

Five Year Strategic Plan
State Budget
FY 2015 - 2019

WIFA

**Water Infrastructure Finance
Authority of Arizona**

Janice K. Brewer
Governor

Sandra L. Sutton
Executive Director

Henry Darwin
Chairman



Five Year Strategic Plan

FY 2015 - 2019

Vision, Mission, Strategy ----- 3

Annual Goals----- 5

WIFA Teams ----- 6

FY 2015 Planning Year ----- 7
Performance Measures

FY 2016 Planning Year ----- 8
Performance Measures

FY 2017 Planning Year ----- 9
Performance Measures

FY 2018 Planning Year ----- 10

FY 2019 Planning Year ----- 11
Performance Measures

Resource Assumptions ----- 12

WIFA Program Budget Organizational Chart----- 12





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.

Description:

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent entity authorized to finance the construction, rehabilitation and/or improvement of drinking water, waste water, waste water reclamation, and other water quality facilities/projects. As a "Bond Bank", WIFA is authorized to issue water quality bonds on behalf of communities for basic water infrastructure. Generally, WIFA offers borrowers below market interest rates on loans for 100% of eligible project costs.

Our Strategic Issues...

Historically low interest rates – Low investment returns impact WIFA's interest earnings and incentivize borrowers to prepay long term (higher interest) loans.

Impact of reduced funding – Reduced state funding has required the use of WIFA earnings to be used as match for federal funds, resulting in less funds available for loans. Reduced federal funds also result in fewer funds available for loans.

Clean water allocation – The clean water 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 V Water Infrastructure Financing, Subtitle A 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, 2014) to make a presentation to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.



Arizona economy – The recovery is improving but we have not seen an increase in the number of projects.

Our Strategy...

- 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.
- Coordinate with other funding sources, technical resources, regulatory authorities, and private sector legal and financial counterparts.



Annual Goals

FY 2015 – FY 2019

Goal 1: Award WIFA’s resources in accordance with the needs of Arizona’s Citizens.

- A. Encourage projects that resolve or prevent a public health or environmental problem.
- B. Work towards implementation of EPA’s four pillars of sustainable infrastructure.
- C. Encourage projects that promote sustainable infrastructure such as water reuse and conservation, energy efficiency, and other green practices.
- D. Encourage the consolidation and regionalization of water and wastewater systems.
- E. Actively document Clean Water and Safe Drinking Water Infrastructure needs.
- F. Finance infrastructure technology consistent with end use, location, local fiscal capacity and the technical capability of system operators.

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

- A. Maintain WIFA’s AAA credit ratings.
- B. Aggressively pursue federal funding to ensure Arizona obtains its maximum share of federal allocations.
- C. Work to maximize the amount and duration of funds invested to maximize earnings.
- D. Balance needs of low credit, high priority borrowers with high credit, low priority borrowers.
- E. Conduct annual loan reviews.
- F. Ensure all financial and bond reporting requirements are met in a timely manner.

