



TxDOT ROW UTILITY WEEK

THE POWER OF YOU - Delivering Right-Of-Way Solutions to Texas

Texas Water Development Board

Regulatory Items & Underutilized Program Information

Track 3 Session 2
Day 2 - 12/13/2023





Scott Galaway is a Financial Assistance Outreach Specialist with the Texas Water Development Board. He promotes TWDB's state and federal financial assistance programs and helps utilities and communities find options for financing water-related infrastructure.

Scott has over three decades of experience with utility infrastructure operations and management, including water resources planning, capital improvement plans, construction, and project management. He holds a Bachelor of Science from Texas State University and is a Licensed Water and Wastewater Operator.

Please use this Link: www.twdb.texas.gov

Texas Water Development Board

Financial Assistance Programs

TxDOT ROW Utility Week

December 13, 2023

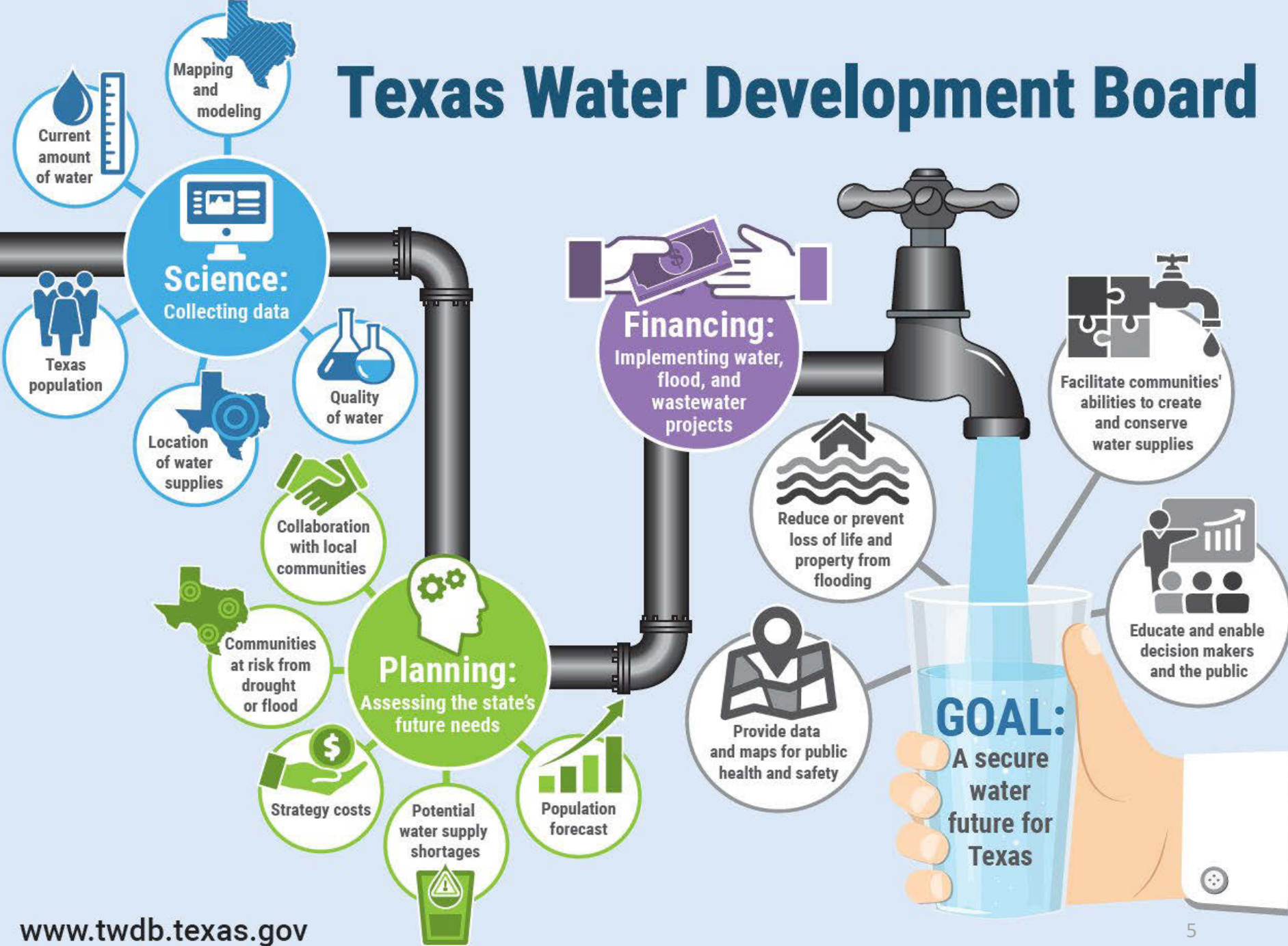


TOPICS

- What is the Texas Water Development Board (TWDB)?
- What financing do we offer?
- How can the TWDB help you complete your project?



