

Water Infrastructure Finance Authority of Arizona

WIFA has established processes and provides financial assistance for basic water infrastructure in Arizona

Audit purpose

To address WIFA's processes for providing financial assistance for basic water infrastructure in Arizona and to provide responses to its statutory sunset factors.

Key findings

- WIFA was established in 1997 as a separate legal entity of the State authorized to provide financial assistance to political subdivisions, tribal communities, and other eligible entities for basic water infrastructure. Since its inception, WIFA has used federal capitalization grants, bond issuances, and loan repayments to fund nearly \$2.6 billion of water infrastructure projects for communities throughout the State.
- In support of its mission, WIFA administers the Clean Water and Drinking Water State Revolving Funds. These revolving funds provide financial assistance related to the construction, rehabilitation, and improvement of drinking water, wastewater, wastewater reclamation, and other water quality facility projects by providing below-market rate loans, forgivable principal, and technical assistance to Arizona's communities through 2 main programs—the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.
- WIFA has established processes for and prioritizes projects based on greatest need.
- The WIFA Advisory Board evaluates WIFA staff recommendations and decides if a project should be recommended to the Arizona Finance Authority Board of Directors (AFA Board), which provides final approval.
- The AFA Board is within the Office of Economic Opportunity (OEO).

Key recommendation

The Legislature should:

- Consider aligning WIFA's and the OEO's sunset dates.