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INTRODUCTION
The Arizona Finance Authority Board of Directors is pleased to release Arizona’s Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP) for the State Fiscal Year (SFY) 2022 funding cycle. The DWSRF IUP describes the Water Infrastructure Finance Authority’s (WIFA) plan to utilize various sources of funds to finance drinking water infrastructure and support related program activities during the SFY 2022 funding cycle from July 1, 2021 through June 30, 2022. This IUP is a required element of the grant application documentation to obtain the Federal Fiscal Year (FFY) 2021 grant award.

Arizona herewith submits its IUP for the FFY 2021 funds available to Arizona for the purposes of continuing the development, implementation and administration of the DWSRF program in Arizona. This IUP is based upon the FFY 2021 DWSRF Federal Appropriation of $1,126,088,000. Of this, Arizona’s Capitalization Grant is anticipated to be $19,784,000. Additionally, due to the reallocation of the FFY 2019 Capitalization Grant the Arizona DWSRF is anticipated to receive $182,000.

The Arizona DWSRF Loan Program funds publicly and privately-owned community water systems and non-profit non-community water systems. Eligible projects include treatment, transmission and distribution, source, storage, consolidation and creation of new systems. Projects to acquire land or to refinance debt obligations of publicly-owned systems may also be eligible. The program also places an emphasis on small and disadvantaged communities and on programs that address compliance and health advisories, as well as prevention and sustainability as tools for ensuring safe drinking water.

Section 1: Short-Term Goals
For the purposes of this IUP, a short-term goal is an activity intended to be initiated, and in some cases, completed within a year. The following are the short-term goals of the loan program:

- WIFA will make drinking water infrastructure loans more accessible and affordable to small communities by subsidizing all loans.
- If available, WIFA will provide additional assistance to communities who are identified as disadvantaged as described in Section 7.
- WIFA will provide any required percentage/amount of the Capitalization Grant amount as additional subsidization in the form of forgivable principal.
- WIFA will continue to encourage borrowers to address water and energy efficiency improvements and other environmentally innovative activities.

Section 2: Long-Term Goals
For the purposes of this IUP, a long-term goal is defined as the life of the program. The following are the long-term goals of the loan program:

- 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.
- Market agency programs and advocate the importance of safe, reliable water through presentations, networking and outreach. See Exhibit 1 for WIFA’s Marketing Strategy.

Section 3: Important Program Changes
No major changes to the program occurred in SFY 2021.
Section 4: Agreement to Enter Data into PBR and NIMS
WIFA agrees to enter data into PBR and NIMS.

Section 5: Description of Public Notice Process and Actions Taken to Address Public Comments
Public review and written comment period of this IUP was conducted from May 27, 2021 through June 10, 2021.

WIFA solicited public review and comment on the draft SFY 2022 DWSRF IUP and Project Priority List (PPL) according to the following schedule.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 27, 2021</td>
<td>Distribution and Web posting of the draft DWSRF IUP and PPL to all interested parties.</td>
</tr>
<tr>
<td>June 10, 2021</td>
<td>Public Hearing – online via Webex at 1:00 p.m.</td>
</tr>
<tr>
<td>June 10, 2021</td>
<td>Deadline for public comments on the draft DWSRF IUP and PPL (5:00 pm).</td>
</tr>
<tr>
<td>June 17, 2021</td>
<td>Advisory Board recommendation of adoption of the final draft DWSRF IUP and PPL.</td>
</tr>
<tr>
<td>June 23, 2021</td>
<td>Arizona Finance Authority Board of Directors’ adoption of the final draft DWSRF IUP and PPL. IUP will then be sent to EPA for final approval.</td>
</tr>
<tr>
<td>July 1, 2021</td>
<td>Begin implementation of the Approved DWSRF IUP and PPL</td>
</tr>
</tbody>
</table>

Section 6: Assurances and Specific Proposals
WIFA intends to comply with the following:

- WIFA will comply with its environmental review policy as approved by EPA;
- WIFA will notify its borrowers of the requirement to comply with the Davis-Bacon requirements outlined in the Capitalization Grant Terms and Conditions;
- WIFA will notify its borrowers of the requirement to comply with the American Iron and Steel requirements outlined in the Capitalization Grant Terms and Conditions; and
- WIFA will make every effort to comply with EPA’s guidance for timely and expeditious use of funds.

WIFA agrees to the remaining required assurances and proposals in the grant application and the IUP.

Section 7: Disadvantaged Community Program
WIFA is committed to providing assistance to public water systems serving Disadvantaged Communities. The Board may designate an applicant as a Disadvantaged Community if the applicant satisfies one of the following:

1. The community is a designated “colonia” community through the federal government, or
2. The community received 60 or more Local Fiscal Capacity points on the DWSRF PPL.

