



Water Infrastructure Finance Authority

Five Year Strategic Plan

FY 2016 - 2020

WIFA is Arizona's water and wastewater funding source. WIFA is dedicated to maintaining and improving water quality for all Arizonans, by providing financial and technical assistance for water infrastructure. Through low-interest loans and subsidies, WIFA is able to save its customers a significant amount of money. Utilizing water and wastewater state revolving funds, WIFA offers loans and grants for drinking water and wastewater projects designed to ensure safe, reliable drinking water and proper wastewater treatment. Over the last 25 years, WIFA has invested over \$2 billion in Arizona's communities.

WIFA's Leadership

Douglas A. Ducey
Governor

Sandra L. Sutton
Executive Director

Misael Cabrera
Chairman

Plan updated August 20, 2015



Five Year Strategic Plan

FY 2016 - 2020

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Vision, Mission, Strategy

Our Vision...

To guide our resources to communities with the greatest need to maintain and enhance Arizona's quality of life.

Our Mission...

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

Our Strategic Issues...

- **Managing priorities through changing interest rates** - Because WIFA operates like a bond bank, low interest rates affect WIFA in two ways. Low interest rates result in low investment returns and reduced loan interest income, decreasing the income to Arizona's state revolving fund. WIFA sets loan interest rates for borrowers based on current interest rates. However, WIFA's bond debt is tied to fixed interest rates based on the date of the bond sale. Historically the bond debt rates are higher than the current low interest rates.
- **Clean water allocation** - The Clean Water Revolving Fund is capitalized by annual federal contributions. The present allocation is based on a 1977 formula that does not consider Arizona's population growth since that date. In May 2014 Congress amended Section 601(A) of the Federal Water Pollution Control Act (Title VI State Water Pollution Control Revolving Funds). Section 5005, Report on the Allotment of Funds, reads, in part, "The Administrator of the Environmental Protection Agency shall conduct a review of the allotment formula in effect on the date of enactment of this Act for allocation of funds authorized under title VI of the Federal Water Pollution Control Act to determine whether that formula adequately addresses the water quality needs of eligible States, territories and Indian Tribes..."

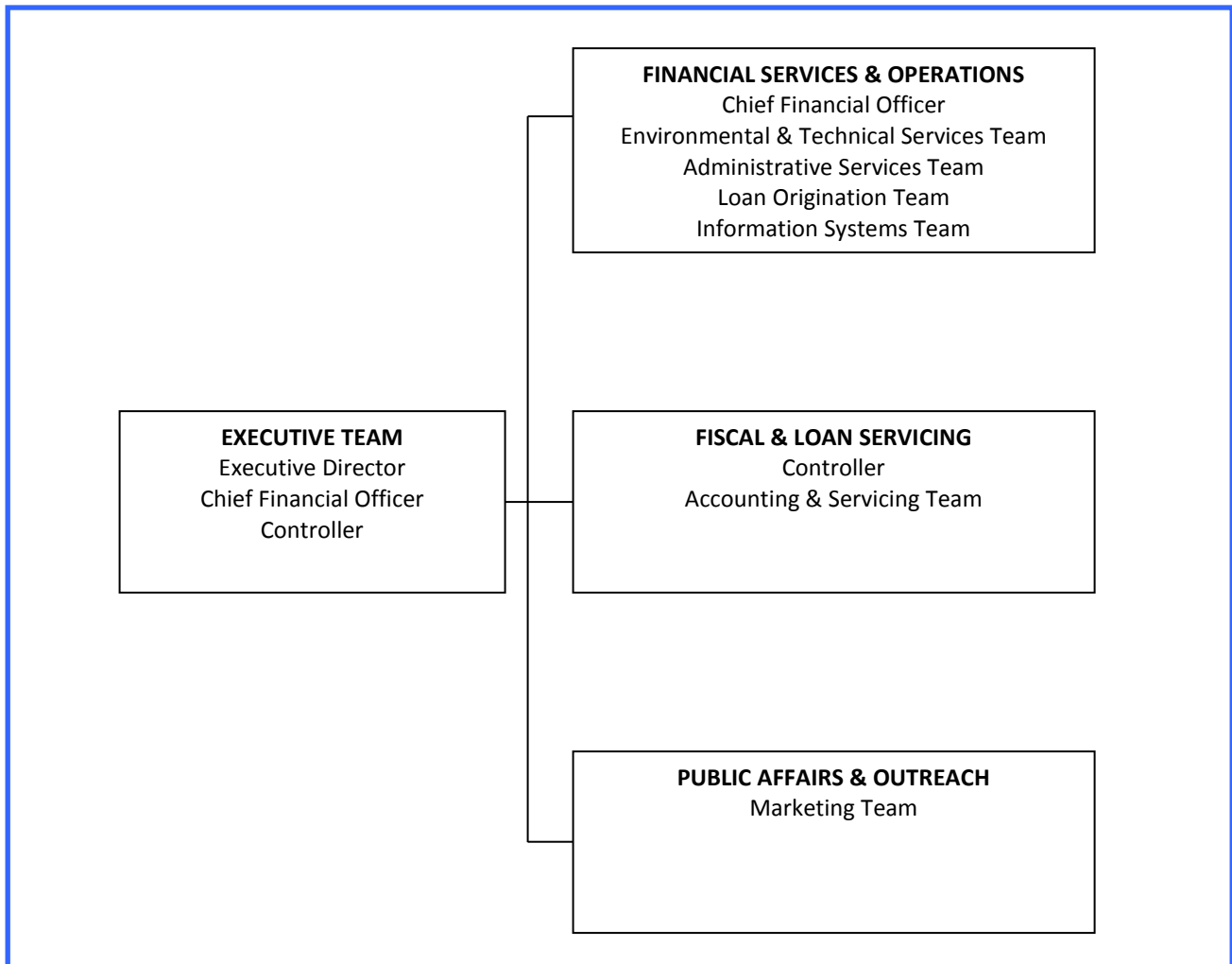
EPA is required not later than 18 months after that date of enactment of the Act (October 1, 2015) to submit a report to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

