

Lindsey A. Perry
Auditor General
2910 N 44th Street, Suite 410
Phoenix, AZ 85018

December 15, 2025

RE: FY2023/FY2024 Audit of Water Infrastructure Finance Authority

Dear Ms. Perry,

The Water Infrastructure Finance Authority (WIFA) has reviewed the Auditor General's report and has implemented the recommendations contained herein.

WIFA strives for a culture of innovation, accountability, transparency and excellence as it manages programs providing financial assistance for projects related to water and wastewater infrastructure, conservation and water augmentation throughout the state of Arizona. WIFA appreciates and acknowledges the importance of audits to identify where further improvements to policy and procedures are necessary to support WIFA's overall mission.

We are pleased that generally WIFA's Travel Policy approved on June 3, 2023 adequately governs travel activities of WIFA. Since the implementation of the Travel Policy in 2023, WIFA has formalized travel procedures through Board and staff educational outreach and has made clarifications through policy amendments. Staff experience, policy and procedure clarifications over the last few years have resulted in sound travel practices throughout WIFA.

We appreciate the professionalism and it was a pleasure to work with the Auditor General's office.

Sincerely,



Chelsea McGuire, Director
Water Infrastructure Finance Authority of Arizona

Finding 3: Water Infrastructure Finance Authority (WIFA) did not always reimburse board members in accordance with its policy, resulting in a risk of wasting public monies.

WIFA response: The Auditor General’s finding is agreed to.

Response explanation: WIFA agrees that proper travel documents were not provided in strict accordance with WIFA policy. The board member received verbal approval for travel from WIFA for the purposes of networking with members of the Colorado River Water Users Association, attending an educational tour, and providing awareness and transparency of WIFA’s directive to import out of state water resources.

Recommendation 1: Reimburse board members for travel expenses that are appropriate and in accordance with WIFA’s travel policy requirements, including obtaining the director’s approval in advance of travel plans, maintaining proper written documentation supporting the WIFA business purpose of travel and documenting any exceptions to its travel policy with proper approval.

WIFA response: The audit recommendation will be implemented.

Response explanation: This recommendation has been implemented. WIFA’s travel policy was first approved in June 2023. Processes and procedures have since been fully implemented. All travel claims are being reviewed for required documentation as required by WIFA’s policy.

Recommendation 2: In consultation with its legal counsel, determine whether to pursue reimbursement from the board member for the travel costs of \$387 that were not in accordance with policy.

WIFA response: The audit recommendation will be implemented.

Response explanation: WIFA will consult with legal counsel to determine whether to pursue reimbursement.