

WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

BOARD OF DIRECTORS' MEETING/TELECONFERENCE CALL

WEDNESDAY, FEBRUARY 17, 2016
Board Meeting 1:30 P.M.

1110 W. WASHINGTON STREET
2ND FLOOR, SUITE 250
PHOENIX, ARIZONA 85007

If teleconferencing, call Stephanie Faltermeier as soon as possible at (602) 364-1310
FINAL AGENDA

Call Meeting to Order

1. *Adopt Minutes for the Board Meeting of October 21, 2015.*
2. *Reports*
 - Operating Budget Status Report
 - Commitment Balances Report

Call to the Public

3. *Call to the Public:* This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.

Consent Agenda

None

WIFA's Mission

To maintain and improve water quality in Arizona by providing financial assistance and technical assistance for basic water infrastructures.

WIFA's Vision

Guide WIFA's resources to communities with the greatest need.

Update, Discussion or Presentation

4. Presentation: Announce Project of the Year Recipients – *Susan Craig will lead the discussion*
5. Annual Loan Portfolio Overview – *Bill Davis, WIFA Financial Advisor, will lead the discussion*

New Agenda Items for Consideration and Action

6. ***Adopt Revisions to CWRP Financial Assistance Project Priority List Funding Cycle 2016: Sara Konrad will lead the discussion***

CW PPL:

- Add: City of Douglas (CW-006-2016)

CW FR:

- Add: City of Douglas (CW-006-2016)

7. ***Adopt Revisions to DWRP Financial Assistance Project Priority List Funding Cycle 2016: Sara Konrad will lead the discussion***

DW PPL:

- Add: Tierra Buena Water Company, Inc. (DW-024-2016)
- Add: City of Cottonwood (DW-023-2016)
- Add: Town of Payson (DW-022-2016)
- Add: City of Williams (DW-025-2016)
- Add: Ash Fork Development Association, Inc. (DW-020-2016)
- Change: Tierra Buena Water Company, Inc. (DW-003-2016) rates increased and amount requested decreased (project split into two loans)
- Change: Town of Clarkdale (DW-017-2016) debt increased, amount requested decreased (refinanced amount decreased)
- Withdrawn: Golden Shores Water Company (DW-011-2016)

DW FR:

- Add: Tierra Buena Water Company, Inc. (DW-024-2016)
- Add: Tierra Buena Water Company, Inc. (DW-003-2016)
- Add: Town of Clarkdale (DW-017-2016)
- Add: Town of Payson (DW-022-2016)
- Add: City of Cottonwood (DW-023-2016)
- Add: City of Williams (DW-025-2016)

8. ***Review, Discuss & Possible Action: Approve Loan Resolution Addendum A2016-005 – Town of Cave Creek – Rodney Held will lead the discussion***
9. ***Review, Discuss & Possible Action: Approve Loan Resolution 2016-009 and Due Diligence Summary DW 003-2016 and DW 024-2016 – Tierra Buena Water Company, Inc. – DWRP – \$867,553.00 – Andrew Smith will lead the discussion***

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10. ***Review, Discuss & Possible Action:*** Approve Loan Resolution 2016-010 and Due Diligence Summary DW 004-2016 – Truxton Canyon Water Company – DWRF – \$350,950.00 – *Andrew Smith will lead the discussion*
11. ***Review, Discuss & Possible Action:*** Approve Loan Resolution 2016-011 and Due Diligence Summary CW 006-2016 – City of Douglas – CWRf – \$3,500,000.00 – *Andrew Smith will lead the discussion*
12. ***Review, Discuss & Possible Action:*** Approve Loan Resolution 2016-012 and Due Diligence Summary DW 014-2016 – Lake Verde Water Company, Inc. – DWRf – \$150,000.00 – *Andrew Smith will lead the discussion*
13. ***Review, Discuss & Possible Action:*** Approve Loan Resolution 2016-013 and Due Diligence Summary DW 022-2016 – Town of Payson – DWRf – \$11,000,000.00 – *Andrew Smith will lead the discussion*
14. ***Review, Discuss & Possible Action:*** Approve Loan Resolution 2016-014 and Due Diligence Summary DW 017-2016 – Town of Clarkdale – DWRf – \$7,872,000.00 – *Andrew Smtih will lead the discussion*
15. ***Review, Discuss & Possible Action:*** Approve Loan Resolution 2016-015 and Due Diligence Summary DW 023-2016 – City of Cottonwood – DWRf – \$16,000,000.00 – *Andrew Smith will lead the discussion*

