

WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

WEDNESDAY, DECEMBER 12, 2018
WIFA Advisory Board Meeting 1:30 P.M.

100 N. 15TH AVENUE
1ST FLOOR, SUITE 103
PHOENIX, ARIZONA 85007

FINAL AGENDA

Call Meeting to Order

1. *Adopt Minutes for the Advisory Board Meeting of October 17, 2018.*
2. *Reports*
 - Executive Director's Report
 - 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 Advisory 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 infrastructure.

WIFA's Vision

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

New Agenda Items for Consideration and Action

4. **Review, Discuss & Possible Action:** Recommend Adoption of the CWRF Financial Assistance Project Priority List Funding Cycle 2019: *Richard Mendolia will lead the discussion*

Add:

- City of Douglas (CW 011-2019)

5. **Review, Discuss & Possible Action:** Recommend Adoption of the DWRF Financial Assistance Project Priority List Funding Cycle 2019: *Richard Mendolia will lead the discussion*

Add:

- Oak Creek Water Co. No. 1 (DW 020-2019)
- Jakes Corner Water Co. (DW 023-2019)
- Arroyo Water Company (DW 024-2019)
- Cordes Lakes Water Company (DW 025-2019)
- Beaver Valley Water Company (DW 026-2019)
- Mayer DWID (DW 027-2019)

6. **Review, Discuss & Possible Action:** Recommend Approval of Loan Resolution 2019-009 and Due Diligence Summary DW 021-2019 – Town of Marana – DWRF – \$15,000,000 – *Richard Mendolia will lead the discussion*

7. **Review, Discuss & Possible Action:** Recommend Approval of Loan Resolution Addendum A2019-010 – Cordes Lakes Water Company – DWRF – Request to amend to modify the project scope and reallocate loan funds – *Angie Valenzuela will lead the discussion*

8. **Review, Discuss & Possible Action:** Recommend Approval of Loan Resolution Addendum A2019-011 – Truxton Canyon Water Company – DWRF – Request to amend to borrow an additional \$98,179 through a new loan with the same terms – *Angie Valenzuela will lead the discussion*

9. **Review, Discuss & Possible Action:** Recommend Approval of Loan Resolution Addendums as identified below – Town of Queen Creek - Request to release the Debt Service Reserve Requirement – *Dan Dialessi will lead the discussion*

Loan Resolution Addendums

A2019-012

A2019-013

A2019-014

Loans

910072-05

920132-08

920243-14

10. **Adopt/Modify/Terminate Operating Policy:** Recommend Modification of Loan Origination Policy #III.6 – Disadvantaged Community Designation – *Dan Dialessi will lead the discussion*

11. **Adopt/Modify/Terminate Operating Policy:** Recommend Modification of Loan Origination Policy #III.7 – Capability Review and Financial Assistance Requirements for Governmental Entities – *Dan Dialessi will lead the discussion*

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12. ***Adopt/Modify/Terminate Operating Policy:*** Recommend Modification of Loan Origination Policy #III.8 – Capability Review and Financial Assistance Requirements for Non-Governmental Entities – *Dan Dialessi will lead the discussion*

Update, Discussion or Presentation

None

Meeting Conclusion & Adjournment

13. New Business/Issues:

- Next Advisory Board Meeting Date – Wednesday, February 20, 2019 at 1:30PM in Phoenix, Arizona

Notes on Proceedings

WIFA is committed to complying with the Americans with Disabilities Act. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting WIFA at (602) 364-1310. Requests should be made as early as possible to allow time to arrange the accommodation.

The agenda for the meeting is subject to change up to 24 hours before the meeting. At its discretion, the Authority may consider and act upon any agenda item out of order. One or more Board members may participate via teleconference.

