



Five Year Strategic Plan
State Budget
FY 2014 - 2018

**Water Infrastructure Finance
Authority of Arizona**

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Five Year Strategic Plan

FY 2014 - 2018

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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.

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. Additionally, reduced state funding to ADEQ has resulted in WIFA earnings and additional federal capitalization grant funds being transferred out to support ADEQ's water related programs. Reduced federal funds also result in less 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.

Unfunded federal mandates – The inclusion of Davis-Bacon Fair Labor Law requirements has made WIFA less attractive to rural borrowers. Federally driven requirements to provide up to 30% of the annual capitalization grants directly results in a 30% decrease in the amount of funds that enter and remain in the state revolving fund.

Arizona economy – The recovery is improving and we have 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 2014 – FY 2018

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.

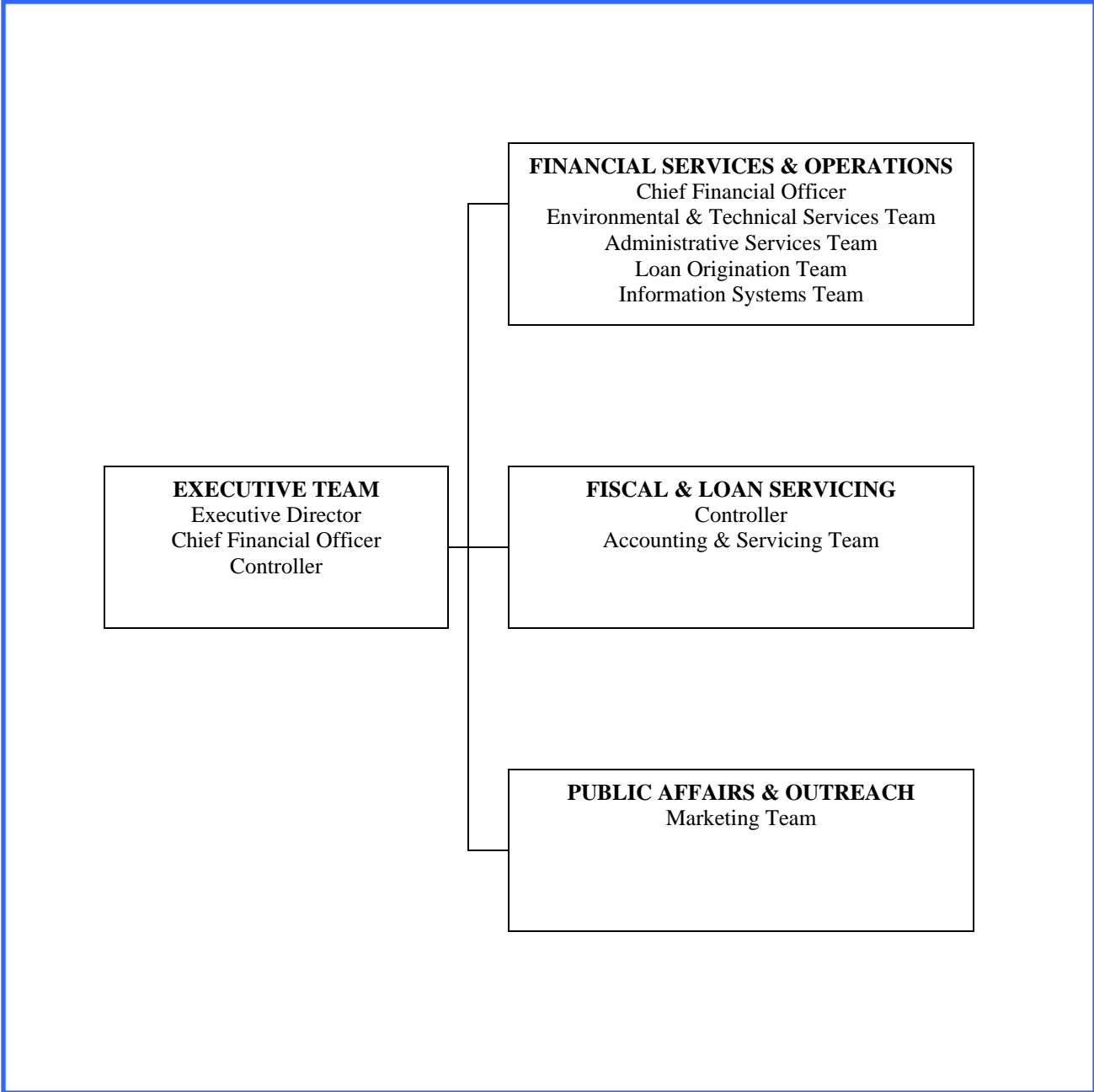
Goal 4: Coordinate with other funding sources, technical assistance resources, regulatory authorities, and private sector legal and financial counterparts.

- 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 2014

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 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 2015

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.
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Performance Measures

FY 2016

Performance Measures - Required Annually (Due August)

Performance Measures for WIFA

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Annual Performance Measures

FY 2017

Performance Measures - Required Annually for JLBC (Due August)

Performance Measures for WIFA

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Performance Measures

FY 2018

Performance Measures - Required Annually (Due August)

Performance Measures for WIFA

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Resource Assumptions (Agency Level)						
	FY 2013 Appropriation	FY 2014 Budget Request	FY 2015 Budget Request or Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate
Full-time-equivalent (FTE) Positions	18	18	18	18	18	18
General Fund						
Other Appropriated Funds						
Non-Appropriated Funds	112,901.4	167,431.9	107,478.5	110,000.0	110,000.0	110,000.0
Federal Funds	50,891.8	43,246.2	27,000.0	25,000.0	25,000.0	25,000.0
Total Agency Funds	163,793.2	210,678.1	134,478.6	135,000.0	135,000.0	135,000.00

Water Infrastructure Finance Authority of Arizona
Fiscal Year 2013
Program Budget Organizational Chart