WIFA intends to provide a total of 16 percent of the capitalization grant in additional subsidy as forgivable principal to communities who cannot otherwise afford projects (including at least 6 percent to Disadvantaged Communities). WIFA’s Disadvantaged Policy also allows for extended term, reduced interest or a combination. Further, WIFA’s new Additional Subsidy Procedure (III.20.1) for drinking water projects allows for up to 100% forgivable principal for disadvantaged communities who are resolving public health threats and project costs are $250,000 or less.
Section 8: Criteria and Methods for Distribution of Funds (Priority Setting Criteria)

- **Project Priority List and Fundable Range**
  - **Project Priority List (PPL):** On an annual basis, following a statewide solicitation for projects, WIFA develops a statewide priority list of projects. Projects are scored and ranked on the list based upon public health risk, SDWA compliance, and financial need. Projects to address health advisories are a priority for DWSRF funding, as well as projects to address MCL exceedances. Currently, WIFA’s DW PPL has nine applications totaling $55,590,969. Staff are in discussions regarding several potential DW projects that may be added to the PPL during the year.
  - **Fundable Range:** The Fundable Range includes the applicants ready to receive design or construction financial assistance.

- **Project Priority List Updates**
  The Board may update the DW PPL by adding or deleting projects or adjusting the fundable range for design or construction projects. The decision to update the DW PPL may be based on a project’s readiness to proceed, availability of other funding sources or other new information affecting the expansion or contraction of the PPL and Fundable Range. The Board adopts the updated DW PPL at a public meeting and the updates are posted on WIFA’s website. All projects must meet the applicable requirements under the Safe Drinking Water Act, 42 U.S.C. § 300f to 300j-26.

Section 9: Bypass Procedures and Emergency Funding Procedures

The Fundable Range process is used to bypass projects that are not ready to proceed. In determining which projects may be included on the Fundable Range, WIFA evaluates each project for evidence of debt authorization according to A.A.C. R18-15-104. WIFA may not present an application to the Board for consideration until the applicant has provided such evidence. If sufficient funds are not available to fund all projects that are ready to proceed, WIFA will use tie breaking procedures established in A.A.C. R18-15-304.

WIFA may approve emergency funding for eligible applicants if a declaration of emergency is made by the Governor of Arizona or the Federal Emergency Management Agency (FEMA). The term of the loan will not exceed one year and be no more than $250,000 per emergency event.
### Section 10: Sources and Uses Table

<table>
<thead>
<tr>
<th>Drinking Water SRF Sources and Uses</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Fund</td>
<td>$128,582,486</td>
</tr>
<tr>
<td>Undrawn Federal Funds</td>
<td>$11,289,127</td>
</tr>
<tr>
<td><strong>Beginning Cash Balance (Estimate: 07-01-21)</strong></td>
<td>$139,871,613</td>
</tr>
<tr>
<td>FFY 2021 Cap Grant (Forgivable 30%-$5,935,200)</td>
<td>$19,784,000</td>
</tr>
<tr>
<td>FFY 2019 Cap Grant - Re-allotment (Forgivable 55%-$100,100)</td>
<td>$182,000</td>
</tr>
<tr>
<td>P&amp;I Repayments from SRF Loans</td>
<td>$37,350,654</td>
</tr>
<tr>
<td>Administrative Fees from SRF Loans</td>
<td>$6,148,482</td>
</tr>
<tr>
<td>Investment Interest Earned</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>State Appropriations</td>
<td>-</td>
</tr>
<tr>
<td>Revenue Bond Proceeds</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Funding Sources</strong></td>
<td>$207,090,540</td>
</tr>
<tr>
<td>Debt Service Payments</td>
<td>$32,579,563</td>
</tr>
<tr>
<td>Administration (Includes 4%-$791,360)</td>
<td>$2,251,815</td>
</tr>
<tr>
<td>Outstanding Loan Obligations (Closed Loans)</td>
<td>$157,437,709</td>
</tr>
<tr>
<td>Binding Commitments (Board Approved/Not Closed)</td>
<td>$10,050,693</td>
</tr>
<tr>
<td>Set-Aside Source Water Protection (ADEQ - 15%)</td>
<td>$1,866,680</td>
</tr>
<tr>
<td>Set-Aside PWSS (ADEQ -10%)</td>
<td>$1,978,400</td>
</tr>
<tr>
<td>Set-Aside Capacity Development (ADEQ - 2%)</td>
<td>$395,680</td>
</tr>
<tr>
<td>Technical Assistance (WIFA - 15%)</td>
<td>$530,000</td>
</tr>
<tr>
<td><strong>Total Fund Uses</strong></td>
<td>$207,090,540</td>
</tr>
<tr>
<td><strong>Ending Cash Balance</strong></td>
<td>($2,553,791)</td>
</tr>
<tr>
<td>Project Priority List Projects</td>
<td>$55,590,969</td>
</tr>
<tr>
<td><strong>Ending Cash Balance with PPL Projects</strong></td>
<td>($58,144,760)</td>
</tr>
</tbody>
</table>

