

Texas Water Development Board

Financial Assistance Programs

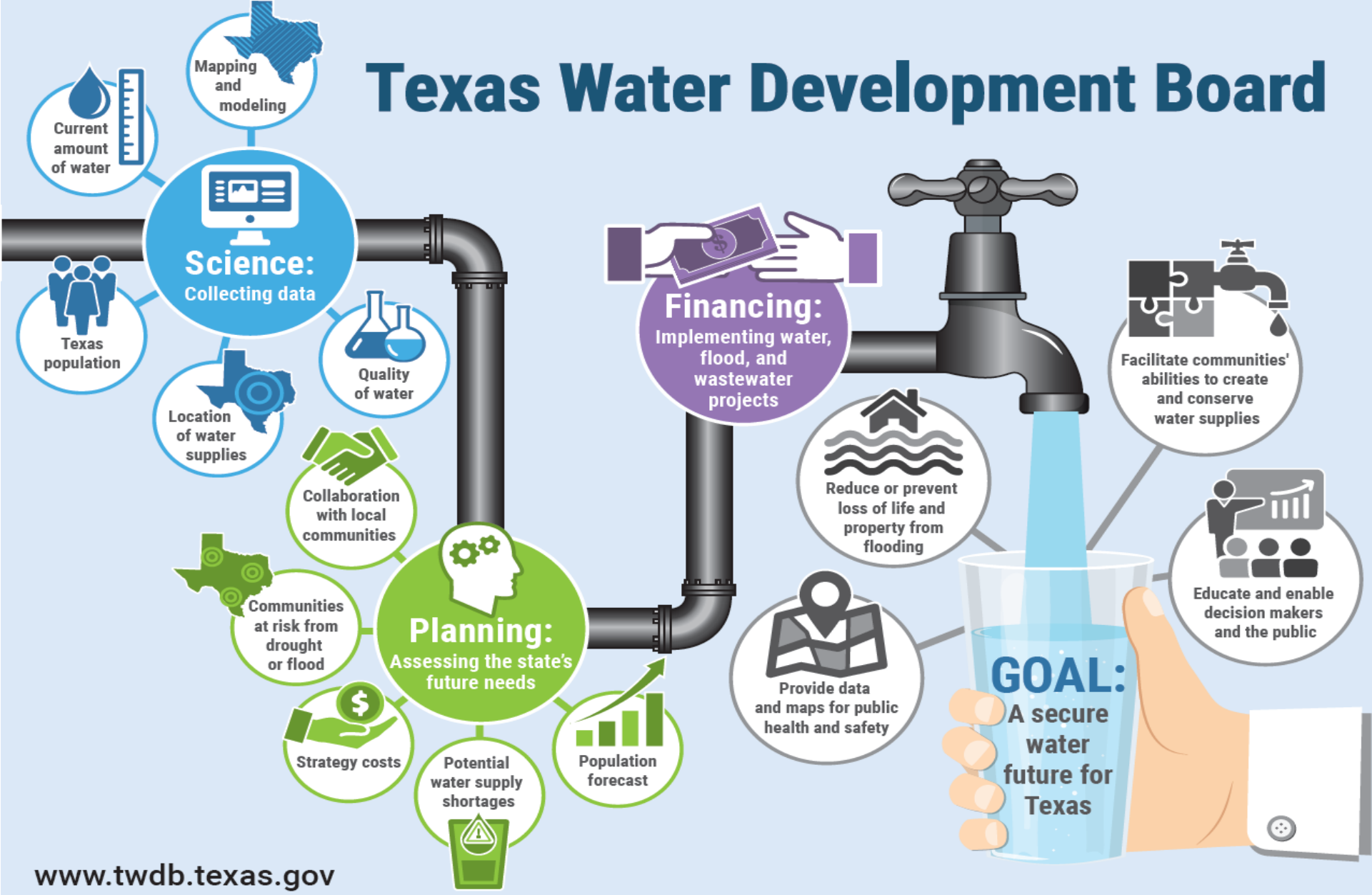
25th Annual Public Works Roundup
Hosted by the North Central Texas Council of Governments

