

Water Infrastructure Finance Authority

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 APPROVED
SPECIAL LINE ITEMS			
Water Supply Development Revolving Fund Deposit	0	0	0
AGENCY TOTAL	0	0	0
FUND SOURCES			
General Fund	0	0	0
SUBTOTAL - Appropriated Funds	0	0	0
Other Non-Appropriated Funds	154,204,000	238,938,500	0
Federal Funds	25,904,100	37,020,100	0
TOTAL - ALL SOURCES	180,108,100	275,958,600	0

AGENCY DESCRIPTION — The Water Infrastructure Finance Authority (WIFA) finances the construction, rehabilitation, and/or improvement of drinking water, waste water, waste water reclamation, and other water quality facilities/projects. The agency also provides general administrative support to the Greater Arizona Development Authority (GADA). Beginning in FY 2017, WIFA and GADA will become part of the Arizona Finance Authority within the Office of Economic Opportunity.

Laws 2016, Chapter 372 creates the Arizona Finance Authority (AFA) in the new Office of Economic Opportunity (OEO). The AFA serves as the board for the Water Infrastructure Finance Authority and the Greater Arizona Development Authority (GADA). GADA was previously under the control of WIFA.

Chapter 372 also permits AFA to deposit unrestricted and available monies from WIFA and GADA into the newly-created AFA Operations Fund. An estimated \$2,707,500 annually will be transferred to the AFA Operations Fund from the WIFA and GADA funds for AFA, WIFA, and GADA's operational costs. This amount is based on WIFA and GADA's estimated FY 2016 operational costs. (Please see the Office of Economic Opportunity section for more information.)

Water Supply Development Revolving Fund Deposit

The budget includes no funding from the General Fund in FY 2017 for the non-appropriated Water Supply Development Revolving Fund. This amount is unchanged from FY 2016.

The FY 2015 General Appropriation Act (Laws 2014, Chapter 18, Section 135) included a one-time \$1,000,000 FY 2015 General Fund appropriation to the Water Supply Development Revolving Fund. This appropriation was repealed in the FY 2016 General Appropriation Act (Laws 2015, Chapter 8).

Laws 2007, Chapter 226 established the Water Supply Development Revolving Fund. Prior to FY 2015, however, no funding had been previously appropriated for the purpose of community lending. Monies in the fund were to be used to provide financial assistance to construct water supply projects to water providers in Arizona, particularly in rural areas, lacking sufficient water supplies to meet their long-term water demands. Financial assistance for water supply development projects as defined in statute includes support for the planning or design of projects, direct loans for projects, or using funds as security for bonded projects.

Additional Legislation

Small Water Systems Fund Deposit

The budget includes \$500,000 from the General Fund in FY 2017 for a one-time deposit into the Small Water Systems Fund. Laws 2016, Chapter 372 transfers this fund to the new Office of Economic Opportunity.