Water Infrastructure Finance Authority

- State agency
- Manage Arizona’s State Revolving Funds
  - Drinking Water
  - Clean Water
    - wastewater
    - stormwater
    - nonpoint source
  - Provide low-interest loans
Who We Can Finance

**Wastewater**
- Publicly-owned wastewater facilities
- Cities, towns, special districts, tribal entities

**Stormwater**
- Permitted MS4s
- Unregulated public entities
- Cities, towns, special districts, tribal entities

**Drinking Water**
- Public water systems
- Owned by political subdivisions
- Private ACC-regulated systems

County, state and federal entities are NOT eligible for WIFA funding.

*Pima County Exception*
History of Funding Stormwater Projects

Conventional Stormwater Infrastructure

- Conveyance pipes
- Curb and gutter
- Detention/retention basins
- In-line/end of pipe treatment
- Retrofitting

EPA’s perspective from Combined Sewer Systems

- If project prevents stormwater from entering sewer system

In 2009 (ARRA), LID and GI eligible
Needed water quality component
2014 - “Expanded Eligibilities”

- Stormwater management including green infrastructure, Low Impact Development and flood control
- Watershed management of wet weather discharge
- Watershed partnerships
- Integrated water resources planning
- Weather/climate-related resilience planning
- Forest restoration
- Riparian improvements
- Stream channel restoration
- Streambank stabilization
LOW IMPACT DEVELOPMENT TOOLBOX
CITY OF MESA

- Partnered with Glendale, Green Infrastructure Workgroup
- Design standards/ guidelines for GSI practices
- Incorporating standards into light rail and other development projects
GREEN INFRASTRUCTURE FOR AIRPORT WASH
CITY OF TUCSON

- Impassable or dangerously flooded roads in the Airport Wash area
- Evaluate the potential for GI to cost effectively address flooding and water quality challenges
- Create Conceptual Plan
- Cost-benefit comparison of conventional stormwater management and GI
- Determine where GI can most effectively be utilized
LOMA VISTA FLOOD MITIGATION AND STORMWATER RE-USE
CITY OF TEMPE

- Floodwater from neighborhood accumulates near high school
- Conventional mitigation (storm drain and a retention basin) proposed
- Interest from City and School District in reformulating as green infrastructure
- Assess feasibility of rainwater harvesting system at school for irrigation of the athletic fields and other landscaping
  - Quantify annual water use for landscape areas vs potential rainwater harvesting volumes
  - Evaluate potential cost increase and/or savings of rainwater harvesting
  - Evaluate requirements for conversion of existing irrigation system to rainwater harvesting system
- Prepare concept plans and cost budget evaluations
What Makes WIFA a Good Financing Option

- Low interest rates
  - Average interest rate last year for public entities was 2.17% (20-year term).
  - WIFA’s AAA credit rating
  - Subsidized interest rate

- Forgivable principal
  - Up to 20% of project costs for projects which mitigate stormwater runoff
What Makes WIFA a Good Financing Option

- Financing available year-round
- No application deadlines
- No application fees or closing costs
- No minimum or maximum loan amount
  - Smallest loan amount: $2,968
  - Largest loan amount: $87.7 M
WIFA’s Loan Process

**Step 1:** Applicant submits an online application (Project Priority List application)

**Step 2:** Applicant obtains debt authorization

**Step 3:** Applicant completes a project finance application

**Step 4:** WIFA Board approves project

**Step 5:** WIFA issues loan

Go from completing an online application to closing on your loan in just a few months!
Welcome to the Water Infrastructure Finance Authority of Arizona’s (WIFA) Web site.

WIFA is an independent agency of the state of Arizona and is authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest rates on loans.

As a "bond bank," WIFA is able to issue water quality bonds on behalf of communities for basic water infrastructure. Through active portfolio and financial management, WIFA provides significant savings due to lower interest rates and no closing costs. WIFA is able to lower a borrower’s interest costs to between 70 and 95% of WIFA’s tax-exempt cost of borrowing.

WIFA’s principal tools for providing low interest financial assistance include the Clean Water Revolving Fund for publicly held wastewater treatment projects and the Drinking Water Revolving Fund for both publicly and privately held drinking water systems.

WIFA also manages a Planning and Design Technical Assistance Program. This program offers planning and design funding to eligible wastewater and drinking water systems. The purpose of the program is to help prepare water and wastewater facilities for future infrastructure project construction.

Our vision at WIFA is to guide our resources to communities with the greatest need to maintain and enhance Arizona’s quality of life.

WIFA’s mission is to maintain and improve water quality in Arizona by providing financial assistance and technical assistance for basic water infrastructure.
Standard Loan Terms

- 20 year repayment term
- Fixed payments
- Interest calculated only on funds drawn
- Construction completed within 3 years (project may be phased)
- Dedicated source of repayment
  - Typically - water/sewer user rates
What is the source of repayment?

- How do cities and towns pay for stormwater infrastructure?
- Do stormwater fees collect sufficient funds?

Funding focused on capital improvements/ construction

Useful life must match loan term

- Capital cost = the initial planting/installation of vegetation
- O&M = replanting/replacement, once vegetation is established
- Challenge is gray area between the initial planting and the vegetation being established, i.e. how long can you consider any replanting part of the capital costs of installing the project?
There are advantages to going with a WIFA loan:

- No competition – WIFA can fund as many projects as requested (assuming source of repayment)
- No limits on funding or maximum amounts – get the total amount that you need to make a project happen
- No wait – get money when you need it
- No deadlines – funding is available at all times

Interest rate 2.17% (2015 average for governmental entities)
Action Items

- Visit WIFA’s website
- Like us on Facebook
- Join our listserv
- Tell people about WIFA
- Tell people WIFA can fund stormwater projects!
- Tell your people to call our people
- Find out how much $$$ you can save on a project
Questions?

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Types of Projects WIFA Can Fund