Texas Water Development Board

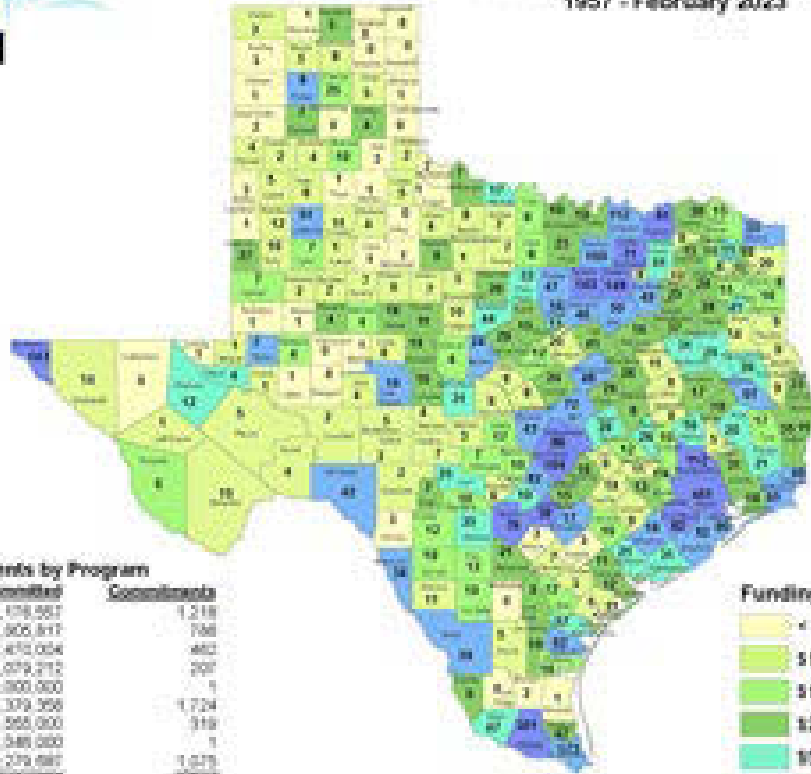


TWDB Funding Commitments



Funding Commitments Since Inception
1957 - February 2023

**\$33.6
Billion**



Funding and Commitments by Program

Program	Amount Committed	Commitments
DWRP	\$71,258,178,557	1,218
DWRP	3,657,905,817	768
EDAP	\$12,470,054	462
FIP	495,079,212	207
FLOOD	30,000,000	1
STATE	5,458,379,958	1,724
SWIFT	6,323,955,000	319
WRA	3,549,000	1
Historical Federal Program	1,879,279,680	1,075
Total	\$33,579,197,335	7,096

Funding by County

- < \$1 million
- \$1-10 Million
- \$10-20 Million
- \$20-50 Million
- \$50-100 Million
- \$100-500 Million
- > \$500 Million

Notes: The amount committed and the number of commitments represent the total amount and number of total commitments made since the agency's inception. These amounts have not been reduced for any projects that did not come on the TWDB's financial assistance. The Historical Federal Program referenced here for Construction Grant Program, a federal grant program created to fund wastewater projects prior to the TWDB.



Why?



Dollars Committed and Cost Savings Estimate

	Authority Type	Rural	Program	Commitment Amount	Cost Savings
	District	NO	CWSRF	\$ 44,000,000	\$ 10,310,512
	City	YES	CWSRF	\$ 6,500,000	\$ 757,523
	District	YES	DWSRF	\$ 13,000,000	\$ 4,835,176
	District	YES	DWSRF	\$ 6,925,000	\$ 1,616,089
	District	NO	FLOOD	\$ 10,486,000	\$ 3,944,400
	City	YES	FLOOD	\$ 3,284,000	\$ 1,471,308
	City	YES	SWIFT	\$ 14,500,000	\$ 2,032,994
	Water Supply Corporation	YES	WDF	\$ 600,000	\$ 99,980
	City	NO	WDF	\$ 28,790,000	\$ 105,567