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

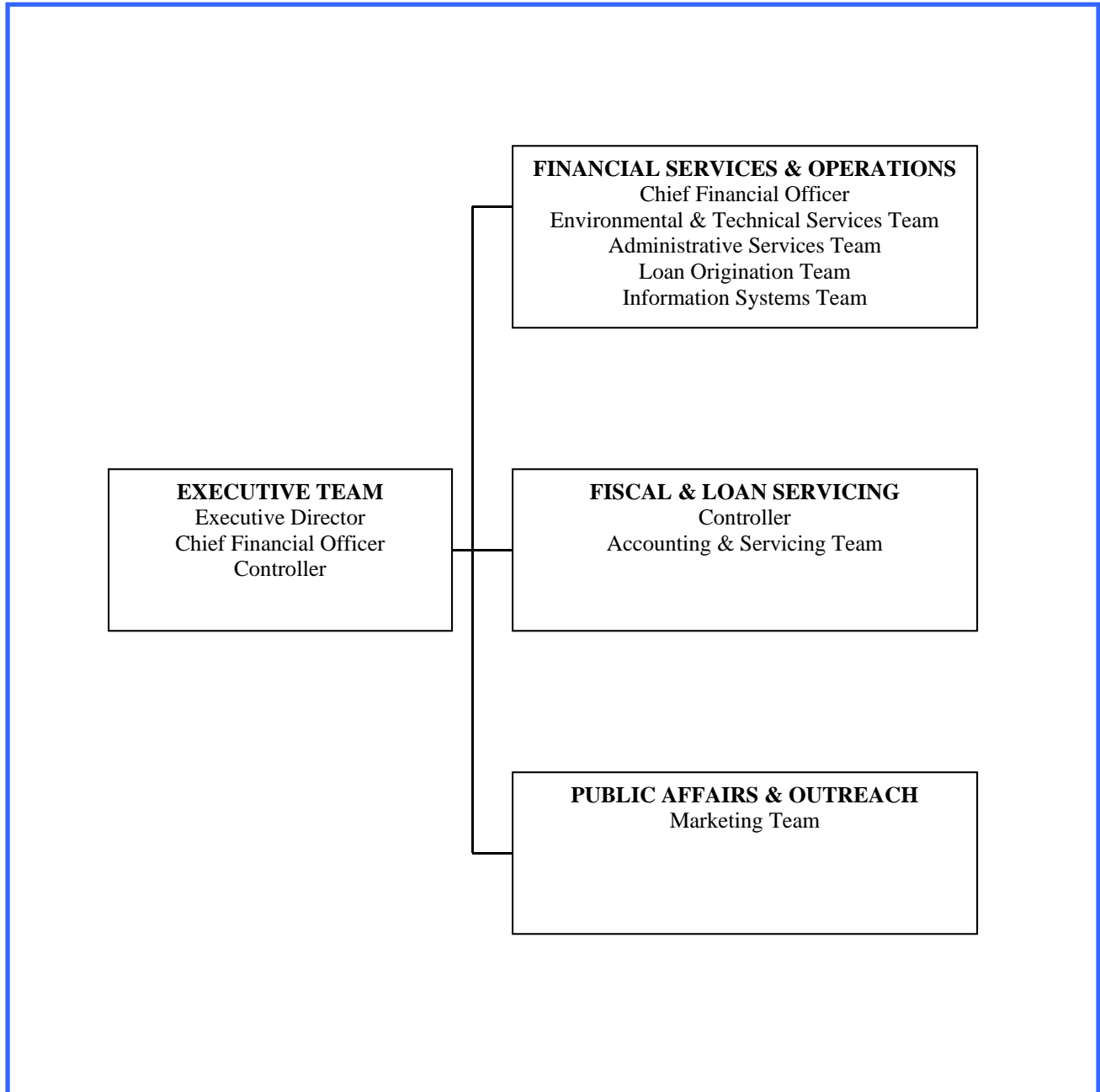
- A. Maximize the benefits of WIFA’s integrated information technology and enhance web-based automated applications.
- B. Assist communities with the completion of the Project Finance Application at their place of business.
- C. Facilitate public understanding of financial and technical assistance options so that communities are empowered to make good infrastructure financing decisions.
- D. Stimulate financial and technical assistance demand through continuous outreach efforts.

Goal 4: Coordinate with other funding sources, technical assistance resources, regulatory authorities, and private sector legal and financial counterparts.

- A. Coordinate through the Rural Water Infrastructure Committee (RWIC) to maximize the amount of financial resources available to Arizona communities.
- B. Coordinate with regulatory authorities to align water infrastructure funding with identified needs.
- C. Identify opportunities to participate in public-private partnerships.



WIFA TEAMS





Performance Measures

FY 2015

Performance Measures - Required Annually (Due August)

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes/Target |
|---|--|--------------|---------------------|-----------------------------------|--|
| 1 | Number of projects addressing compliance. | Goal 1 | Annually | Environmental | Number of projects that have corrected or prevented public health or environmental problems. |
| 2 | Percent of total available funds invested. | Goal 2 | Annually | Accounting | Target = 95% |
| 3 | Average number of weeks to process a loan. | Goal 3 | Annually | Environmental Loan Origination | Number of days from Board action to circulate draft loan documents. |
| 4 | Number of co-financings. | Goal 4 | Annually | Environmental | Co-financing including local and private contributions. |

Performance Measures for Greater Arizona Development Authority

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes |
|---|---|--------------|---------------------|------------------|---|
| 1 | Amount of financial assistance (in millions) loaned to cities, towns, counties, and special districts. | Goal 1 | Annually | Environmental | Measured by the number of drinking water construction jobs created and/or retained. |
| 2 | Amount of savings (in millions) for cities, towns, counties, tribes, and special districts from participation in the GADA program over private financing. | Goal 1 | Annually | Environmental | Measured by the number of clean water construction jobs created and/or retained. |

GADA Fund has experienced budget sweeps and is close to an inability to pursue bonding currently.
 GADA Goal 1-To increase development of public infrastructure projects.





Performance Measures

FY 2016

Performance Measures - Required Annually (Due August)

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes/Target |
|---|--|--------------|---------------------|-----------------------------------|--|
| 1 | Number of recipients moving from non-compliance to compliance. | Goal 1 | Annually | Environmental | Number of projects that have corrected or prevented public health or environmental problems. |
| 2 | Percent of total available funds invested. | Goal 1 | Annually | Accounting | Target = 95% |
| 3 | Average number of weeks to process a loan. | Goal 3 | Annually | Environmental Loan Origination | Number of days from Board action to circulate draft loan documents. |
| 4 | Number of co-financings. | Goal 4 | Annually | Environmental | Co-financing including local and private contributions. |

Performance Measures for Greater Arizona Development Authority

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes |
|---|---|--------------|---------------------|------------------|---|
| 1 | Amount of financial assistance (in millions) loaned to cities, towns, counties, and special districts. | Goal 1 | Annually | Environmental | Measured by the number of drinking water construction jobs created and/or retained. |
| 2 | Amount of savings (in millions) for cities, towns, counties, tribes, and special districts from participation in the GADA program over private financing. | Goal 1 | Annually | Environmental | Measured by the number of clean water construction jobs created and/or retained. |

GADA Fund has experienced budget sweeps and is close to an inability to pursue bonding currently.
 GADA Goal 1-To increase development of public infrastructure projects.





