



WIFA

**Water Infrastructure  
Finance Authority  
of Arizona**

**Green Projects  
- and -  
Planning and Design Assistance Grants**

# Outline

- 💧 WIFA financing eligibility requirements
- 💧 WIFA financing application process
- 💧 Financing green projects through WIFA
  - What qualifies as green
  - Incentive for green projects
- 💧 Planning and Design Grants
- 💧 Rural Water Infrastructure Committee
- 💧 ADEQ Capacity Development Program

# What can WIFA finance?

**Design, improvement, construction, acquisition  
of  
wastewater and drinking water projects  
under the Clean Water Act and Safe Drinking Water Act**

Grants: planning and design  
Loans: design and construction

\* Future population growth cannot be a substantial portion of a project.

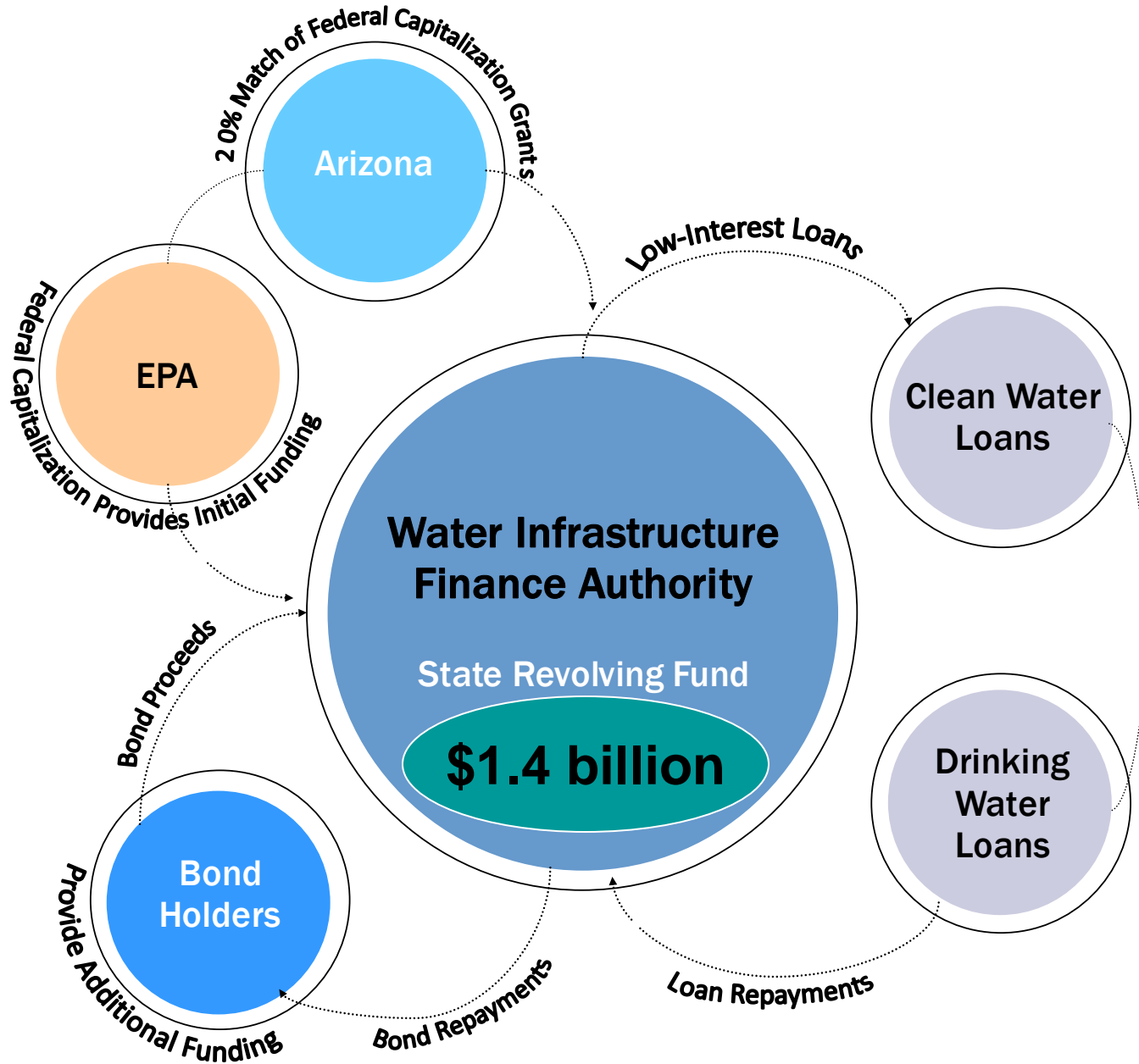
# Who is eligible?