August 22, 2024

Topics

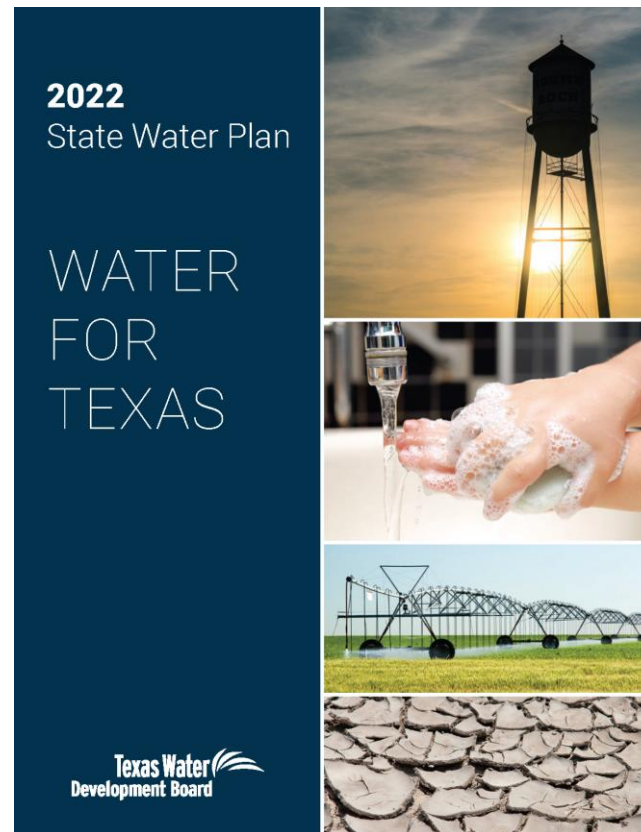
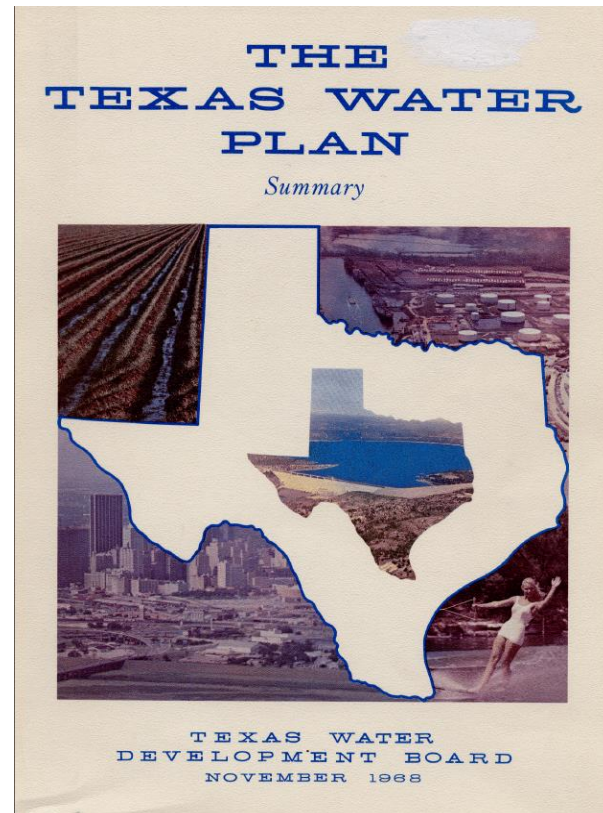
- What is the Texas Water Development Board (TWDB)?
- What financing do we offer?
- How can the TWDB help you complete your infrastructure project?

Texas Water Development Board



www.twdb.texas.gov

Water Planning



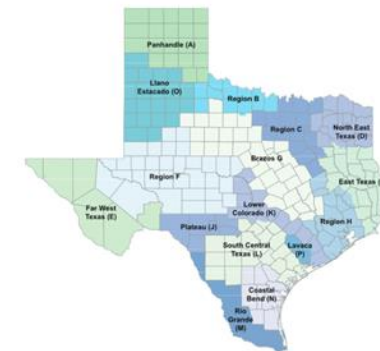
State Water Plan by Year:

1961, 1968, 1984, 1990, 1992, 1997, 2002, 2007, 2012, 2017, **2022** **next 2027**

Water Planning in Texas

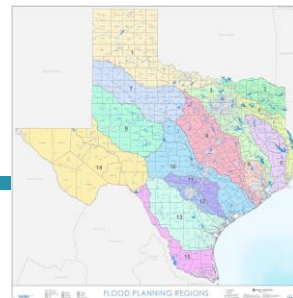
Regional Planning Groups analyze water supply needs on a 50-year planning horizon.