- **The Impact of Arizona’s economy on WIFA** - Arizona’s economy is affecting WIFA in that fewer organizations are pursuing loans. The economy is improving and WIFA is expecting an increase in the number of projects.

Our Goals...

- 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.

Our Teams...





Goals & Performance Measures FY 2016

Goal 1: Award WIFA's resources in accordance with the needs of Arizona's citizens.

Strategies:

- Encourage projects that resolve or prevent public health or environmental problems.
- Encourage projects that promote sustainable infrastructure such as water reuse and conservation, energy efficiency, green stormwater infrastructure and other environmentally innovative green practices.
- Document Arizona's Clean Water and Drinking Water infrastructure needs.
- Finance infrastructure projects for systems that demonstrate technical, managerial, financial and legal capacity.

Performance Measure:

Number of projects that have corrected or prevented public health or environmental problems (including projects which address non-compliance and maintenance of compliance).

Target: Two projects

Goal 2: Maintain the fiscal integrity of WIFA's funds and assure continuous enhancement for future generations.

Strategies:

- Maintain WIFA's AAA credit ratings.
- Work to maximize the amount and duration of funds invested to maximize earnings.
- Maintain a diverse portfolio of borrowers by balancing the needs of low-credit borrowers with high-credit borrowers.
- Conduct annual loan reviews.
- Ensure all financial and bond reporting requirements are met in a timely manner.

Performance Measure:

Percentage of total available funds invested.

Target: 95%

Goal 3: Effectively and efficiently deliver financial and technical assistance.

Strategies:

- Maximize the benefits of WIFA’s information technology and web-based automated application system.
- Ensure continuous process improvement and streamlined procedures at all levels with both staff and customers.
- Maintain the flexibility to adjust goals in response to changing market conditions and legislative action.
- Maintain policies and procedures to guide agency staff in the performance of their job duties.
- Facilitate and encourage Board of Directors involvement in WIFA

Performance Measures:

1. Average number of days for WIFA to process a disbursement request.

Target: 14 days

2. Number of weeks from Board action to circulate draft loan documents.

Target: 1.5 weeks

Goal 4: Market agency programs and advocate the importance of safe, reliable water through presentations, networking and outreach.

Strategies:

- Collaborate with other funding sources, technical assistance resources, regulatory authorities, and private sector legal and financial counterparts.
- Coordinate the Rural Water Infrastructure Committee (RWIC) to maximize the amount of financial resources available to Arizona communities.
- Coordinate with regulatory authorities to align water infrastructure funding with identified needs.
- Identify opportunities to participate in public-private partnerships.
- Stimulate financial and technical assistance demand through continuous outreach efforts.