## 💧 Clean Water (wastewater)

- Publicly-owned wastewater facilities (counties, cities, towns, special districts, county improvement districts, sanitary districts and tribal entities)

## 💧 Drinking Water

- Public water systems owned by political subdivisions (counties, cities, towns, special districts, domestic water improvement districts, and tribal entities)
- Private ACC-regulated systems
- Additional eligibility criteria for non-community systems



# What makes WIFA a good financing option?

- AAA credit rating = low-interest financial assistance

Average CIFR\* for 20 year construction loan in FY 2010

Public	2.83%
Private	3.68%

CIFR = Combined Interest and Fee Rate

1% CIFR for 3-year design loans

- No application fees or closing costs

# Davis Bacon Compliance

- ◆ “In whole or in part”
  - Davis Bacon requirements must be applied to entire project, not only WIFA-financed portion
- ◆ Wages, fringe benefits and overtime rates for laborers
- ◆ Prevailing Wage Decision Number incorporated into contract
- ◆ Weekly payroll
- ◆ Davis Bacon poster and wages posted on site

# Applicant process

1. Complete online Project Priority List (PPL) application
2. Obtain debt authorization
  - private water companies require ACC financing approval
  - public entities require approval of governing body or bond election
3. Request and complete Project Finance Application (PFA)

*See handout for flowchart of process*



# Water Infrastructure Finance Authority of Arizona



"Arizona's water and wastewater funding source"

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Green Project Reserve

Loan Programs

Grant Programs

ONLINE APPLICATIONS

SCORE COMMITTEE

EMPLOYEE LOGIN

Applications

### 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 on loans for one hundred percent of eligible project costs.

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 shared/reduced closing costs. WIFA is able to lower a borrower's interest costs to between 70 and one hundred percent 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. Both funds are capitalized by contributions from the state and the U.S. Congress.

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



**Water Infrastructure Finance Authority of Arizona**  
1110 West Washington, Suite 290, Phoenix, Arizona 85007  
Phone: (602) 364-1310 | Fax: (602) 364-1327  
Toll Free: (877) 298-0425

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.

### What's New!

- » 2012 Green Projects and Grants Workshop Presentation  
Posted:02/23/2011
- » Green Project and Grant Workshops  
Posted:01/27/2011
- » "Best Technical Assistance Project of the Year" Awarded to Sipaulovi Village  
Posted:12/28/2010
- » 2010 WIFA Annual Report  
Posted:12/21/2010
- » WIFA is seeking Green projects
- » Statewide Government Furlough Days

### Documents For Public Review!

- » Revised DRAFT Loan Prepayment Policy  
Posted:02/10/2011





## WELCOME!

For returning applicants or borrowers, please use the [Sign In Form](#) and enter your email address and password. If you don't remember your password, simply click on the "Forgot Your

If you please to account.

Note: If you are here to apply for financial assistance, you may print the Project Priority List Application form below and use it as your draft prior to register and/or submit it online.

### Financial Assistance

[Clean Water Application](#)

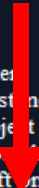
[Drinking Water Application](#)

### Planning & Design Grants

[Clean Water Application](#)

[Drinking Water Application](#)

pdf Applications  
(loans and grants)



### Sign In Form

E-Mail Address:

Password:

No Account? [Register Now!](#)

[Forgot Your Password?](#)

**Financing Green Projects  
through  
WIFA's Green Project Reserve (GPR)**



# Standard environmental benefits

- 💧 Protects/improves water quality
- 💧 Corrects non-compliance
- 💧 Protects source water

## Examples:

- 💧 Arsenic treatment system
- 💧 Wastewater treatment plant upgrades
- 💧 Storage tank
- 💧 Transmission/distribution line rehab
- 💧 Well rehab