Meeting Conclusion & Adjournment

16. New Business/Issues:

- Next Board Meeting Date – Wednesday, April 20th, 2016 at 1:30PM in Phoenix, Arizona

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Arizona's Clean Water Revolving Fund
 Project Priority List 2016 Funding Cycle
 February 2016

PPL Rank	Applicant	Population	County	Project Name	Project Number	Amount Requested / Probable Green Amount	Subsidy
1	^{1,2} Douglas, City of	17,509	Cochise	Douglas WWTP Facility Improvements	006 2016	\$3,500,000.00	75%
2	^{1,3} Prescott, City of	35,752	Yavapai	Wastewater System Centralization Project Phase 1	005 2016	\$21,600,000.00 / \$200,000.00	80%
3	¹ Tri-city Regional Sanitary District	4,014	Gila	Tri-City Regional Sanitary District	001 2016	\$3,263,448.00	70%
4	^{1,4} Buckskin Sanitary District	1,762	La Paz	Area 5-6 Wastewater Conveyance & Treatment	002 2016	\$915,000.00	80%
5	^{1,4} Chino Valley, Town of	5,100	Yavapai	Construction - Center Street Sewer from Highway 89 to Molly Rae and Refinance	003 2016	\$4,509,646.00	80%
6	^{1,4} Chino Valley, Town of	5,100	Yavapai	Design - Center Street Sewer from Highway 89 to Molly Rae	004 2016	\$50,354.00	80%

Total: **\$33,838,448.00**

Legend:

- ¹ Eligible for disadvantaged community designation
- ² New project on PPL
- ³ Eligible for Green Project Reserve
- ⁴ Board approved; subsidy locked in at time of board resolution

Arizona's Clean Water Revolving Fund
 2016 Funding Cycle - Fundable Range
 February 2016

Fundable Range Rank	PPL Rank	Applicant	Population	County	Project Name	Project Number	Amount Requested	Subsidy
1	1	Douglas, City of	17,509	Cochise	Douglas WWTP Facility Improvements	006 2016	\$3,500,000.00	75%
2	4	Buckskin Sanitary District	1,762	La Paz	Area 5-6 Wastewater Conveyance & Treatment	002 2016	\$915,000.00	80%
3	5	Chino Valley, Town of	5,100	Yavapai	Construction - Center Street Sewer from Highway 89 to Molly Rae and Refinance	003 2016	\$4,509,646.00	80%
4	6	Chino Valley, Town of	5,100	Yavapai	Design - Center Street Sewer from Highway 89 to Molly Rae	004 2016	\$50,354.00	80%

Total:

\$8,975,000.00

February 2016 Clean Water Project Priority List Additions

Applicant: Douglas, City of		
Project: WWTP Facility Improvements		
Project Number: CW-006-2016	County: Cochise	Amount Requested: \$3,500,000
The City needs to expand its current WWTP to accommodate new connections to the Bay Acres Colonia. The City proposes to install two oxidation ditches, a secondary clarifier and a lift station.		

Arizona's Drinking Water Revolving Fund
Project Priority List 2016 Funding Cycle
February 2016