- Municipalities, agriculture, industry, and power generation are all considered.
- Each regional plan identify recommended water management strategies and their anticipated costs.
- 16 Regional Planning Groups across the state.



Flood Planning in Texas

- The 2019 Texas Legislature greatly expanded the TWDB's role in flood planning and financing.
- In addition to our existing flood programs, the TWDB will administer a new a state and regional flood planning process with flood planning regions based on river basins.
- The 15 Regional Flood Planning Groups (RFPG) submitted regional flood plans in January 2023.
- The TWDB adopted Texas' inaugural 2024 State Flood Plan on August 15th, 2024, to be delivered to the Legislature by September 1, 2024.

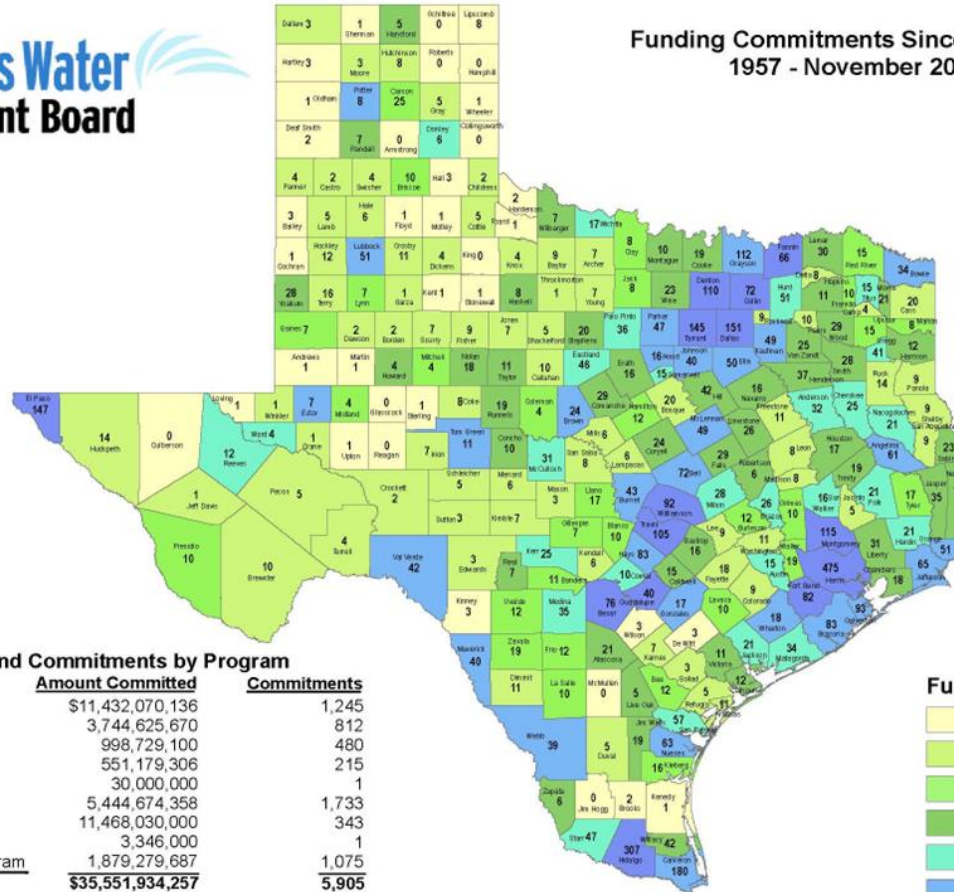


TWDB Funding Commitments



Funding Commitments Since Inception
1957 - November 2023

**\$33.6
Billion**

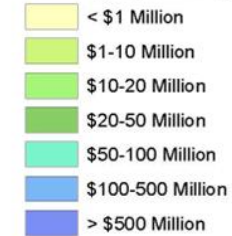


Funding and Commitments by Program

Program	Amount Committed	Commitments
CWSRF	\$11,432,070,136	1,245
DWSRF	3,744,625,670	812
EDAP	998,729,100	480
FIF	551,179,306	215
FLOOD	30,000,000	1
STATE	5,444,674,358	1,733
SWIFT	11,468,030,000	343
WIIN	3,346,000	1
Historical Federal Program	1,879,279,687	1,075
Total	\$35,551,934,257	5,905

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

Funding by County



Why?