# What is “green”?

- 💧 Water efficiency
- 💧 Energy efficiency
- 💧 Environmentally innovative
- 💧 Green stormwater infrastructure

*As defined in EPA's GPR guidance*

# GPR Water Efficiency

- 💧 Meters, Automatic Meter Reading systems
- 💧 Leak detection equipment (drinking water)
- 💧 Water recycling
- 💧 Effluent reuse



*As defined in EPA's GPR guidance*

# GPR Energy Efficiency

- 💧 Energy audits, energy assessments
- 💧 Demonstrate 20% savings in energy (clean water)
- 💧 NEMA premium efficiency motors (drinking water)
- 💧 Renewable Energy
  - Solar
  - Wind
  - Geothermal
  - Micro-hydroelectric



*As defined in EPA's GPR guidance*

# GPR Environmentally Innovative

- 💧 LEED certified buildings or renovations
  - 💧 Any level of certification



*As defined in EPA's GPR guidance*

# GPR Stormwater Infrastructure

- ◆ Stormwater harvesting and reuse – *at the facility*
- ◆ Establishment or restoration of permanent riparian buffers or soft bioengineered streambanks (clean water)

*As defined in EPA's GPR guidance*

# Projects that do NOT meet GPR

- 💧 Simply replacing a pump, or other piece of equipment, because it is at the end of its useful life, with something of average efficiency
- 💧 “Protecting the environment”
- 💧 Improving the quality of a discharge



# Green Requirements for WIFA

EPA requires WIFA to utilize 20% of its allocation for Green Project Reserve (GPR) projects

WIFA's requirements	Clean Water	Drinking Water
FFY2010 Allocation	\$13,762,000	\$27,259,000
GPR Allotment (20%)	\$2,752,400	\$5,451,800

*Most of these GPR projects will be as loans*

# WIFA's new green incentive

- ◆ Incentive is basis points (reduction in Combined Interest and Fee Rate (CIFR))
- ◆ WIFA determines whether a project meets the green criteria as outlined in EPA's GPR guidance.
- ◆ For green projects, WIFA uses the following table to determine the incentive.
- ◆ Incentive is only available until the Green Project Reserve is spent.

# Incentive table

<b>Percent of WIFA's total Drinking Water or Clean Water GPR allotment</b>	<b>Incentive</b>
50% to 100% and until WIFA achieves its GPR allotment	Up to 30 basis points
10% to 49% and until WIFA achieves its GPR allotment	Up to 15 basis points
less than 10% or after WIFA has achieved its GPR allotment	Up to 5 basis points

# Basis Point Example:

If at the time of closing, a loan will receive a Combined Interest and Fee Rate (CIFR) of 4.00%, and the project receives 15 basis points GPR discount, the final CIFR will be 3.85%

30 basis points → final CIFR of 3.70%

5 basis points → final CIFR of 3.95%

# Example:

## WIFA's GPR Allotment = \$10M

	Amount of project cost that is green	Percent of WIFA's total Cap Grant GPR allotment	Incentive
1st green project	\$3M	30%	Up to 15 basis points
2nd green project	\$5M	50%	Up to 30 basis points
3rd green project	\$2M	20%	Up to 15 basis points
4th green project	\$2M	0%	

# Actual GPR Requirements – Federal Fiscal Year 2010

	Clean Water	Drinking Water
FFY2010 Cap Grant	\$13,762,000	\$27,259,000
GPR allotment (20%)	\$2,752,400	\$5,451,800
GPR achieved	<i>Achieved</i>	\$4,100,000
GPR remaining	\$0	\$1,351,800

# To be considered for this incentive

Identify green components in your e-application

## 3.5 Water and Energy Efficiency Index

- 50 to 100% of total project costs are for water or energy efficiency components or environmentally innovative approaches.
- 10% to 49% of project costs are for water or energy efficiency components or environmentally innovative approaches.
- less than 10% of the project costs are for any water or energy efficiency components or environmentally innovative approaches.