The Safe Drinking Water Act §1452(g) and §1452(k) allows States to set aside up to 31 percent of the Capitalization Grant for specific activities. These are referred to as the 2 percent, 4 percent, 10 percent, and 15 percent set-asides and are further described below. Funds not expended in these categories by the end of SFY 2022 will revert to the DW Loan Fund Account. WIFA will not use any of the funds received from the reallocation of the FY 2019 Capitalization grant for set-asides.

**15 Percent Set-aside**

State and Federal Statutes allow setting aside up to 15 percent of the Federal Capitalization Grant funds to provide local assistance to water systems in Arizona. ADEQ has requested $1,866,680 for Source Water Protection activities to protect underground sources of drinking water. WIFA will utilize $530,000 of this set-aside as described in Section 11 below.
10 Percent Set-aside
State and Federal Statutes allow setting aside up to 10 percent of the Federal funds for the Public Water System Supervision activities. ADEQ will use this funding for the PWSS Program, which encompasses all of the various activities involved in implementing the Safe Drinking Water Act requirements in Arizona. These activities include operator certification, source water assessment and protection, development of regulatory guidance and assistance documents, assisting systems in obtaining the technical, financial, and managerial capability to comply with drinking water regulations, and technical consultations on water system and treatment system design. ADEQ is requesting $1,978,400.

4 Percent Set-aside
State and Federal Statutes allow setting aside up to 4 percent of the Federal funds for the administration of the DWSRF program. WIFA will utilize this set-aside to pay salaries and associated expenses of program’s personnel devoting time to the administration of the funds as well as the necessary ancillary services performed by other agencies. These funds will also be used to procure equipment and training necessary for the adequate performance of staff. Expenses for DWSRF-related public meetings, workshops and conferences will also be paid for out of this set-aside. Funds not used immediately will be reserved for use in future years. As evidenced in the Sources and Uses Table, WIFA will provide additional program administration support through use of WIFA Fees.

2 Percent Set-aside
State and Federal Statutes allow setting aside 2 percent of the Federal funds to provide local assistance to water systems in Arizona. The 2 percent set-aside in the amount of $395,680 will be used by ADEQ’s Capacity Development Program. ADEQ’s Capacity Development Unit assists small drinking water systems, serving 10,000 or fewer people, to improve their day-to-day operation.

ADEQ Drinking Water Program
The Drinking Water program is federally mandated to ensure safe drinking water supplies for the public. Staff reviews water system construction plans, conducts compliance inspections on drinking water systems, reviews water quality monitoring data, initiates enforcement actions in response to continued or significant noncompliance, and conducts outreach to educate stakeholders on regulatory requirements. The program also evaluates source waters to ascertain their susceptibility to contamination, promotes voluntary community programs aimed at protecting aquifers for drinking water use, and administers the monitoring assistance program to assist public water systems in complying with monitoring requirements under the federal Safe Drinking Water Act.

Section 11: Identify the Types of Assistance Provided and the Terms (Principal Forgiveness, Extended Terms)
WIFA provides low interest loans for projects eligible under the Safe Drinking Water Act. Eligible projects include treatment, transmission and distribution, source, storage, consolidation and creation of new systems. Projects to acquire land or to refinance debt obligations of publicly-owned systems may also be eligible.

- Subject to the limitation that loan terms are not to exceed the useful life of the project, all loans for the financing of projects will be for a term not to exceed 30 years from loan closing date. WIFA may provide additional subsidization to projects for communities who cannot otherwise afford the projects. WIFA intends on providing 30 percent of the FFY 2021 capitalization grant in additional subsidy as forgivable principal, 16% of which shall be used for disadvantaged
communities. WIFA intends on providing 55 percent of the reallocated FFY 2019 capitalization grant funds in additional subsidy as forgivable principal, 35% of which shall be used for disadvantaged communities.