Dollars Committed and Cost Saving Estimates

Entity Type	Rural	Program	Commitment	Savings
District	No	CWSRF	\$ 440,000,000	\$ 10,310,512
City	Yes	CWSRF	\$ 65,000,000	\$ 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
WSC	Yes	WDF	\$ 600,000	\$ 99,980
City	No	WDF	\$ 28,790,000	\$ 105,567

Illustrative Lending Rates

CWSRF 30-year Term

Equivalency CWSRF Estimated Rates

Rating	Market ¹	TWDB ^{2, 3}
AAA	4.02%	2.41%
AA	4.14%	2.48%
A	4.28%	2.57%
BAA	4.56%	2.74%

DWSRF 30-year Term

Equivalency DWSRF Estimated Rates

Rating	Market ¹	TWDB ^{2, 3}
AAA	4.02%	2.61%
AA	4.14%	2.69%
A	4.28%	2.78%
BAA	4.56%	2.96%

General Obligation Programs

Type of Funds	Terms	Market ¹	TWDB ²	Difference
Development Fund (Tax Exempt)	20	4.12%	4.04%	0.08%
Development Fund (Tax Exempt)	30	4.50%	4.46%	0.05%
Development Fund (Taxable)	20	5.99%	5.81%	0.18%
Agricultural Loans (Taxable)	7	5.46%	5.07%	0.39%
EDAP (Tax Exempt)	20	4.12%	3.60%	0.52%
EDAP (Taxable)	20	5.99%	4.91%	1.08%

Examples of Eligible Projects

- 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
- Irrigation Systems Improvements
- Demonstration and Technology Transfer
- Equipment Cost Share

Texas Constitutional Amendment - Proposition 6

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

TEXAS VOTERS APPROVED
✓ 78% YES

- Senate Bill 28
 - Created the Texas Water Fund, New Water Supply for Texas Fund, and the Statewide Water Public Awareness Account.
- Senate Bill 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.
- Senate Joint Resolution 75
 - Proposed constitutional amendment creating the Texas Water Fund to assist in financing water projects in Texas
 - Directed the TWDB to allocate no less than 25 percent to the New Water Supply for Texas Fund (**\$250 million**).

Texas Water Fund

- Allows the TWDB to transfer money to certain existing TWDB financial assistance programs.

- TWDB must ensure that a portion of the money is used for:
 - water infrastructure projects for rural political subdivisions and municipalities with a population of less than 150,000
 - projects for which all required state or federal permitting has been substantially completed
 - water conservation strategies
 - water loss mitigation projects
 - the statewide water public awareness program

- Created to provide financial assistance to develop water supply projects that create new water sources for the state, including
 - desalination projects, including marine and brackish water desalination
 - produced water treatment projects
 - aquifer storage and recovery projects
 - the development of infrastructure to transport water that is made available by these types of projects

Texas Water Fund Distribution

Funding Description	Target Amount
Rural Water Assistance Fund	
<i>100 percent grant for conservation/water loss projects from SRF solicitation (under 1,000 population)</i>	\$45,000,000
<i>90 percent grant/10 percent loan or local match for conservation/water loss projects from SRF solicitation (1,000 to 10,000 in population)</i>	\$130,000,000
<i>High risk or need projects (100 percent grant)</i>	\$20,000,000
Rural Water Assistance Fund subtotal	\$195,000,000
Water Loan Assistance Fund	
<i>70 percent grant/30 percent loan or local match for conservation/water loss projects from 2025 SRF solicitation (10,001 to 150,000 in population)</i>	\$90,000,000
Statewide water public awareness program	\$15,000,000
SWIFT program support	\$300,000,000
Potential bond leveraged funding through existing financial assistance programs	\$150,000,000
New Water Supply for Texas Fund	\$250,000,000
Grand total	\$1,000,000,000