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Arizona's Clean Water Revolving Fund

Project Priority List 2019 Funding Cycle

December 2018

PPL Rank	Applicant	Population	County	Project Name	Description	Project Number	Amount Requested / Probable Green	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.	002 2019	\$12,000,000.00	70%
2	^{1,2,3} Douglas, City of	18,000	Cochise	Automated Meter Infrastructure (AMI)	The City currently manually reads 5,589 meters in the City every month utilizing about 4 water technicians for a total of 7-10 days out of the month. The City wishes to implement an automated meter reading solution or AMI that automatically sends radio signals every hour to collectors strategically placed throughout the City.	011 2019	\$1,500,000.00 / \$1,500,000.00	80%
3	^{1,3} Safford, City of	9,566	Graham	Reclaimed Water Pipeline Project - Graham County Fairgrounds	The project proposes to capture 130.5 million gallons of Class A+ reclaimed water that is currently not being utilized. The reclaimed water will replace potable water used at city properties and recreational facilities for outdoor water use.	005 2019	\$3,500,000.00 / \$3,500,000.00	85%

PPL Rank	Applicant	Population	County	Project Name	Description	Project Number	Amount Requested / Probable Green	Subsidy
4	^{1,3,4} Winslow, City, of	9,655	Navajo	Winslow Waste Water Treatment Upgrades FY19	The main sewer line needs to be realigned to remove it from underneath several residential structures in the city. The UV disinfection system and other systems and equipment are now past their useful life. Replacement of the equipment that is beyond its useful life will improve performance, efficiency and dependability, while reducing maintenance costs associated with old equipment.	007 2019	\$5,100,000.00 / \$575,000.00	80%
5	Kachina Village Improvement District	2,800	Coconino	Second Clarifier Installation	KVID's WWTP has only a single, aging secondary clarifier. It is not possible to take it offline to refurbish or replace it. KVID would construct a new clarifier to run in parallel with the existing clarifier. It would be located in the area currently used for sludge storage and processing. KVID would also construct a new aerobic sludge digester for sludge storage.	009 2019	\$807,000.00	85%

Total: **\$22,907,000.00**

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

Project Priority List 2019 Funding Cycle

December 2018

PPL Rank	Applicant	Population	County	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
1	^{1,2,3} Arroyo Water Company	350	Gila	Arroyo WC Storage & Pumping Improvements	The system has several infrastructure installments that are at or have exceeded useful life and need to be replaced. Additionally, the owner proposes to update the storage tank (identified in a recent sanitary survey by ADEQ).	024 2019	\$1,454,520.00 / \$47,250.00	75%
2	^{1,2} Oak Creek Water Co. No 1	1,500	Yavapai	Arsenic Treatment Project	Oak Creek Water has two well sites and the MCL for arsenic of 10 ppb has been exceeded for these wells for the past year. Oak Creek Water has hired a consulting firm to put together a site layout plan and cost estimate for this project, with the estimate for arsenic removal at both of these well sites being \$500,000.	020 2019	\$500,000.00	80%
3	^{1,2} Cordes Lakes Water Co.	2,650	Yavapai	Cordes Lakes Well No. 7	Company is currently drawing from an existing WIFA loan to complete various improvements, including a new water supply. Company desires to develop a new well (Well No. 7) and related improvements to allow the Company to meet customer demands during times of peak demand. Company estimates that \$237,380 is available from loan 920284-18 for the Well No. 7 project, leaving an unfunded shortfall of \$330,120 to be funded with this loan request.	025 2019	\$330,120.00	75%

PPL Rank	Applicant	Population	County	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
4	¹ Wellton, Town of	2,882	Yuma	Public Water System Improvements	ADEQ has issued the Town a Consent Order for ongoing high levels of Total Trihalomethanes (TTHM). The Town proposes to solve the problem by abandoning the 24-inch pipeline and replacing it with an 8-inch line and looping across the Interstate.	017 2019	\$400,000.00	85%
5	Lyn-Lee Water Company	90	Pima	Water Storage	The system is in need of water storage and electrical updates to comply with ADEQ.	004 2019	\$40,000.00	85%
6	Marana, Town of	7,560	Pima	Picture Rocks Water Treatment Campus and Airline/Lambert Water Treatment Campus	Marana Water has confirmed the presence of the unregulated compounds 1,4-dioxane, PFOA, and PFOS in groundwater that is the potable source for two of its seven systems. The concentrations are above current lifetime health advisories established by the EPA. The Town is seeking funding to design and construct an ion exchange system for PFAS removal plus LPHO UV-hydrogen peroxide AOP for 1,4-dioxane removal with GAC for peroxide quenching.	021 2019	\$15,000,000.00	85%
7	^{1,4} Williams, City of	3,256	Coconino	Dogtown Transmission Lines Replacement Design	The City needs to replace eight miles of 70 year old pipeline with a dual line to separate raw lake water from the well water to greatly reduce water loss and increase treatment efficiency. This application is for the design of this new transmission line(s) and the USFS environmental review process.	010 2019	\$2,500,000.00	80%
8	¹ Tonto Village Water Company, Inc.	185	Gila	System Improvements	Project will replace old service lines and meters.	005 2019	\$618,377.00	80%

