes the scoring criteria on which the applications are evaluated. Awards are capped at \$35,000 per project.

2. Professional Technical Assistance

Professional Technical Assistance includes studies, surveys and other types of reports that provide benefit to a range of wastewater systems statewide. \$50,000 may be used to provide technical, managerial and financial capacity development assistance. EPA has not launched the 2016 Clean Watershed Needs Survey, therefore WIFA has not allocated funds for the Survey. In the case that the 2016 Clean Watershed Needs Survey launches in FFY 2017, WIFA would use existing fee money to fund the Survey.

Throughout the Funding Cycle and as circumstances require, WIFA may fund additional Professional Technical Assistance projects. The Board will act to add Professional Technical Assistance projects at a public meeting of the Board.

Program Administration (4% Set-Aside plus WIFA Fees)

Section 603(d)(7) of the revised FWPCA, allows the greatest of a maximum of 4% of all grant awards to such fund under this tile, \$400,000 per year, or 1/5 percent per year of the current valuation of the fund based on the most recent audited financial statements to cover the reasonable costs of administering the fund.

WIFA will use \$360,600 or 4% of the final grant amount for administrative costs. These funds will be used to pay salaries and associated expenses of program personnel devoting time to the administration of the funds.

Forgivable Principal

WIFA may provide additional subsidization in the form of forgivable principal for up to 90% of the loan amount, based on financial need and/or projects eligible under the green project reserve.

WIFA may provide a total of up to 20% of the capitalization grant in subsidy as principal forgiveness to projects (unless the grant requirement is higher, in which case this percentage will be adjusted accordingly).

Financial Terms of Loans

1. Subject to the limitation in item 2 of this list, all loans for the financing of projects will be for a term not to exceed 20 years from loan closing date, except that under certain conditions including loans to disadvantaged communities project financing may be made for a period of up to 30 years.
2. Loan terms are not to exceed the useful life of the project.
3. Terms of financial assistance to publicly-owned wastewater systems serving disadvantaged communities are addressed in Section 7.
4. Repayment of loan principal must begin within 12 months of project completion based on the construction schedule available at the loan closing date or actual completion date or three years from the date of the initial principal advance, whichever is earlier.
5. Loan disbursements are to be made on a cost reimbursement basis.
6. The decision to leverage will be based on demand on the loan fund for projects to address public health concerns, market conditions and long-term impact to the fund.

7. A maximum of 20% of the FFY 2017 Capitalization Grant funds will be provided as forgivable principal (unless the grant requirement is higher, in which case this percentage will be adjusted accordingly). A minimum of 10% will be provided for green projects (water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities) (unless the grant requirement is lower or higher, in which case this percentage will be adjusted accordingly).
8. Contracts for financial assistance for all CWSRF treatment works projects will require the borrower to comply with Davis-Bacon wage rates.
9. All contracts for construction financial assistance with the exception of nonpoint source projects will require the borrower to comply with the Use of American Iron and Steel requirements.
10. WIFA will assess income from the Standard Combined Interest and Fee Rate (CIFR) as either fee income or interest income in accordance with the following table.

Combined Interest and Fee Rate (CIFR) for 20 Year Loans

Financial Structure	CIFR
Governmental	Municipal Market Data Index (MMD) multiplied by the Subsidy

Section 12: State Match Sources

As demonstrated in the Sources and Uses Table, WIFA revenues will provide match for the FFY 2017 Capitalization Grant.

Section 13: Identification of Overmatch

As of June 30, 2016, WIFA has overmatched by \$27,989,868. As of February 2017, WIFA has overmatched by \$27,573,664.

Section 14: Anticipated Cash Draw Ratio (proportionality) or Statement of Match Drawdown then Federal

With the overmatch, WIFA will draw 100% federal funds until the overmatch is depleted. Once the overmatch is depleted, WIFA will draw the state match equivalency prior to drawing federal funds.

Section 15: Estimated Disbursement Schedule

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
20%	35%	35%	10%

Section 16: Identification of any Intended Transfers between Funds

WIFA currently has no planned transfers between the CWSRF and the DWSRF.

Section 17: Identification and Explanation of any Cross Collateralization

The Authority maintains the CWSRF and DWSRF as separate and distinct programs. Revenues generated by either program will remain within that program. Any transfers between funds will be temporary in nature and done only to alleviate short term cash shortages.

Section 18: Combined Interest and Fee Rate (CIFR)

For 20 year term loans, WIFA Procedure has established a target CIFR ranging between 70% and 95% of the tax-exempt AAA MMD Rate for governmental entities. CIFR/subsidies on individual loans will be set pursuant to the criteria below:

- Total Priority Value Points;
- Local fiscal capacity of the area served by the system requesting assistance; and,
- Lending capacity of Arizona’s CWSRF.

Section 19: Fees Charged if Applicable and Uses of Fees

The Sources and Uses table demonstrates how fees will be used for SFY 2018, providing match to the federal grant and administration of the SRF. WIFA is collecting program fees and using those for the administration of the program. WIFA is currently tracking its program income and will be reporting the revenue received and spent on its Federal Financial reports.