Performance Measures:

1. Number of RWIC meetings attended or coordinated per year.

Target: Two meetings

2. Number of conferences/outreach events attended/presented at per year.

Target: Four events

GADA Goal 1: Increase development of public infrastructure projects.

Performance Measures:

1. Amount of financial assistance (in millions) loaned to cities, towns, counties, and special districts.

Target: 0*

2. Amount of savings (in millions) for cities, towns, counties, tribes, and special districts from participation in the GADA program over private financing.

Target: 0*

* GADA has not had any appropriations for the last several years.



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Goals & Performance Measures

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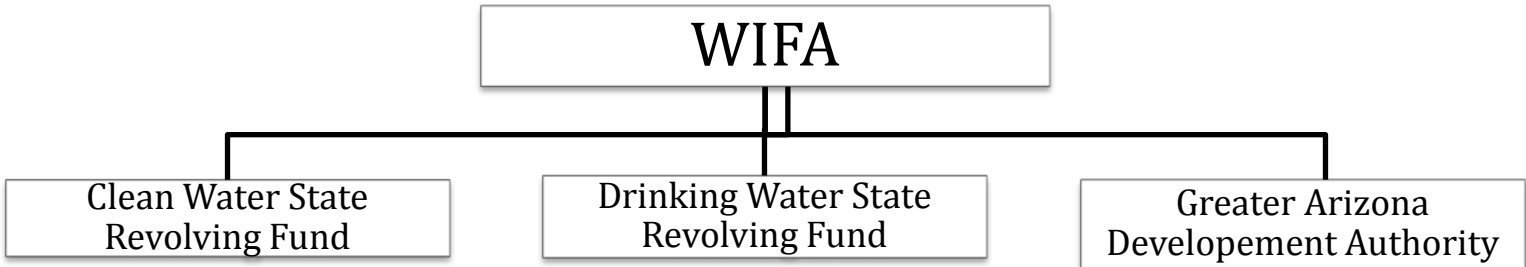


Resource Assumptions

FY 2016 - 2020

Resource Assumptions (Agency Level)						
	FY 2015 Appropriation	FY 2016 Budget Request	FY 2017 Budget Request or Estimate	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate
Full-time-equivalent (FTE) Positions	19	19	19	19	19	19
General Fund						
Other Appropriated Funds						
Non-Appropriated Funds	116,135.8	97,528.4	109,357.5	187,559.7	101,487.8	101,562.7
Federal Funds	36,280.9	31,539.6	31,539.6	31,539.6	31,539.6	31,539.6
Total Agency Funds	152,416.7	129,068.0	140,897.1	219,099.3	133,027.4	133,102.3

Water Infrastructure Finance Authority of Arizona
 Fiscal Year 2016
 Program Budget Organizational Chart





Board Actions

Board Actions

[Note that the WIFA Board of Directors meets bi-monthly.]

	Board
August	<ul style="list-style-type: none"> • Loans and Commitment Balance and Operating Budget Reports are presented
October	<ul style="list-style-type: none"> • Loans and Commitment Balance and Operating Budget Reports are presented • Legislative proposals for future legislative cycle • TA Presentation to the Board • Audited Financial Statements provided
December	<ul style="list-style-type: none"> • Loans and Commitment Balance and Operating Budget Reports are presented • Comment on WIFA Annual Report to Governor
February	<ul style="list-style-type: none"> • Select WIFA Projects of the Year • Provide annual loan portfolio overview
April	<ul style="list-style-type: none"> • Loans and Commitment Balance and Operating Budget Reports are presented
June	<ul style="list-style-type: none"> • Elect a Vice-Chairman (WIFA Policy I.6) • Select Committee Assignments (WIFA Procedure I.6.3) • Adopt Annual Operating Budget • Board terminates DW & CW IUPs and PPLs for previous funding cycle • Adopt next funding cycle DW & CW IUPs and PPLs