PPL Rank	Applicant	Population	County	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
9	^{1, 2, 3} Beaver Valley Water Company, Inc	540	Gila	Beaver Valley SWTP Improvements	System, as purchased by the current owner, has infrastructure that is at near or exceeded useful life. The owner is currently hauling water for the system since the well capacity is near zero. This project is to completely upgrade Wells #2 and #3.	026 2019	\$3,290,553.75 / \$92,124.00	80%
10	^{1, 2} Mayer Domestic Water Improvement District	1,400	Yavapai	Mayer DWID Improvement Projects	The system is aging and facing serious infrastructure deficiencies. A list of capital improvement projects requires upgrades and replacements to maintain the system. This loan will address the following: relocate and upgrade water mainlines; install 4-5 new storage tanks; upgrade the booster stations; replace 700 meters; and construct an arsenic blending station.	027 2019	\$5,000,000.00	80%
11	^{1, 4} Monte Vista Water Company	58	Cochise	System Improvements	The system's pressure tank has begun leaking and it is feared it will fail. Monte Vista would like to replace the pressure tank with booster pumps, add one 10,000 gallon storage tank and bring the electrical system up to code.	011 2019	\$159,991.28	80%
12	³ Florence, Town of	19,500	Pinal	Florence High Priority Water Projects	Florence has aging water infrastructure contributing to water losses of 10% and increasing. They will replace many water lines in high priority areas in downtown Florence, around Florence High School, and other locations. Florence will also install water meters to automate use monitoring and billing.	007 2019	\$5,000,000.00 / \$5,000,000.00	85%
13	Appaloosa Water	500	Yavapai	Operational Equipment Upgrades	This project is to replace the existing well meters, purchase a stronger well pump, and clean and coat the storage tank.	008 2019	\$303,993.72	85%

PPL Rank	Applicant	Population	County	Project Name	Description	Project Number	Amount Requested / Probable Green Amount	Subsidy
14	^{2,3} Jakes Corner Water Co	45	Gila	Jake's Corner WC Storage & Pumping Improvements	System, as purchased by the current owner, has several infrastructure installments that are at or have exceeded useful life and need to be replaced. This loan will address storage and pumping improvements for Jake's Corner Water Company.	023 2019	\$807,686.00 / \$18,750.00	85%
15	Pinetop Water CFD	3,300	Navajo	Well # 10	Well #8 is no longer producing the water needed to supply the system. The proposed project would drill another well to produce the water needed to supply the system.	013 2019	\$1,000,000.00	85%
16	⁴ Lazy C Water Service	400	Pima	Well, Supply Line and Water Storage Upgrade	The project will consist of installing a direct connection from the primary well to the primary storage facility, replacing a failing storage tank and replacing meters.	006 2019	\$229,712.00	90%
17	^{1,4} Safford, City of	18,900	Graham	Water Infrastructure Improvements	The City has identified 58 miles of the water delivery system that is outdated and failing. The City is requesting loan funding for Capital Improvement Projects planned for FY2018 to design and construction of water renewal and upgrade projects. The proposed projects include realignment/relocation of existing mains, upgrades, and well building rehabilitation.	009 2019	\$5,000,000.00	85%

Total:

\$41,634,953.75

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