Section 20: Overview of Program Financial Status and Management

Based on FFY 2016's amount, the Federal Capitalization Grant for FFY 2017 is anticipated to be \$9,015,000.

With the FFY 2017 Federal Capitalization Grant, WIFA will have received 28 Capitalization Grants (including ARRA) totaling \$286,486,273. In addition WIFA has received and passed through three SAAP grants totaling \$9,621,347 for a total federal investment of 31 grants totaling \$296,107,620.

The Arizona CWSRF program supports the National USEPA Strategic Plan Goal 2 (Clean and Safe Water), Objective 2.2 (Protect Water Quality), Sub-objective 2.2.1 (Improve Water Quality on a Watershed Basis). Specifically, Arizona established and is managing the revolving loan fund to finance the cost of infrastructure improvements which will achieve or maintain compliance with the Clean Water Act requirements.

All planned and prior year loans have assisted public wastewater systems and nonpoint source projects in meeting the federal and state clean water compliance requirements. Details of Arizona's CWSRF activities supporting the National USEPA Strategic Plan will be included in the CWSRF Annual Report as well as in the Clean Water Benefit Reporting system (CBR) and the Clean Water National Information Management System (CW NIMS).

Section 21: Leveraging Plan

As a matter of practice, WIFA pays close attention to its cash position and lending capacity. This practice includes reports to the WIFA Advisory Board at each Advisory Board meeting defining WIFA's current cash position and lending capacity. As a result of WIFA's current cash position, it appears that WIFA's next Bond Issue won't be needed until late in the year or early next year.

Section 22: Binding Commitment Schedule

When the Board approves an applicant's financial assistance request, WIFA staff prepares and circulates financial assistance (loan) documents to evidence the binding commitment in accordance with applicable federal and state requirements. Based on the PPL, WIFA expects to enter into binding commitments at 114% of the federal cap grant amount (dollars on PPL vs the federal cap grant).

Section 23: Grant Payment Schedule

WIFA will receive all payments in the first quarter available.

Sections 34-43:

These Sections are for DWSRF, not applicable to CWSRF.

Water Resources Reform and Development Act Amendments

The Water Resources Reform and Development Act (WRRDA) requires all CWSRF treatment works projects funded in SFY2018, regardless of funding source, to pay their workers the federal Davis-Bacon wage rates for their job classification, and to comply with American Iron and Steel (AIS) requirements.

WRRDA requires that Borrowers provide a Fiscal Sustainability Plan (FSP). The requirement applies to all loans with PPL applications submitted on or after October 1, 2014. WIFA has incorporated this

requirement into its loan application process, developed a certification form and criteria, and created a webpage where these documents can be found.

WRRDA required that WIFA develop “Affordability Criteria” for additional subsidization by September 30, 2015. The criteria were made available for public comment and incorporated into WIFA’s Additional Subsidy Procedure on August 27, 2015.

Section 603(b)(13) of WRRDA requires WIFA obtain a certification from all applicants that the facility planning has studied and evaluated cost effectiveness and efficiency of water and energy use, reuse, and production. WIFA is implementing this requirement for all projects funded on or after October 1, 2015.

WRRDA Section 602(b)(14) requires that for any capitalization grant awarded after October 1, 2014, all architectural and engineering (A/E) contracts must comply with the federal procurement processes for A/E services as identified in 40 U.S.C. 1101 *et. seq.*, or an equivalent State requirement. WIFA has elected to apply the federal A/E requirements to equivalency projects only.

Sections 24-33: Fundable List

Arizona combines the Fundable and Comprehensive lists into one list. WIFA applies all crosscutters to all CWSRF projects, with the exception of FFATA and the requirement of federal procurement processes for A/E contracts. Both are treated on an equivalency basis. The project(s) in yellow is identified as potential equivalency project(s). It is unknown at this time which projects will be awarded forgivable principal.

Arizona’s Clean Water Revolving Fund Project Priority List – SFY 2018 Funding Cycle

PPL Rank	Applicant	Population	County	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
1	¹ Tri-city Regional Sanitary District	5,700	Gila	Tri-City Regional Sanitary District	Wastewater is currently being disposed into septic systems and cesspools that has caused the introduction of raw wastewater into the environment. Proposed project would benefit the area and residents by disposing and treating wastewater in a central facility.	001 2018	\$6,928,400.00	70%
2	¹ Camp Verde, Town of	3,165	Yavapai	Sewer Expansion	The Town would like to refinance approximately \$2.8M in debt, as well as expanding sewer collection lines to unserved residential and commercial areas and make wastewater treatment plant improvements, including constructing a building to house filter and UV equipment and reconstruct the WWTP lagoon.	002 2018	\$3,360,000.00	70%
Total:							\$10,288,400	

¹ Eligible for disadvantaged community designation

² Eligible for Green Project Reserve

Exhibit 1 – WIFA Green Project Reserve Marketing Plan

WIFA has made, and continues to make, a good faith effort to solicit projects to meet the green project reserve (GPR) requirement. The good faith solicitation is open to all GPR eligible projects in each of the four GPR categories.