Performance Measures

FY 2017

Performance Measures - Required Annually (Due August)

Performance Measures for WIFA

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes/Target |
|---|--|--------------|---------------------|--------------------------------|--|
| 1 | Number of recipients moving from non-compliance to compliance. | Goal 1 | Annually | Environmental | Number of projects that have corrected or prevented public health or environmental problems. |
| 2 | Percent of total available funds invested. | Goal 1 | Annually | Accounting | Target = 95% |
| 3 | Average number of weeks to process a loan. | Goal 3 | Annually | Environmental Loan Origination | Number of days from Board action to circulate draft loan documents. |
| 4 | Number of co-financings. | Goal 4 | Annually | Environmental | Co-financing including local and private contributions. |

Performance Measures for Greater Arizona Development Authority

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes |
|---|---|--------------|---------------------|------------------|---|
| 1 | Amount of financial assistance (in millions) loaned to cities, towns, counties, and special districts. | Goal 1 | Annually | Environmental | Measured by the number of drinking water construction jobs created and/or retained. |
| 2 | Amount of savings (in millions) for cities, towns, counties, tribes, and special districts from participation in the GADA program over private financing. | Goal 1 | Annually | Environmental | Measured by the number of clean water construction jobs created and/or retained. |

GADA Fund has experienced budget sweeps and is close to an inability to pursue bonding currently.
 GADA Goal 1-To increase development of public infrastructure projects.





Annual Performance Measures

FY 2018

Performance Measures - Required Annually (Due August)

Performance Measures for WIFA

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes/Target |
|---|--|--------------|---------------------|--------------------------------|--|
| 1 | Number of recipients moving from non-compliance to compliance. | Goal 1 | Annually | Environmental | Number of projects that have corrected or prevented public health or environmental problems. |
| 2 | Percent of total available funds invested. | Goal 1 | Annually | Accounting | Target = 95% |
| 3 | Average number of weeks to process a loan. | Goal 3 | Annually | Environmental Loan Origination | Number of days from Board action to circulate draft loan documents. |
| 4 | Number of co-financings. | Goal 4 | Annually | Environmental | Co-financing including local and private contributions. |

Performance Measures for Greater Arizona Development Authority

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes |
|---|---|--------------|---------------------|------------------|-------|
| 1 | Amount of financial assistance (in millions) loaned to cities, towns, counties, and special districts. | Goal 1 | Annually | Environmental | . |
| 2 | Amount of savings (in millions) for cities, towns, counties, tribes, and special districts from participation in the GADA program over private financing. | Goal 1 | Annually | Environmental | |

GADA Fund has experienced budget sweeps and is close to an inability to pursue bonding currently.
 GADA Goal 1-To increase development of public infrastructure projects.





Performance Measures

FY 2019

Performance Measures - Required Annually (Due August)

Performance Measures for WIFA

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes/Target |
|---|--|--------------|---------------------|-----------------------------------|--|
| 1 | Number of recipients moving from non-compliance to compliance. | Goal 1 | Annually | Environmental | Number of projects that have corrected or prevented public health or environmental problems. |
| 2 | Percent of total available funds invested. | Goal 1 | Annually | Accounting | Target = 95% |
| 3 | Average number of weeks to process a loan. | Goal 3 | Annually | Environmental Loan Origination | Number of days from Board action to circulate draft loan documents. |
| 4 | Number of co-financings. | Goal 4 | Annually | Environmental | Co-financing including local and private contributions. |

Performance Measures for Greater Arizona Development Authority

| # | Activity or Performance Measure | Related Goal | Reporting Frequency | Team Responsible | Notes |
|---|---|--------------|---------------------|------------------|---|
| 1 | Amount of financial assistance (in millions) loaned to cities, towns, counties, and special districts. | Goal 1 | Annually | Environmental | Measured by the number of drinking water construction jobs created and/or retained. |
| 2 | Amount of savings (in millions) for cities, towns, counties, tribes, and special districts from participation in the GADA program over private financing. | Goal 1 | Annually | Environmental | Measured by the number of clean water construction jobs created and/or retained. |

GADA Fund has experienced budget sweeps and is close to an inability to pursue bonding currently.
 GADA Goal 1-To increase development of public infrastructure projects.



| Resource Assumptions (Agency Level) | | | | | | |
|--------------------------------------|--------------------------|------------------------------|---|---------------------|---------------------|---------------------|
| | FY 2014 Appropriation | FY 2015 Budget Request | FY 2016 Budget Request or Estimate | FY 2017 Estimate | FY 2018 Estimate | FY 2019 Estimate |
| Full-time-equivalent (FTE) Positions | 18 | 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 2015
 Program Budget Organizational Chart