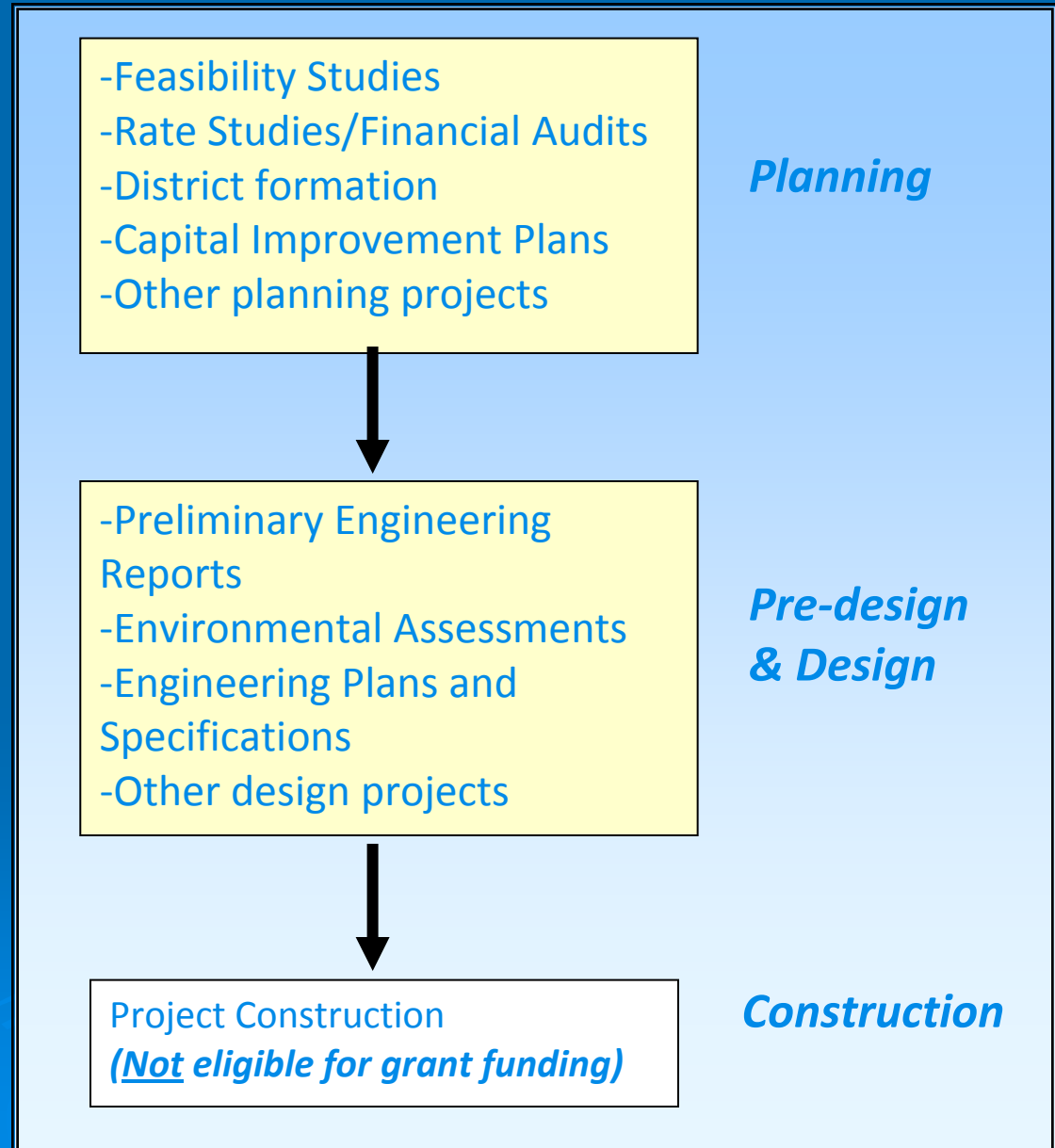
Use textbox to enter description of the project's green components

# Planning and Design Assistance Grants - FY2012



# Planning and Design Grants FY2012

- 💧 Plan or design a capital improvement project
- 💧 Funds used to contract with engineer or other consultant



# Planning and Design Grants FY2012

## Project Examples

- Arsenic treatment design
- Preliminary engineering report for wastewater collection system improvements
- Feasibility study for constructed wetlands at a wastewater treatment facility

## Green Project Examples

- Energy audits
- Solar power design
- Leak detection studies

# Planning and Design Grants FY2012

- 💧 Awards capped at \$35,000
- 💧 Paid as work is completed
- 💧 18 months to complete