WIFA's good faith efforts to solicit GPR projects are various and rigorous and include:

1. WIFA accepts Project Priority List applications throughout the year. This allows an applicant to submit a project application at any time for consideration by the Board of Directors; there is no deadline for loan applications.
2. WIFA incentivizes GPR projects by offering forgivable principal (up to 20% of project costs) or a reduced interest rate (up to 30 basis points) for these projects. These incentives are documented in Procedure III.20.1 - Additional Subsidy Procedure and Procedure III.7.1 – Green Project Reserve Incentive.
3. The standard presentation on WIFA's programs includes information on the GPR and incentives associated with it. Presentations are routinely made at conferences, to organizations and potential borrowers.
4. Staff regularly meets with consultants and potential borrowers one-on-one to market the CWSRF and GPR and discuss specific projects which may qualify for the GPR.
5. WIFA's website has a page dedicated to the Green Project Reserve (<http://www.azwifa.gov/green-project-reserve/>). It includes information on eligibility as well as past business cases.
6. WIFA's social media presence (Facebook, Twitter, LinkedIn, etc.) regularly highlights the incentives available for green projects and include press releases on loan closings.
7. All wastewater projects are required to prepare a cost and effectiveness analysis and select, to the maximum extent practicable, a project that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation. This analysis of clean water projects identifies project components eligible for the GPR.
8. WIFA has a Planning and Design Technical Assistance program to help prepare water and wastewater facilities for future infrastructure project construction (see Section 11). WIFA continues to encourage green Technical Assistance projects, which qualify for a waiver on the local match funding requirement. Recently, stormwater projects and energy audits have been awarded Technical Assistance funding, and WIFA encourages the recipients to consider obtaining a loan through WIFA for project construction.

GPR Marketing Activities Completed in SFY2017

In FFY 2016/SFY2017, despite numerous efforts, WIFA was not able to fund GPR projects totaling at least 10% of the capitalization grant because of a lack of projects applying to the CWSRF.

1. Recent conferences and organizations where WIFA presented about green projects include:
 - a. Recycled Water Subcommittee of the Governor's Water Augmentation Council
 - b. Sustainable Cities Network - Stormwater
 - c. Conservation InfoShare Statewide Meeting - Reduce, Reuse, Recycle: Smart Investments with WIFA
 - d. Arizona Water Association - Innovative Financing For Your Not-So-Traditional Infrastructure Projects
 - e. Financing Sustainable Water Workshop hosted by AMWUA and the Alliance for Water Efficiency - The Financing Sustainable Water: *Building Better Rates in an Uncertain World* workshop provided an opportunity to learn about the newest resources and strategies that can help utilities balance revenue management, resource efficiency, and fiscal sustainability at a time when there are many unknowns and uncertainties. Representatives from 20 Arizona cities and towns and two water districts were in attendance and provided WIFA a great opportunity to promote GPR incentives.
 - f. EPA Drought and Water Loss Workshop - EPA, along with WIFA, ADEQ, and RCAC, sponsored three free drought and water loss workshops for drinking water utilities. An overview of specific tools and resources for controlling water loss, including WIFA's funding programs, were provided.
2. Recent discussions with consultants and potential borrowers regarding potential GPR projects of note include:
 - a. A meeting with consulting firm regarding funding energy performance contracts for energy efficiency projects through the SRF.

- b. Meetings with several cities with potential GPR projects, including injection well projects, green infrastructure and solar projects.
 - c. Meetings with Arizona State University regarding a water reclamation project to construct a water re-use system to meet campus water needs and reduce overall water demand.
 - d. Meeting with Nina Mason Pulliam Rio Salado Audubon Center- The focus of the meeting to discuss new green project eligibilities, available incentives and potential collaboration with Audubon Arizona.
3. A mass email was sent out to all those on WIFA's email distribution list on August 11, 2016 to market the program. The email included specific references to green projects with a link to WIFA's Green Project Reserve webpage.
4. WIFA was featured in EPA's January 2017 State Water Agency Practices for Climate Adaptation under the Topic Area of Water Supply Planning, Water Conservation, Resource Efficiency, Green Infrastructure, Funding.
5. Currently on the PPL is an application from Tri-City Improvement District to build a new wastewater treatment facility. The total amount requested is nearly \$7 million. This facility has not yet been designed, so no green components have been identified. It is expected that some project components that meet the GPR requirements will be identified as the project progresses.
6. The City of Douglas has received a CW binding commitment from WIFA but has not yet closed the loan. The design of the wastewater treatment plant facility improvements project is nearly completed. Energy efficiency and water efficiency components may be outcomes of the design. The project will be co-funded by BECC and EPA; the loan for WIFA's portion is expected to close in May 2017.