Illustrative Lending Rates

Clean Water State Revolving Fund - 30 Year Term

Equivalency CWSRF Estimated Rates

Rating	Market ¹	TWDB ^{2,3}
AAA	3.89%	2.33%
AA	4.07%	2.44%
A	4.22%	2.53%
BAA	4.50%	2.70%

Non-Equivalency CWSRF Estimated Rates

Rating	Market ¹	TWDB ^{2,3}
AAA	3.89%	2.53%
AA	4.07%	2.65%
A	4.22%	2.74%
BAA	4.50%	2.93%

Drinking Water State Revolving Fund - 30 Year Term

Equivalency DWSRF Estimated Rates

Rating	Market ¹	TWDB ^{2,3}
AAA	3.89%	2.53%
AA	4.07%	2.65%
A	4.22%	2.74%
BAA	4.50%	2.93%

Non-Equivalency DWSRF Estimated Rates

Rating	Market ¹	TWDB ^{2,3}
AAA	3.89%	2.72%
AA	4.07%	2.85%
A	4.22%	2.95%
BAA	4.50%	3.15%

Texas Constitutional Amendment - Proposition 6

Approved November 7, 2023

"The constitutional amendment creating the Texas water fund to assist in financing water projects in this state."

TEXAS VOTERS APPROVED

✓ 78% YES | 22% No

The 88th Texas Legislative Session (2023)

Funding for Water Supply and Infrastructure Projects include:

Senate Bill 28 (SB 28)

<https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=SB28>

Senate Joint Resolution 75 (SJR 75)

<https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=SJR75>

Texas Constitutional Amendment - Proposition 6

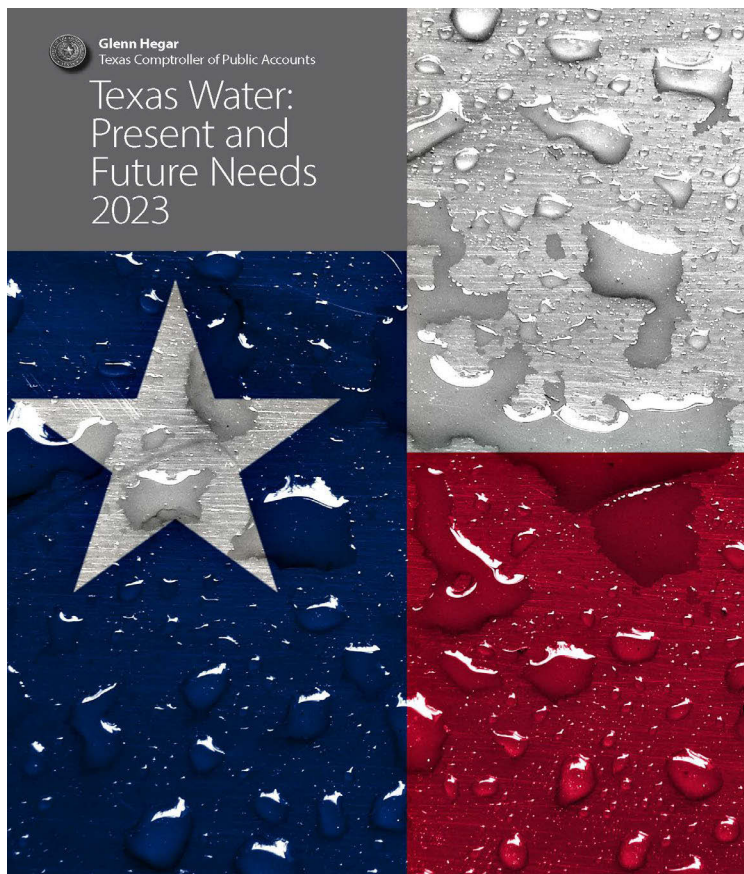
Approved November 7, 2023

Create the Texas Water Fund and authorize a \$1 billion appropriation to upgrade Texas' water infrastructure and fund new water supply projects.

- Develop innovative water supply projects that create new water sources in the state.
- Transfer money to certain existing TWDB financial assistance programs,
- Address aging drinking water infrastructure and mitigating water loss
- Fund a statewide water public awareness program.



Texas Constitutional Amendment - Proposition 6 Information & FAQ



Proposition 6 and Texas Water Fund Frequently Asked Questions

1. Q: What is the Texas Water Development Board (TWDB)?

A: The mission of the Texas Water Development Board is to lead the state's efforts in ensuring a secure water future for Texas. Our mission is a vital part of Texas' overall vision and the state's mission and goals that relate to maintaining the viability of the state's natural resources, health, and economic development.