Reports & Other Deadlines

Reports & Other Deadlines

Month	Reports & Actions
July	<ul style="list-style-type: none"> • DW and CW IUPs due • DBE Reports due quarterly (April – June) • Open TA Applications
August	<ul style="list-style-type: none"> • Initiate Annual Loan Portfolio Review for private water companies • National Information Management System (NIMS) • GADA Bond Arbitrage Annual Report
September	<ul style="list-style-type: none"> • WIFA and GADA Annual Report to JLBC by September 1 • WIFA and GADA -Submit budget to Governor’s Office by September 1 • Compensation Plan Report due to ADOA by September 1 • EPA Annual Report due September 30 • Complete Financial Audit by September 30 • Department of Revenue Debt Report • Federal Financial Status Reports (by Grant) • IT Strategic planning reports due to ASET (online): Planning Application for Reporting IT Strategy (PARIS), Technology Infrastructure and Standards Assessment (TISA), Information Services Inventory Status (ISIS)
October	<ul style="list-style-type: none"> • DBE Reports due quarterly (July – September)
December	<ul style="list-style-type: none"> • EPA Annual Review • WIFA and GADA Annual Report to Governor due December 31 • Allocate borrower debt service reserve earnings to principal outstanding • Equal Employment Opportunity Report due to Governor’s Office December 30
January	<ul style="list-style-type: none"> • DBE Reports due quarterly (October-December) • Federal Cash Transactions Report (by ACH) Annual (Jan-Dec)
March	<ul style="list-style-type: none"> • Pay for Performance Annual Report due • WIFA Bond Arbitrage Annual Report
April	<ul style="list-style-type: none"> • DBE Reports due quarterly (January – March) • Initiate Annual Loan Portfolio Review for political subdivisions
May	<ul style="list-style-type: none"> • Deadline for DW & CW PPL applications to request project carryover from last funding cycle to next funding cycle



Major Events & Activities

Major Events & Activities

[Note that this is a working document.]

DATE	ACTIVITY	AUDIENCE
Weekly	Project Status Tracking Meeting	WIFA's internal staff
Bi-weekly	Technical Team Meeting	WIFA's technical team
Monthly	Multi-Agency Tribal Infrastructure Collaborative (MATIC)	MATIC members
Bi-monthly	WIFA Board Meeting	WIFA Board, internal staff, borrowers, public
Jan.	Update Communications Plan	WIFA's internal staff
Jan.	Request for Grant Applications	Media & listservs
Feb.	Arizona City Managers Association	City Managers
Feb.	Annual Money & More: Tribal Resources Forum	Native American leaders & community members
Feb.	GFOAz Winter Conference	Government finance professionals
Feb.	Project of the Year Awards	Past borrowers, WIFA board, public
March	Water Resources Research Center Annual Conference	Water policy and management professionals, public
March	Rural Water Association of Arizona Annual Leadership Conference	DW & WW professionals, potential borrowers
March	RWIC Executive Committee Meeting & Project Meetings	DW & WW professionals, potential borrowers
March	American Water Works Association Utility Management Conference (\$\$\$)	Utility management professionals
March	Kachina News Article	Arizona Water Association members
April	Water Awareness Month	Conservation partners & Arizona homeowners
May	Drinking Water Week	National water professionals and communities
May	CIFA Federal Policy Conference	Infrastructure financing professionals
May	Arizona Water Association Conference	Water professionals, public
May	Navajo Nation Drinking Water Conference	Potential borrowers & community members
June	GFOAz Annual Conference (national)	Government finance professionals
June	WESTCAS (Western Coalition of Arid States) Annual Conference (San Diego)	DW, WW and reclaimed water service providers
July	Water Reuse Conference	State and local government, manager, operators
July	Request for Grant Applications	Media & listservs
Aug.	League Annual Conference	Local government leaders, potential borrowers
Aug.	American Public Works Association	Consultants and suppliers
Aug.	AZ Rural Development Council - Rural Policy	Rural stakeholders, businesses, nonprofits

DATE	ACTIVITY	AUDIENCE
	Forum	and community leaders
Aug.	GFOAz Summer Training	Government finance professionals
Aug.	Rural Water Association of Arizona Annual Conference	DW & WW professionals, potential borrowers
Sept.	Arizona Hydrological Society Annual Symposium	Water professionals, researchers, hydrologist
Sept.	Kachina News Article	Arizona Water Association members
Sept.	EPA Annual Report	EPA
Oct.	WESTCAS (Western Coalition of Arid States) Annual Conference (San Diego)	DW, WW and reclaimed water service providers
Nov.	CIFA SRF National Workshop	Infrastructure financing professionals
Nov.	RWIC Executive Committee Meeting & Funding Forum	DW & WW professionals, potential borrowers
Nov. – Dec.	Governors Annual Report	Governor’s Office, public
Dec.	Kachina News Article	Arizona Water Association members