WIFA also provides the following types of Technical Assistance:

**Staff Technical Assistance** - WIFA will use up to $400,000 to provide staff technical assistance to borrowers. The purpose of WIFA’s Staff Technical Assistance Program is to help prepare systems for construction of capital improvement projects. Awards will be made to small or disadvantaged systems that need assistance in completing the design phase of an infrastructure project, or any system that needs assistance to comply with WIFA’s environmental review process. Under agreements between the councils of governments and WIFA, the councils of governments will be reimbursed to oversee compliance with Davis-Bacon and contractor procurement. Fees will be provided to the councils of governments to defray the cost of Davis-Bacon monitoring and procurement. The SFY 2022 allocation for these activities will be $100,000 (included as part of the $400,000 staff technical assistance budget). Funds will be available for projects to be funded with a WIFA construction loan.

**Professional Technical Assistance** – Professional Technical Assistance includes studies, surveys and other types of reports that provide benefit to a range of drinking water systems statewide. Additional funds may also be used to provide technical, managerial and financial capacity development assistance. This year, WIFA will provide $20,000 for the drinking water portion of the annual Water and Wastewater Residential Rate Survey. This effort includes a survey of approximately 500 utilities, updates to the Rates Dashboard by the University of North Carolina’s Environmental Finance Center, survey analysis and final report.

The 2021 Drinking Water Needs Survey launched in SFY 2021. WIFA has budgeted $110,000 to complete the Drinking Water Needs Survey. This survey efforts include travel, training, one-on-one consultation with the systems selected to participate, data review and consultation with EPA’s contractor, and participation in EPA’s preparation of the Report to Congress.

Throughout the Funding Cycle and as circumstances require, WIFA may fund additional Professional Technical Assistance projects. The Board will act to add Professional Technical Assistance projects at a public meeting of the Board.

**Financial Terms of Loans**

1. All loans for the financing of projects will be for a term not to exceed 30 years from loan closing date. Loan terms are not to exceed the useful life of the project.
2. Repayment of loan principal must begin within 12 months of project completion based on the construction schedule available at the loan closing date or actual completion date or three years from the date of the loan closing, whichever is earlier.
3. Loan disbursements are to be made on a cost reimbursement basis.
4. The decision to leverage will be based on demand on the loan fund for projects to address public health concerns, market conditions and long-term impact to the fund.
5. Thirty percent of the FFY 2021 Capitalization Grant funds will be provided as forgivable principal (unless the grant requirement is higher, in which case this percentage will be adjusted accordingly). Fifty-five percent of the reallocated FFY 2019 Capitalization Grant funds will be provided as forgivable principal.
6. All contracts for DWSRF construction financial assistance will require the borrower to comply with the Davis-Bacon Act regardless of the source of funding.

7. All contracts for DWSRF construction financial assistance will require the borrower to comply with the Use of American Iron and Steel as described in WIFA’s Capitalization Grant regardless of the source of funding, if required as part of the FFY 2021 Capitalization Grant.

8. WIFA will assess income from the Standard Combined Interest and Fee Rate (CIFR) as either fee income or interest income in accordance with the following table.

<table>
<thead>
<tr>
<th>Financial Structure</th>
<th>CIFR</th>
<th>Fee</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental</td>
<td>Set in accordance with Section 1 of WIFA Procedure: III.3.1</td>
<td>1.5%</td>
<td>CIFR – Fee</td>
</tr>
<tr>
<td>Non-Governmental</td>
<td></td>
<td>3.0%</td>
<td>CIFR – Fee</td>
</tr>
</tbody>
</table>

Section 12: State Match Sources
As demonstrated in the Sources and Uses Table, WIFA revenues will provide match for the FFY 2021 Capitalization Grant.

Section 13: Identification of Overmatch
Through March 2021, WIFA has overmatched the federal grants when viewed in a cumulative perspective by $15,350,598 (through June 30, 2020 the overmatch was $15,350,598).

Section 14: Anticipated Cash Draw Ratio (proportionality) or Statement of Match Drawdown then Federal
With the overmatch, WIFA will draw 100 percent of federal funds until the overmatch is reduced. Once the overmatch is depleted, WIFA will draw the proportional state match amount prior to drawing federal funds.

Section 15: Estimated Disbursement Schedule

<table>
<thead>
<tr>
<th></th>
<th>First Quarter</th>
<th>Second Quarter</th>
<th>Third Quarter</th>
<th>Fourth Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20%</td>
<td>35%</td>
<td>35%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Section 16: Identification of any Intended Transfers between Funds
WIFA currently has no planned transfers between the CWSRF and the DWSRF.