The TWDB's main responsibilities are threefold: collecting and disseminating water-related data; assisting with regional water supply and flood planning that contributes to preparing the state water plan and state flood plan; and administering cost-effective financial programs for constructing water supply, wastewater treatment, flood control, and agricultural water conservation projects.

Since 1957, the TWDB has been charged with addressing the state's water needs. The TWDB works to ensure Texans have access to sufficient, clean, and affordable water supplies that foster a healthy economy and environment.

2. Q: What is the Texas Water Fund?

A: In 2023, the 88th Texas Legislature passed Senate Bill (SB) 28 and Senate Joint Resolution (SJR) 75 providing for the creation of the Texas Water Fund. In addition, SB 30 authorized a one-time, \$1 billion supplemental appropriation of general revenue to the Texas Water Fund, contingent on enactment of SB 28 and approval of SJR 75 by voters.

Upon approval of the supporting constitutional amendment (Proposition 6) on November 7, 2023, the Texas Water Fund would be a special fund created in the state treasury outside the general revenue fund to be administered by the TWDB. SB 28 directs that the TWDB may only use the Texas Water Fund to transfer money to the following funds or accounts administered by the TWDB:

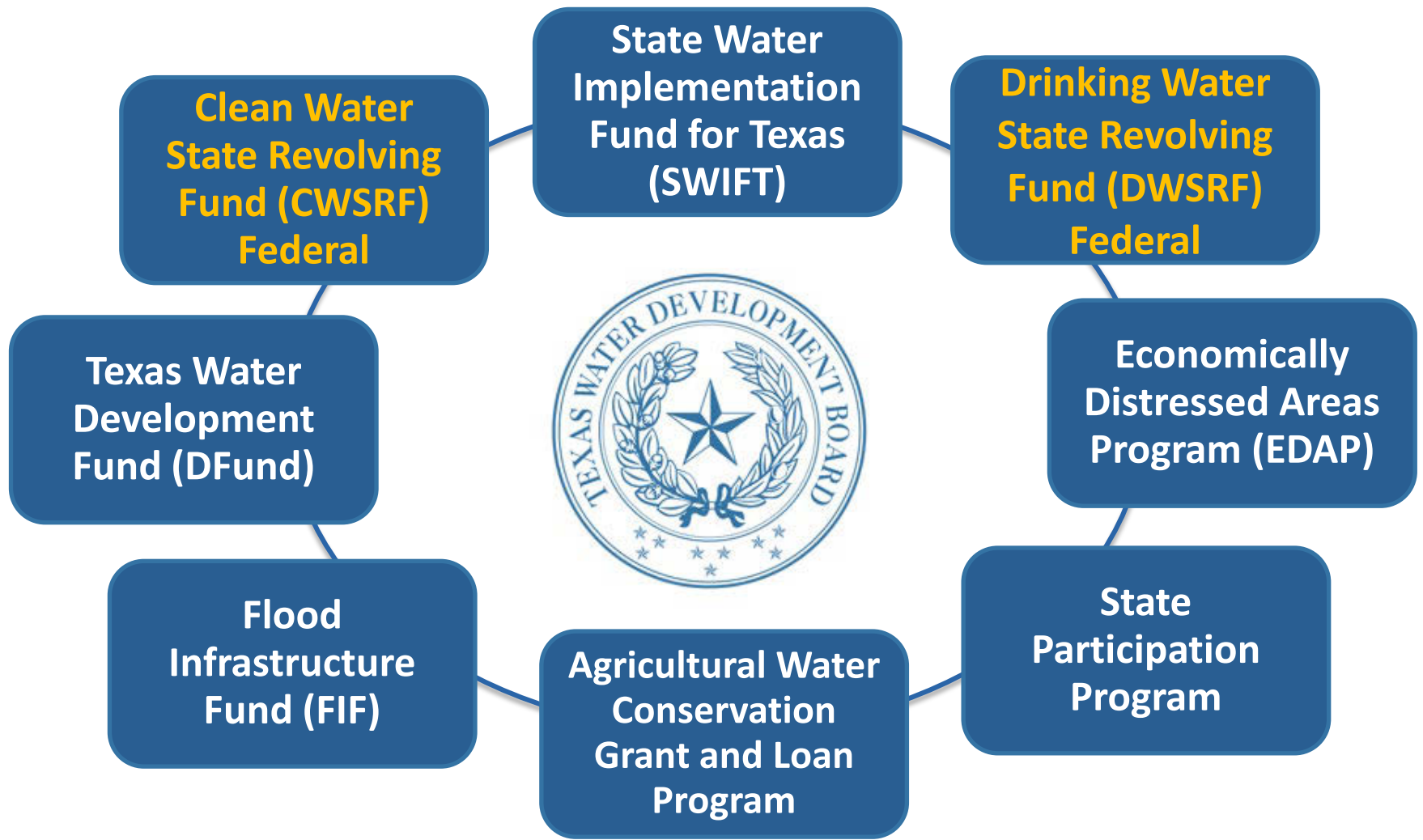
- The **New Water Supply for Texas Fund**, a new fund created by SB 28.
- The **State Water Implementation Fund for Texas (SWIFT)** and the State Water Implementation Revenue Fund for Texas, which support the SWIFT financial assistance program that provides low-cost financing for projects in the state water plan.
- The **Clean Water or Drinking Water State Revolving Funds**, existing financial assistance programs that provide low-cost financial assistance for planning, acquisition, design, and construction of water, wastewater, reuse, and stormwater infrastructure.