PPL Rank	Applicant	Population	County	Project Name	Project Number	Amount Requested	Subsidy
1	¹ Monte Vista Water Company	85	Cochise	Arsenic Removal System and Well Site Improvements	016 2016	\$60,000.00	75%
2	¹ Lake Verde Water Company INC	204	Yavapai	Arsenic Treatment and Storage Tank Repair	014 2016	\$150,000.00	75%
3	² Tierra Buena Water Company Inc.	320	Maricopa	Arsenic Remediation Project 3	024 2016	\$656,662.00	80%
4	¹ Cibola Mutual Water Co. Inc.	70	La Paz	TTHM Removal System	002 2016	\$87,051.00	80%
5	Tierra Buena Water Company Inc.	320	Maricopa	Arsenic Remediation Projects 1 & 2	003 2016	\$210,891.00	85%
6	Truxton Canyon Water Company	2,202	Mohave	Arsenic Treatment	004 2016	\$350,950.00	85%
7	¹ Clarkdale, Town of	4,097	Yavapai	Upper Town Water Main Replacement/Refinance Project	017 2016	\$7,872,000.00	80%
8	^{1,2} Cottonwood, City of	26,450	Yavapai	SR 260 Well Site and Waterline Construction	023 2016	\$16,000,000.00	80%
9	^{1,2} Payson, Town of	15,954	Gila	CC Cragin Water Supply Project	022 2016	\$11,000,000.00	80%
10	^{1,2} Williams, City of	3,145	Coconino	Supplement to water supply project	025 2016	\$900,000.00	80%
11	¹ Montezuma Rimrock Water Company	450	Yavapai	Storage Tank Replacement	006 2016	\$108,000.00	80%
12	^{1,2} Ash Fork Development Association Inc. dba: Ash Fork Water Service	2,150	Yavapai	Arsenic Treatment AF #2	020 2016	\$150,000.00	75%
13	¹ Clarkdale, Town of	4,097	Yavapai	Water System Security Improvements	008 2016	\$68,000.00	80%
14	¹ Solitude Trails Domestic Water Improvement District	110	Gila	Deep Well On-Site	001 2016	\$510,000.00	80%
15	⁴ Clear Springs Utility Company	1,180	Cochise	Capital Improvements (Storage, Electric and Waterline)	007 2016	\$154,794.00	85%
16	⁴ East Slope Water Company	3,430	Cochise	System Improvements (Storage, Water Main and Booster Station Improvements)	009 2016	\$2,114,063.00	85%
17	¹ Eagletail Water Company, LLC	100	Maricopa	Storage Tank Replacement	019 2016	\$174,450.00	80%
18	⁴ Peoria, City of	159,540	Maricopa	New River Utility Acquisition	012 2016	\$14,000,000.00	85%
19	¹ Appaloosa Water Company	630	Yavapai	Backup Generator	010 2016	\$41,000.00	80%

Total: **\$54,562,861.00**

Legend:

¹ Eligible for disadvantaged community designation

² New project on PPL

³ Eligible for Green Project Reserve

⁴ Board approved; subsidy locked in at time of board resolution

Arizona's Drinking Water Revolving Fund
2016 Funding Cycle - Fundable Range
February 2016

Fundable Range Rank	PPL Rank	Applicant	Population	County	Project Name	Project Number	Amount Requested	Subsidy
1	2	Lake Verde Water Company INC	204	Yavapai	Arsenic Treatment and Storage Tank Repair	014 2016	\$150,000.00	75%
2	3	Tierra Buena Water Company Inc.	320	Maricopa	Arsenic Remediation Project 3	024 2016	\$656,662.00	80%
3	4	Cibola Mutual Water Co. Inc.	70	La Paz	TTHM Removal System	002 2016	\$87,051.00	80%
4	5	Tierra Buena Water Company Inc.	320	Maricopa	Arsenic Remediation Projects 1 & 2	003 2016	\$210,891.00	85%
5	6	Truxton Canyon Water Company	2,202	Mohave	Arsenic Treatment	004 2016	\$350,950.00	85%
6	7	Clarkdale, Town of	4,097	Yavapai	Upper Town Water Main Replacement/Refinance Project	017 2016	\$7,872,000.00	80%
7	9	Payson, Town of	15,954	Gila	CC Cragin Water Supply Project	022 2016	\$11,000,000.00	80%
8	8	Cottonwood, City of	26,450	Yavapai	SR 260 Well Site and Waterline Construction	023 2016	\$16,000,000.00	80%
9	10	Williams, City of	3,145	Coconino	Supplement to water supply project	025 2016	\$900,000.00	80%
10	11	Montezuma Rimrock Water Company LLC	450	Yavapai	Storage Tank Replacement	006 2016	\$108,000.00	80%
11	14	Solitude Trails Domestic Water Improvement District	110	Gila	Deep Well On-Site	001 2016	\$510,000.00	80%
12	15	Clear Springs Utility Company	1,180	Cochise	Capital Improvements (Storage, Electric and Waterline)	007 2016	\$154,794.00	85%
13	16	East Slope Water Company	3,430	Cochise	System Improvements (Storage, Water Main and Booster Station Improvements)	009 2016	\$2,114,063.00	85%
14	18	Peoria, City of	159,540	Maricopa	New River Utility Acquisition	012 2016	\$14,000,000.00	85%