Section 17: Identification and Explanation of any Cross Collateralization
The Authority maintains the CWSRF and DWSRF as separate and distinct programs. Revenues generated by either program will remain within that program. Any transfers between funds will be temporary in nature and done only to alleviate short term cash shortages.
Section 18: Combined Interest and Fee Rate (CIFR)
WIFA Procedure has established a target CIFR ranging between 70 percent and 95 percent of the tax-exempt AAA MMD Rate for governmental entities and non-profits, and the taxable-equivalent to MMD for non-governmental entities. CIFR/subsidies on each loan will be set pursuant to the criteria below:
- Total Points; and
- Local fiscal capacity of the area served by the system requesting assistance.

Section 19: Fees Charged if Applicable and Uses of Fees
Section 11 describes how fees are charged. The Sources and Uses table demonstrates how fees will be used for SFY 2022, providing match to the federal grant and administration of the SRF.

Section 20: Overview of Program Financial Status and Management
The Arizona DWSRF established and is managing the revolving loan fund to make low cost loans and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with Safe Drinking Water Act requirements. All planned and prior year loans have assisted public water systems in meeting the federal and state drinking water compliance requirements. Details of Arizona’s DWSRF activities supporting EPA’s Strategic Plan will be included in the DWSRF Annual Report as well as in the Drinking Water National Information Management System (DW NIMS), Drinking Water Project Benefit Reporting System (PBR); and the Federal Funding Accountability and Transparency Act (FFATA) Reporting System.

Section 21: Leveraging Plan
As a matter of practice, WIFA pays close attention to its cash position and lending capacity. This practice includes reports to the WIFA Advisory Board at each Advisory Board meeting defining WIFA’s current cash position and lending capacity. At this time, WIFA is considering a Bond Issue during this fiscal year due to strong demand in the drinking water program.

Section 22: Binding Commitment Schedule
When the Board of Directors approves an applicant’s financial assistance request, WIFA staff prepares and circulates financial assistance (loan) documents to evidence the binding commitment in accordance with applicable federal and state requirements. Based on the DW PPL, WIFA expects to enter into binding commitments at 281 percent (dollars on PPL vs. the federal cap grant). WIFA’s process is to accept PPL applications throughout the fiscal year instead of locking the PPL at the beginning of the year. WIFA is currently in discussions with numerous borrowers on potential projects that will be added to the SFY 2022 PPL as the year progresses. See also Exhibit 1 for WIFA’s Marketing Strategy.

Section 23: Grant Payment Schedule
WIFA will receive all payments in the first quarter available.

Sections 24-33: (These Sections are for CWSRF)
These Sections are for CWSRF, not applicable to DWSRF.
Section 34-43: Fundable List
Arizona combines the Fundable and Comprehensive lists into one list. WIFA applies all crosscutters to all DWSRF projects with the exception of FFATA. FFATA is treated on an equivalency basis. It is unknown at this time which projects will be awarded forgivable principal.

Arizona’s Drinking Water Revolving Fund Project Priority List – SFY 2022 Funding Cycle