1





Popular Financial Assistance Programs



Eligible Applicants

- ❖ Political Subdivisions: cities, counties, river authorities, and districts
- ❖ Public & Private Community Water Systems
- ❖ Non-Profit Water Supply Corporations
- ❖ Non-Profit, Non-Community Public Water Systems
- ❖ Authorized Indian Tribal Organizations



Examples of Eligible Projects

- ❖ Pipeline and Facility Relocations
- ❖ Current Water Needs
- ❖ Future Water Needs
- ❖ Water Transmission & Distribution
- ❖ Potable Reuse
- ❖ Wastewater Collection
- ❖ Water and Wastewater Treatment
- ❖ Non-Point Source Pollution Control
- ❖ Flood Control & Storm Water Management
- ❖ Agriculture Irrigation System Improvements
- ❖ Equipment Cost Share



How Can These Programs Work for You?

AAA Bond Rating/
Interest Rate
Subsidization

Funding to
accommodate
projects of all sizes

Some projects
qualify for combined
funding through
multiple programs

All project phases are
eligible: planning,
design, acquisition,
construction

State Revolving Fund Base Programs Federal Financial Assistance

Drinking Water State Revolving Fund

Established in 1996 as part of amendments to the Safe Drinking Water Act.
Below market-rate financing and principal forgiveness.
Repayment terms up to 30 years.

Clean Water State Revolving Fund

Authorized by the Clean Water Act in 1986.
Below market-rate financing including principal forgiveness.
Repayment terms up to 30 years.

Drinking Water State Revolving Fund

DWSRF

- Address water infrastructure needs such correct water system deficiencies, upgrade or replace water systems, consolidate systems, purchase capacity, purchase other systems, green projects.
- Principal forgiveness (grants) for disadvantaged communities, small/rural disadvantaged, very small systems, green, emergency preparedness, urgent need.
- FY23 - \$342,000,000.