# Planning and Design Grants FY2012

## Project Funding and Local Match

- Grant funding - 60% of total planning/design project cost (up to \$35,000)
- Local match funding – at least 40% of total project cost
  - Cash
  - In-kind services

# Planning and Design Grants FY2012

## Eligible In-Kind Services - examples

- 💧 Time spent by facility staff on the grant project
- 💧 Equipment purchased specifically for the project
- 💧 Rental of meeting spaces for public meetings
- 💧 Office costs specifically associated with the project

# Planning and Design Grants FY2012

## Green Projects

- 💧 Local match waived or reduced
- 💧 Primary purpose must be green to qualify
- 💧 Green determination is WIFA's based on EPA GPR guidance

# Planning and Design Grants FY2012

## Match Examples

TOTAL COST	TRADITIONAL PROJECTS		GREEN PROJECTS	
	WIFA (60%)	Match (40%)	WIFA	Match
\$35,000	\$21,000	\$14,000	\$35,000	\$0
\$50,000	\$30,000	\$20,000	\$35,000	\$15,000
\$65,000	\$35,000	\$30,000	\$35,000	\$30,000

**WIFA funding cap = \$35,000**

# Planning and Design Grants FY2012

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<b>\$50,000</b>	\$30,000	\$20,000	\$35,000	\$15,000
<b>\$65,000</b>	\$35,000	\$30,000	\$35,000	\$30,000

**WIFA funding cap = \$35,000**

# Planning and Design Grants FY2012

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**WIFA funding cap = \$35,000**

# Planning and Design Grants FY2012

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**WIFA funding cap = \$35,000**

# Planning and Design Grants FY2012

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\$35,000	\$21,000	\$14,000	\$35,000	\$0
\$50,000	\$30,000	\$20,000	\$35,000	\$15,000
\$65,000	\$35,000 60% = \$39,000	\$30,000	\$35,000	\$30,000 No change

**WIFA funding cap = \$35,000**

# Planning and Design Grants FY2012

## **INELIGIBLE Costs**

- 💧 Project construction
- 💧 Purchase of materials and equipment (except as match)
- 💧 Costs prior to notice to proceed (except as match)
- 💧 Projects to expand system for growth
- 💧 Compliance-related fees (permit fees, routine sampling)

# Planning and Design Grants FY2012

## FY2012 Cycle 1

Drinking Water	\$175,000
Wastewater	\$150,000

- **March 1, 2011** Applications available
- **April 29, 2011** Applications due
- **June 15, 2011** Award Announcements

Apply through e-application on WIFA's website

# Planning and Design Grants FY2012

## FY2012 Cycle 2

Drinking Water	\$175,000
Wastewater	---

- **Sept. 1, 2011** Applications available
- **Oct. 31, 2011** Applications due
- **Dec. 14, 2011** Award Announcements

***No wastewater funding for Cycle 2***

# Planning and Design Grants FY2012

## Evaluation of Projects – 5 scoring criteria

- 🟢 Need for project
- 🟢 Green components
- 🟢 Project tasks and work products
- 🟢 Costs and benefits
- 🟢 Need for grant funding

# Planning and Design Grants FY2012

## Tips for a good application

- 💧 Project needs to clearly assist in proceeding with a capital improvement project
- 💧 Good documentation and description
- 💧 Project is appropriate for your facility
- 💧 Project is planned and ready to go

# Rural Water Infrastructure Committee (RWIC)

- 💧 **Need Help Getting Started? RWIC can help.**
- 💧 Partnership of funding and technical assistance entities
- 💧 Addresses water and wastewater infrastructure needs in Arizona's rural areas
- 💧 Works directly with systems to determine best funding options
- 💧 Provides avenues to obtain training and information

# Rural Water Infrastructure Committee (RWIC)

- 💧 Water Infrastructure Finance Authority of Arizona (WIFA)
- 💧 USDA Rural Development (USDA RD)
- 💧 Greater Arizona Development Authority (GADA)
- 💧 North American Development Bank (NADBank)
- 💧 Border Environment Cooperation Commission (BECC)
- 💧 Rural Water Association of Arizona (RWAA)
- 💧 Rural Community Assistance Corporation (RCAC)
- 💧 Arizona Water & Pollution Control Association (AWPCA)
- 💧 U.S Department of the Interior (Bureau of Reclamation)
- 💧 Inter-Tribal Council of Arizona (Tribal Water)