<table>
<thead>
<tr>
<th>PPL Rank</th>
<th>Applicant</th>
<th>Population</th>
<th>County</th>
<th>PWS Number</th>
<th>Project Name</th>
<th>Description</th>
<th>Project Number</th>
<th>Amount Requested</th>
<th>Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 Yarnell Water Improvement Association, YWIA</td>
<td>700</td>
<td>Yavapai</td>
<td>AZ0413057</td>
<td>YWIA System Improvements</td>
<td>YWIA will replace and upgrade the current VERTCH SCADA system, replace leaking and undersized pipes, and replace 19 blow off valves.</td>
<td>004 2022</td>
<td>$250,000.00</td>
<td>75%</td>
</tr>
<tr>
<td>2</td>
<td>Tierra Linda Water Company, Inc.</td>
<td>372</td>
<td>Pima</td>
<td>AZ0410411</td>
<td>Water System Improvements</td>
<td>Tierra Linda proposes to design and install an arsenic treatment system to address arsenic exceedances in the water supply, perform a pressure tank inspection, and replace failing service lines.</td>
<td>002 2022</td>
<td>$406,980.00</td>
<td>80%</td>
</tr>
<tr>
<td>3</td>
<td>1 Bradshaw Water Company, Inc</td>
<td>518</td>
<td>Yavapai</td>
<td>AZ0413141</td>
<td>Water Tank and Drive by Meters</td>
<td>The 33,000-gal storage tank needs to be rehabbed. They will also replace the old meters with drive-by meters.</td>
<td>007 2022</td>
<td>$87,430.00</td>
<td>80%</td>
</tr>
<tr>
<td>4</td>
<td>1 Why Domestic Water Improvement District</td>
<td>400</td>
<td>Pima</td>
<td>AZ0410118</td>
<td>Well Installation</td>
<td>A second well will be installed as a backup water source.</td>
<td>008 2022</td>
<td>$1,796,950.00</td>
<td>75%</td>
</tr>
<tr>
<td>5</td>
<td>1 Kearny, Town of</td>
<td>2,076</td>
<td>Pinal</td>
<td>AZ0411031</td>
<td>Water Infrastructure Rehabilitation</td>
<td>The loan would refinance a USDA loan in the amount of $600,000 at 5.125% to a lower interest rate, and include an additional $85,000 for distribution system rehab.</td>
<td>001 2022</td>
<td>$685,000.00</td>
<td>80%</td>
</tr>
<tr>
<td>6</td>
<td>1 Town of Camp Verde, Arizona</td>
<td>4,310</td>
<td>Yavapai</td>
<td>AZ0413015</td>
<td>Water Utility Revenue WIFA Loan, Series 2021</td>
<td>Acquisition of the Camp Verde Water System by the Town of Camp Verde.</td>
<td>006 2022</td>
<td>$10,175,000.00</td>
<td>80%</td>
</tr>
<tr>
<td>PPL Rank</td>
<td>Applicant</td>
<td>Population</td>
<td>County</td>
<td>PWS Number</td>
<td>Project Name</td>
<td>Description</td>
<td>Project Number</td>
<td>Amount Requested</td>
<td>Subsidy</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------</td>
<td>------------</td>
<td>------------</td>
<td>----------------------</td>
<td>---------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>----------------------</td>
<td>---------</td>
</tr>
<tr>
<td>7</td>
<td>1 Lagoon Estates Water Company, Inc.</td>
<td>1,440</td>
<td>Mohave</td>
<td>AZ0408021 and AZ0408046</td>
<td>New Well and System Improvements</td>
<td>This project will include the installation of a new well to resolve high arsenic levels, a filtration system to remove iron and manganese, the installation of a new storage tank, the installation of VFD boosters, and the addition of a SCADA system to monitor operations at the well site.</td>
<td>009</td>
<td>2022</td>
<td>$1,300,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td>8</td>
<td>2 Town of Queen Creek</td>
<td>102,355</td>
<td>Maricopa</td>
<td>AZ0407033</td>
<td>Water System Comprehensive Construction Plan</td>
<td>This project includes the construction, replacement, and acquisition of over 166,000 feet of water lines, installation of fire hydrants and emergency generator controls, tank rehabilitation, construction of a well and 2 million gallon storage tank, and acquisition of 3 wells.</td>
<td>005</td>
<td>2022</td>
<td>$37,235,909.00</td>
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<tr>
<td>9</td>
<td>Big Park Water Company, Inc.</td>
<td>6,575</td>
<td>Yavapai</td>
<td>AZ0413012</td>
<td>BP3 Storage and Booster Site Improvement and Meter Reliability Program</td>
<td>This project will replace residential and commercial meters with electronic meters, improve booster stations, improve the distribution system, and improve the security at two well sites. Additionally, a backup generator will be purchased and installed.</td>
<td>003</td>
<td>2022</td>
<td>$3,653,700.00</td>
</tr>
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<td></td>
<td>Total:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$ 55,590,969.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

1. Eligible for disadvantaged community designation
2. Potential equivalency project
Section 44: IUP Includes Set-Asides Taken and Authority to be Banked if Applicable
See Sources and Uses Table for Set-Aside budgeted for FFY 2021.

Section 45: IUP Includes Uses of the Set-Aside Funds and Expected Timeline of Expenditure
Section 10 describes the uses of the set-aside funds. ADEQ provides a timeline in a separate work plan for their portion.

Section 46: IUP Includes Expected Outcomes of the Set-Aside Funds
Provided by ADEQ under separate cover.
WIFA Marketing Plan 2021
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I. Introduction

This Marketing Plan (the Plan) aims to attract potential/previous borrowers to WIFA and promote the CWSRF/DWSRF programs. Proper utilization creates robust SRF funds that further ensure the safety of Arizona's communities.

II. Goals and Objectives

- Increase the awareness of WFA’s funding, benefits, and technical assistance program to eligible borrowers.
- Market the policy changes ways to alleviate administrative strain on potential/current borrowers by offering additional support.
- Continued outreach to non-profits, state/federal agencies, financial advisors, and engineers.
- Maintain excellent customer experience and position WIFA as a “community-engaged” organization that serves as both a financial and a technical resource.
- Additionally, WIFA will continue with the update and modernization goals described in the CY 2020 Plan.