Clean Water State Revolving Fund

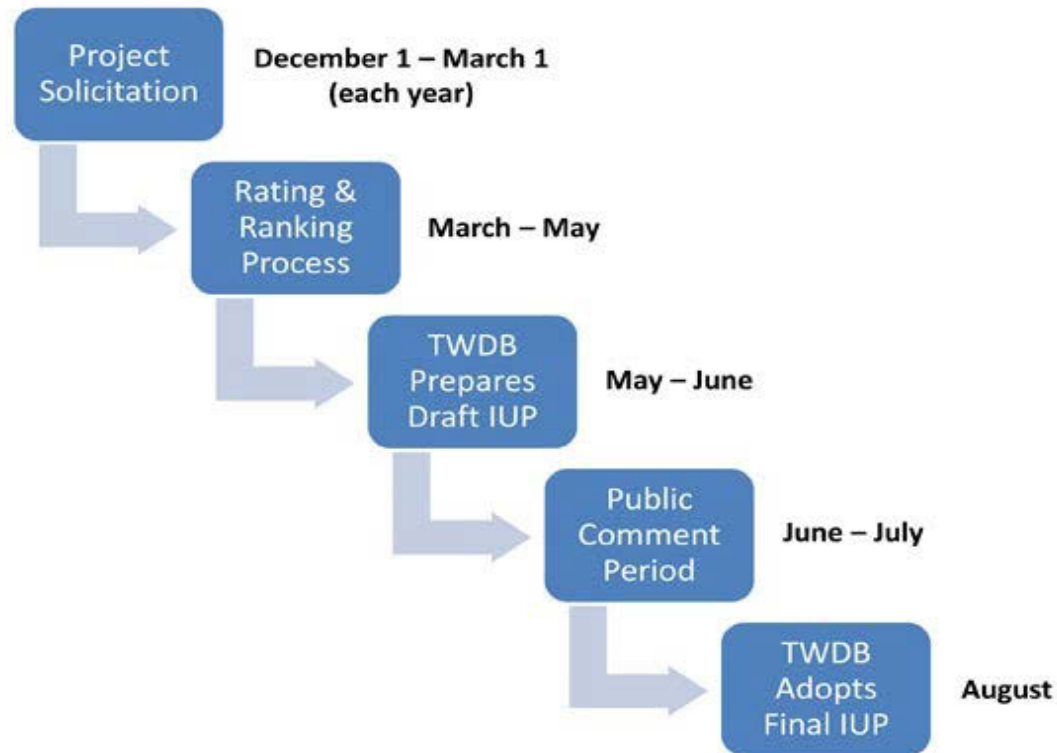
CWSRF

- Address wastewater, stormwater, and reuse such as wastewater treatment facilities, wastewater recycling and reuse facilities, non potable reuse, wastewater collection systems, stormwater control, nonpoint source pollution control projects.
- Principal forgiveness (grants) for disadvantaged communities, small/rural disadvantaged, very small systems, green, emergency preparedness, urgent need.
- FY23 - \$408,000,000.

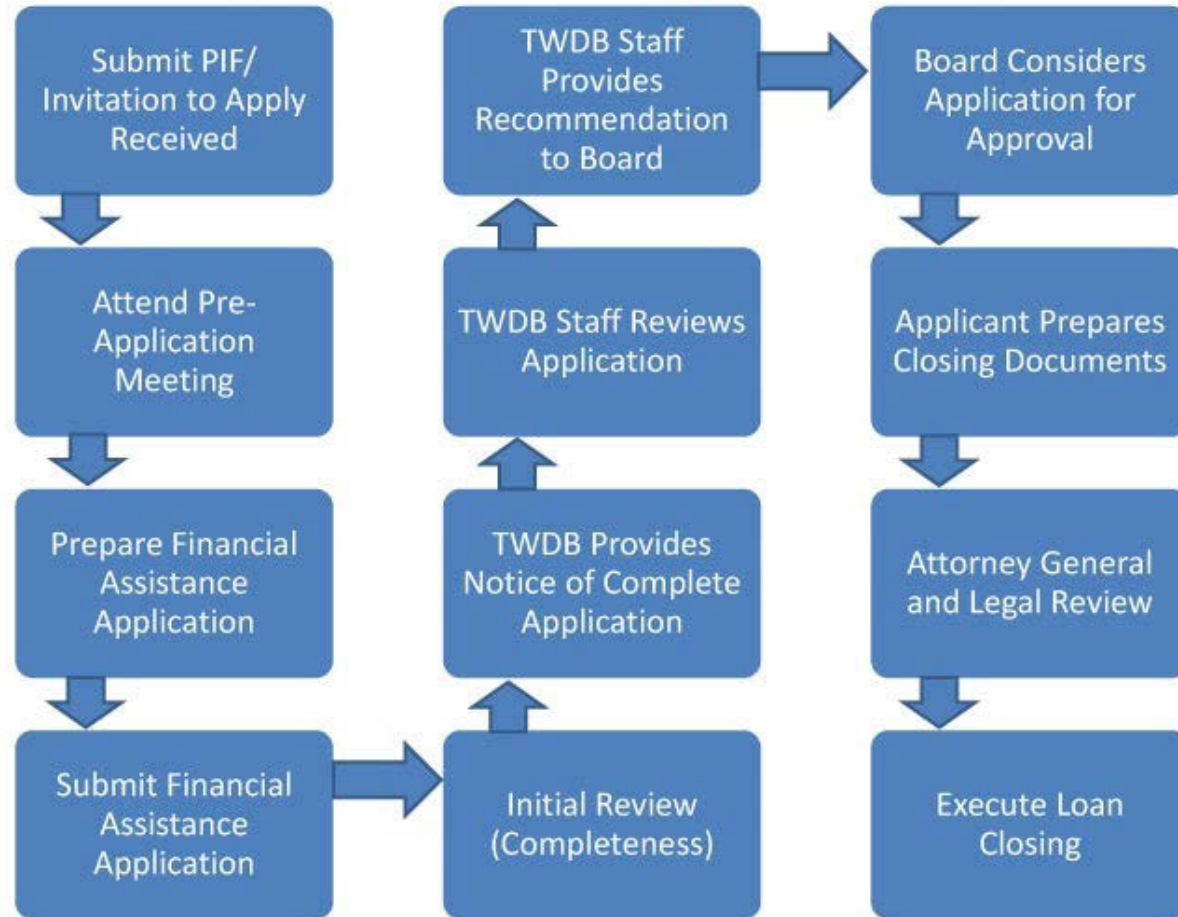
Infrastructure Investment & Jobs Act (IIJA)