# Rural Water Infrastructure Committee (RWIC)

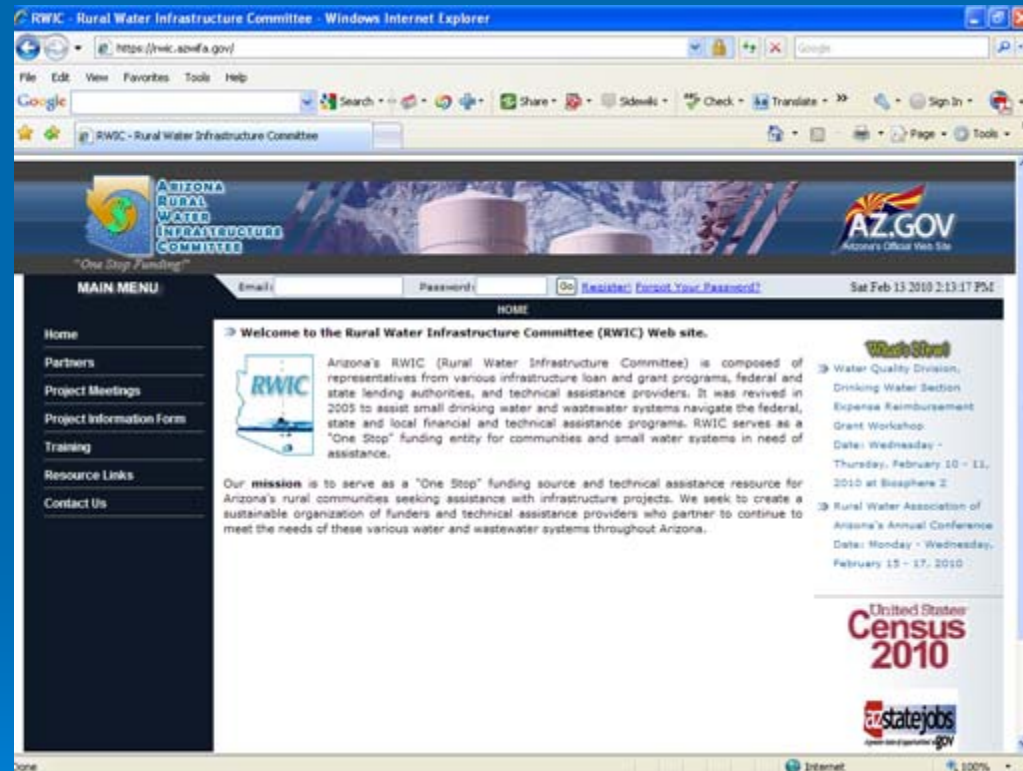
<http://rwic.azwifa.gov/>

💧 Project Meetings

💧 Links to training,  
resources

💧 Veronica Rivera  
(602) 364-1236

[vrivera@azwifa.gov](mailto:vrivera@azwifa.gov)



# ADEQ Capacity Development Program

Small drinking water systems ( $\leq 10,000$  people) can receive, FREE of charge:

- System Evaluation
- Operations and Maintenance Package

Contact: Kathy Stevens, ADEQ  
602-771-4653

[stevens.kathryn@azdeq.gov](mailto:stevens.kathryn@azdeq.gov)

The logo for the Water Infrastructure Finance Authority of Arizona, featuring the acronym "WIFA" in a white box with a blue splash effect behind it.

# Water Infrastructure Finance Authority of Arizona

## For more information, please contact:

### Funding Green Projects:

Sara Konrad  
(602) 364-1319  
[skonrad@azwifa.gov](mailto:skonrad@azwifa.gov)

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### Planning and Design Grants:

Arcelious Stephens  
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[astephens@azwifa.gov](mailto:astephens@azwifa.gov)

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### Project Manager for Maricopa Co.:

Stuart Peckham  
(602) 364-1326  
[speckham@azwifa.gov](mailto:speckham@azwifa.gov)

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WIFA website: [www.azwifa.gov](http://www.azwifa.gov)