Total:

\$54,069,411.00

February 2016 Drinking Water Project Priority List Additions

Applicant: Tierra Buena Water Company, Inc.		
Project: Arsenic Remediation Project 3		
Project Number: DW-024-2016	County: Maricopa	Amount Requested: \$656,662
<p>The Company's single source production well has exceeded the MCL for arsenic. This project proposes to install a centralized arsenic treatment system to achieve an acceptable level below the MCL.</p> <p>This application is a portion of Tierra Buena Water Company's original application (DW-003-2016). The Company is seeking approval to borrow a total of \$867,553 which would be separated into two different loans. The first loan (Phases 1 and 2, DW-003-2016-revised) would be executed immediately and the second loan (Phase 3, DW-024-2016) would only be executed if Phases 1 and 2 fail to remediate the arsenic below the maximum contaminant level.</p>		
Applicant: Cottonwood, City of		
Project: SR 260 Well Site and Waterline Construction and Refinance		
Project Number: DW-023-2016	County: Yavapai	Amount Requested: \$16,000,000
<p>In January 2006, the City issued its \$23,965,000 2006 MPC Obligations to: fund the acquisition of a private water company; make extensive system improvements; fund a debt service reserve fund; and pay costs of issuance. The western portion of the City's service area is currently underserved by a small failing well with a partially collapsed borehole and high arsenic content. There exists a partially developed well site owned by the City on the west side of SR 260. The City will use the WIFA loan funds for two purposes: 1) to refinance the 2006 MPC Obligations and 2) to equip the SR 260 Well Site and construct a waterline to connect the well to the system.</p>		

February 2016 Drinking Water Project Priority List Additions

Applicant: Payson, Town of		
Project: CC Cragin Water Supply Project		
Project Number: DW-022-2016	County: Gila	Amount Requested: \$11,000,000
<p>This project is a continuation of previous WIFA loans. Initial project funding provided by WIFA has resulted in substantial engineering, design, and initial construction projects either underway or completed. Projects scheduled to be completed with funding from this loan include: 1.) Finalize all remaining design on Raw Water Penstock water line, hydroelectric generator, and treatment plant; 2.) Construction of the lower section of the Raw Water Penstock; 3.) Purchase of the property from the U.S. Forest Service for the water treatment plant; 4.) Construction of the hydroelectric generator and water treatment plant; 5.) Construction of electric power lines to the water treatment plant; 6.) Construction of Aquifer Storage and Recovery (ASR) wells; and 7.) Installation of SCADA equipment.</p>		
Applicant: Williams, City of		
Project: Supplement to water supply project		
Project Number: DW-025-2016	County: Coconino	Amount Requested: \$900,000
<p>A previous WIFA loan (920254-15) for \$3,500,000 funded the Dogtown Well #1 rehabilitation project as well as a meter replacement project. These costs exceeded the City's expectations by approximately \$900,000. This loan will pay for these costs, and the equipping of Rodeo Well.</p>		
Applicant: Ash Fork Development Association Inc.		
Project: Arsenic Treatment AF #2		
Project Number: DW-020-2016	County: Yavapai	Amount Requested: \$150,000
<p>The Company's Well #2 exceeds the allowable MCL for arsenic. This project proposes to install a centralized arsenic treatment plant to treat the water to an acceptable level.</p>		