- ❖ Supplement to the existing State Revolving Fund Programs
- ❖ \$2.5 Billion allocation for Texas
- ❖ 5-year period released annually
- ❖ Includes principal loan forgiveness depending on category and eligibility
- ❖ New funding categories:
 - Drinking Water State Revolving Fund Supplement FY23
 - Lead Service Line Replacement. \$213,455,000
 - Emerging Contaminants. \$56,833,920
 - Clean Water State Revolving Fund Supplement FY23
 - Emerging Contaminants. \$4,103,040

Example of State Revolving Fund Annual Cycle



State Revolving Fund Application Steps



SRF Base Program Estimates

Clean Water State Revolving Fund
SFY 2024 DRAFT Intended Use Plan
TOTAL \$460,382,300

Drinking Water State Revolving Fund
SFY 2024 DRAFT Intended Use Plan
TOTAL \$435,066,830

Intended Use Plan

Drinking Water State Revolving Fund (DWSRF) Loan Program

- [DWSRF Program Information Sheet](#)
- [View State Revolving Fund Webinar February 5, 2021](#)
- [View State Revolving Fund Webinar January 29, 2021](#)
- [State Revolving Fund Programs Webinar PDE](#)
- [State Revolving Fund Program FAQs](#)
- [Project Information Form Webinar FAQs](#)

1. What can the program do for you?

The Drinking Water State Revolving Fund, authorized by the Safe Drinking Water Act, provides low-cost financial assistance for planning, acquisition, design, and construction of water infrastructure.

2. Who can borrow?

Eligible applicants for the DWSRF include publicly and privately-owned community water systems, including nonprofit water supply corporations and nonprofit, non-community public water systems.

3. What types of projects can I use the loan funding for?

Financial assistance from the DWSRF can be utilized for:

- Agriculture Water Conservation Grants
- Agriculture Water Conservation Loans
- Asset Management Program for Small Systems
- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
 - Intended Use Plan
 - Select One View Document
 - Project Priority List
 - Select One View Document
 - Project Information Forms & Guidance
 - Financial Assistance Application
 - Drinking Water SRF Annual Reports
 - Select One View Document
 - Green Project Reserve
 - Urgent Need Funding for Disasters
 - Davis-Bacon Act Requirements
 - Instructions for Requesting Additional Wipes (SF 1444)

User-friendly interface with ability to select IUP's and PPL via drop-down by SFY.

Texas Water Development Fund (DFUND)



DFUND

- Financing various types of infrastructure projects
- Eligible applicants include political subdivisions and nonprofit water supply corporations
- Planning, Acquisition, Design, Construction
- Eligible projects include water supply, conservation, water quality enhancement, flood control, wastewater
- Long term fixed interest rates based on the TWDB's cost of funds
- 20/30-year repayment terms
- No maximum funding limit
- Access to loan funding on a periodic basis

**Call us for
availability of
funds**



DFUND Schedule Example

- Application Submission – Late Summer 2023
- TWDB Commitments – Winter 2023 & 2024
- Executed financing agreements – Spring 2024
- Financial assistance closings – Summer 2024



Additional Funding Programs

Economically Distressed Areas Program (EDAP)

- First time water and wastewater service.
- Collection system and or treatment works improvements.
- \$100,000,000 - 2022-2023 Biennium.

Rural Water Assistance Fund (RWAFF)

- Long-term financing for water and wastewater projects.
- Program funding is dependent upon legislative appropriations or available funds.

State Participation (SP)

- Right sizing of projects in consideration of future needs.
- Program funding is dependent upon legislative appropriations or available funds.

Asset Management Program for Small Systems (AMPSS)



AMPSS

➤ Benefits and Terms

- Up to \$100,000 worth of data collection, system analysis, and planning activities.

➤ The final products of the program include:

- Asset management plan.
- System operations and maintenance manual.
- Compliance manuals.
- Training for system management and staff.
- Installation of all tools that were developed on the system's computers.
- Presentation to system management and governing bodies.