III. Core Messages

- Low interest rates and cost savings. WIFA financing offers substantial cost savings to the borrower, achieved through various methods, such as forgivable principal or technical assistance funding.
- Year-round funding availability and simple application process.
- WIFA will continue to strengthen the communication of funding for all eligible borrowers/projects.
- WIFA accepts applications at any time with no deadline to apply. Applications are accepted electronically, and application assistance is always available during business hours.
- Quick processing and disbursement. Emphasizing convenience and processing time. Loan documents, on average, are processed in less than one week - from board action (loan resolution approval) to distribution of loan documents. Disbursement requests are processed in an average of six days.

Customer service

WIFA staff can answer any questions about funding options, the application process, and potential eligibility. Applicants can make inquiries via phone, email, or written correspondence. At the request of potential borrowers, WIFA can also offer in-person meetings, workgroups, or training to assist with our processes.
IV. Target Audiences

- All Arizona borrowers that are eligible for CWSRF and DWSRF funding.
- For one hundred percent forgivable, Generally, small, and disadvantaged communities, including Colonia with lower household incomes and less ability to generate appropriate revenue for projects. These communities typically struggle with planning, design, already high rates, and project management.
- Tribal communities. Including eligible Native American tribal governments and authorized tribal entities with jurisdiction over sewage disposal or own a public water system.
- Previous and repeat borrowers.
- Outreach efforts will highlight the programmatic changes and convenience of borrowing for additional projects.

V. Tasks & Tactics

WIFA staff will collaboratively use the following marketing tactics: A. face-to-face strategy, B. Digital Strategy, and C. Program materials.

A. Face-to-face strategy

Conferences and conventions

WIFA staff attend conferences as a speaker, sponsor, or exhibitor. Attendance satisfies professional development and enables program communication to audiences of various sizes.

Presenter: Each presentation is adapted to meet the event’s needs; the core objective is to educate the audience about WIFA and increase potential borrower engagement.

Exhibitor or Sponsor: Marketing materials are placed on/around the occupied space. Exhibitor time is also used for networking with other exhibitors.

Individualized assistance

WIFA Provides personalized service to each potential applicant and borrower, especially individuals in the rural parts of Arizona. Many rural applicants/borrowers may not be able to attend in-person outreach because of limitations. Examples of individualized assistance provided by WIFA staff include:

- In-person meetings to discuss projects and potential for funding
- Providing materials for community outreach, awareness, and education
- Fiscal Impact Analysis (loan savings, terms, benefits)
- e-apps support and troubleshooting
- Navigating federal and local requirements
- WIFA will utilize alternative technology alternatives if travel is burdensome or unreasonable. Example solutions include Webcasts, teleconferences, screen-sharing, or video in conjunction with other strategies.
B. Digital strategy

Website
WIFA's website is the first-place applicants, and borrowers look for information. The communications Director and Information Technology staff will implement periodic content audits and publish new content on an ad hoc basis. WIFA completed Phase I of its website refresh in CY 2020, and continuous updates will focus on user experience and content.

Social media
Facebook, LinkedIn, Twitter, and Vimeo announce program updates and promote the SRF. Individual campaigns will be added as needed.

Publications and partner resources
Staff will research relevant publications, studies, or materials and promote them as necessary; these promotions may be combined with the website and social media updates.

Content Library and on-demand video
A library of videos to help borrowers. The video content will highlight lesser-known CWSRF and DWSRF projects and application walkthroughs. WIFA will create this video content like other state SRF borrower training materials. The expanded website content will also include a blog section with frequent, easy-to-get updates, including case studies, project progress, highlights, and important dates.

C. Program materials
Attachment B outlines the target audience and the type of outreach material that is relevant to the recipient.

Brochures and Flyers
All the brochures and flyers are maintained on WIFA's website for viewing or download. All handouts and flyers are updated as needed.

WIFA tri-fold brochures
General information about Arizona’s SRF program, including an overview of funding types, eligibility, business, and application information. Commonly used for:

- Promotional folder
- General outreach
- Conferences/expos
- Potential borrowers
- Legislative interest
- Public interest
Fact sheet Flyers

The factsheets provide more information about specific topics. Promotional folders containing relevant factsheets are created. Factsheets are also displayed at booths or expos.

Newsletter

Using examples set by other SRF’s and state agencies, WIFA’s marketing team will develop and pilot a quarterly newsletter. Content will be geared towards SRF, water, and water infrastructure-related topics. The following topics will be included:

- Program updates
- Highlights
- Important dates and reminders
- Calendar of WIFA events
- Special announcements
- Contact information

Implementation Schedule

Under the Executive Director’s supervision, marketing and outreach efforts are led by WIFA’s Communications Director. As mentioned in the CY 2020 plan, WIFA has significant modernization efforts to work through, making this marketing plan a multi-phase project; projects related to outreach, borrower acquisition, and visibility will take the highest priority. Additional phases are subject to shift and are determined by workload, priority items, resources, and staff limitations.

VI. Metrics and engagement

The continued use of proper marketing metrics will enable WIFA to evaluate the implementation of this Plan and create an adaptable approach to future marketing efforts; the following progress tracking methods will include:

Surveys: WIFA surveys are created and maintained in SurveyMonkey or Google Forms.

Applicant feedback: Through e-apps, WIFA will monitor the number of applications received and how the applicant became aware of the SRF program. WIFA will review this data quarterly and adjust marketing efforts.

General Inquiries: WIFA’s "contact us" webform. The Communications Director ensures that the most appropriate staff responds per WIFA’s customer service procedure.

Website analytics: Google analytics will analyze web traffic for all associated websites; qualitative and quantitative data will be used to ensure that user needs are met.

Distribution list dashboard: WIFA will utilize SendGrid as its email marketing and email automation platform. SendGrid’s automation allows for the maintenance of accurate distribution lists, automation, and website/social publishing at the same time.
## Attachment A: WIFA’s Major event schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb.</td>
<td>GFOAz Winter Conference</td>
<td>Government finance professionals</td>
</tr>
<tr>
<td>Feb.</td>
<td>The project of the Year Awards</td>
<td>Past borrowers, WIFA board, public</td>
</tr>
<tr>
<td>March</td>
<td>Water Resources Research Center Annual Conference</td>
<td>Water policy and management professionals, public</td>
</tr>
<tr>
<td>March</td>
<td>Rural Water Association of Arizona Annual Technical Conference</td>
<td>DW &amp; WW professionals, potential borrowers</td>
</tr>
<tr>
<td>April</td>
<td>CIFA Federal Policy Conference</td>
<td>Infrastructure financing professionals</td>
</tr>
<tr>
<td>May</td>
<td>Arizona Water Association Conference</td>
<td>Water professionals, public</td>
</tr>
<tr>
<td>June</td>
<td>GFOAz Annual Conference (national)</td>
<td>Government finance professionals</td>
</tr>
<tr>
<td>July</td>
<td>Water Reuse Conference</td>
<td>State and local government, manager, operators</td>
</tr>
<tr>
<td>Aug.</td>
<td>League of Cities and Towns Annual Conference</td>
<td>Local government leaders, potential borrowers</td>
</tr>
<tr>
<td>Aug.</td>
<td>American Public Works Association - Arizona Chapter</td>
<td>Public Works Directors, consultants, and suppliers</td>
</tr>
<tr>
<td>Aug.</td>
<td>AZ Rural Development Council - Rural Policy Forum</td>
<td>Rural stakeholders, businesses, non-profits, and community leaders</td>
</tr>
<tr>
<td>Aug.</td>
<td>GFOAz Summer Training</td>
<td>Government finance professionals</td>
</tr>
<tr>
<td>Sept.</td>
<td>Rural Water Association of Arizona Annual Leadership Conference</td>
<td>DW &amp; WW professionals, potential borrowers</td>
</tr>
<tr>
<td>Sept.</td>
<td>Arizona Hydrological Society Annual Symposium</td>
<td>Water professionals, researchers, and hydrologists</td>
</tr>
<tr>
<td>Nov.</td>
<td>CIFA SRF National Workshop</td>
<td>Infrastructure financing professionals</td>
</tr>
</tbody>
</table>
### Attachment B: Target Audience, Materials

<table>
<thead>
<tr>
<th></th>
<th>City/town managers</th>
<th>Elected Officials</th>
<th>State Agencies/Partners</th>
<th>Tribal Communities</th>
<th>Small/DAC</th>
<th>Utility Admin</th>
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<tbody>
<tr>
<td>Annual Report</td>
<td>x</td>
<td>x</td>
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<td>Conferences/Events/Expos</td>
<td>x</td>
<td>x</td>
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<tr>
<td>CW/DW SRF General info, tri-fold materials</td>
<td>x</td>
<td>x</td>
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<td>E-apps</td>
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<td>Website</td>
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<td>Online Guidance</td>
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<td>Newsletter</td>
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<td>Outreach Workshops/Webinars</td>
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<td>Outreach Workshops for Small, DAC, or tribes</td>
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<td>Publication Articles</td>
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<td>Social Media</td>
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<td>Outreach Letters, B2B, cold call</td>
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<td>x</td>
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<td>x</td>
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<td>x</td>
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<tr>
<td>Subject Specific brochures/Factsheets</td>
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<td>x</td>
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<td>x</td>
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