AMPSS

- Water & Wastewater Systems are eligible.
- Population criteria:
 - Serving 5,000 or less population or,
 - Serving 10,000 or less population and not bordering a community of over 10,000 population.
- An entity chooses a pre-qualified contractor to work with to develop an asset management plan.
- No financial match required by the system, but 80-hours staff time required.
- Zero percent interest loan through the SRF Programs.
- Stay tuned for next round of funding.



Helpful Tips

➤ **Financial Audits**

- Are they up to date?
- Audits are a requirement after financial assistance is received for the life of the project.
- Costs can be captured in project budget.

➤ **Ability to Take on Debt**

- Analysis will be completed.
- What rates and charges are in place? Will they need to be raised?

➤ **Updated Water use Survey and Water Loss Audit.**

➤ **Water Conservation and Drought Contingency Plan (if applicable).**

➤ **Talk early and often with TWDB staff – we are happy to provide guidance and support**

TWDB Contacts

General Email

Financial_Assistance@twdb.texas.gov

Financial Assistance Outreach

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Team #1 - Panhandle/West (regions A/O/E/F)
Jesse Milonovich, P.E. (512) 463-8657

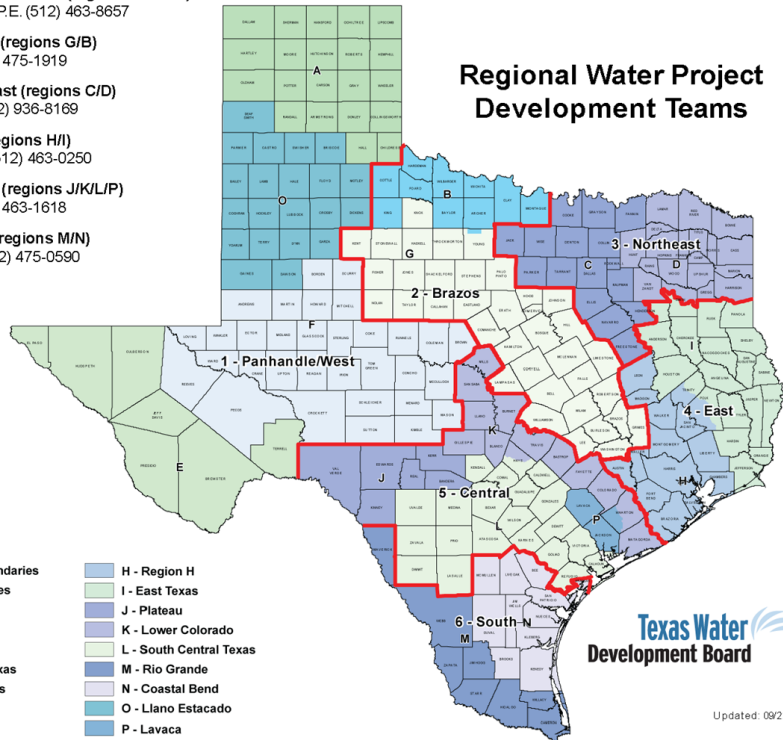
Team #2 - Brazos (regions G/B)
Tom Barnett, (512) 475-1919

Team #3 - Northeast (regions C/D)
Joe Koen, P.E. (512) 936-8169

Team #4 - East (regions H/I)
Nancy Richards, (512) 463-0250

Team #5 - Central (regions J/K/L/P)
Dain Larsen, (512) 463-1618

Team #6 - South (regions M/N)
Mireya Loewe, (512) 475-0590



Financial Assistance Outreach

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Clean Water SRF Coordinator

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Resources Links

* Proposition 6

<https://comptroller.texas.gov/about/media-center/news/20230905-texas-water-present-and-future-needs-2023-1693338176814>

* TWDB Proposition 6 FAQ

https://www.twdb.texas.gov/home/tabs/doc/hot/SB_28-TexasWaterFund-FAQ.pdf

* Drinking Water State Revolving Fund Program

www.twdb.texas.gov/financial/programs/DWSRF/index.asp

* Clean Water State Revolving Fund Program

www.twdb.texas.gov/financial/programs/CWSRF/index.asp

* Texas Development Fund Program

<https://www.twdb.texas.gov/financial/programs/TWDF/index.asp>

* TWDB Newsletter

<https://www.twdb.texas.gov/newsmedia/signup.asp>





Questions





Thank You!



We will Resume
at 3:30 PM