Funding Program Key Points

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

Popular Financial Assistance Programs

**Clean Water
State Revolving
Fund (CWSRF)
Federal**

**State Water
Implementation
Fund for Texas
(SWIFT)**

**Drinking Water
State Revolving
Fund (DWSRF)
Federal**

**Texas Water
Development
Fund (DFund)**



**Economically
Distressed Areas
Program (EDAP)**

**Flood
Infrastructure
Fund (FIF)**

**Rural Water
Assistance Fund
(RWAF)**

**State
Participation
Program**

Program	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Clean Water State Revolving Fund (CWSRF) - Wastewater</u>	Political Subdivisions Private Entities (Nonpoint Source Projects Only)	Bonds Loan Agreement	System Revenue Contract Revenue Ad Valorem Tax Tax and Revenue Pledge	20 to 30 years

- Federal Program to 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.
- Loan Principal Forgiveness (grants) for disadvantaged communities, small/rural disadvantaged, very small systems, green, and urgent need.
- 1.75% loan origination fee
- SFY24 - \$460,000,000
- Eligible to receive supplements from the new Texas Water Fund.
- Project Information Form (PIF) Due March 1, 2024

Program	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Drinking Water State Revolving Fund (DWSRF) - Water</u>	Political Subdivisions Water Supply Corporations Investor Owned Utilities	Bonds Loan Agreement	System Revenue Contract Revenue Ad Valorem Tax Tax and Revenue Pledge	20 to 30 years

- Federal Program to address water infrastructure needs, correct water system deficiencies, upgrade or replace water systems, consolidate systems, purchase capacity, purchase other systems, green projects.
- Loan Principal Forgiveness (grants) for disadvantaged communities, small/rural disadvantaged, very small systems, green, and urgent need.
- 2.00% loan origination fee
- SFY24 - \$435,000,000
- Eligible to receive supplements from the new Texas Water Fund.
- Project Information Form (PIF) Due March 1, 2024

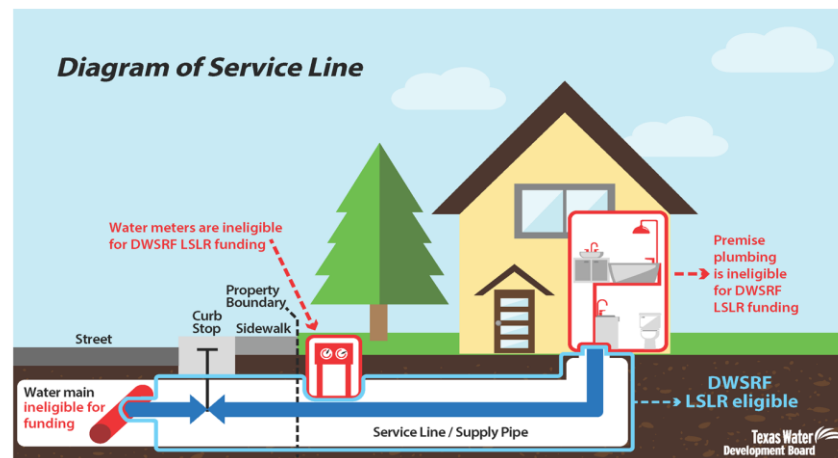
Programs	Eligible Applicants	Security Instruments:	Typical Pledges Include:	Length of Loans:
Emerging Contaminants (EC) Program for both DWSRF and CWSRF	Political Subdivisions	Bonds Loan Agreement	System Revenue Contract Revenue Ad Valorem Tax Tax and Revenue Pledge	Varies

- CWSRF-EC or DWSRF-EC, it must be eligible under the base CWSRF or DWSRF programs **AND** specifically reduce exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants.
- CWSRF-EC SFY24 \$9,719,000
- DWSRF-EC SFY24 \$60,914,000
- Project Information Form (PIF) Due April 1, 2024



Programs	Eligible Applicants	Security Instruments:	Typical Pledges Include:	Length of Loans:
Lead Service Line Replacement (LSLR) Program	Political Subdivisions	Bonds	System Revenue	Varies
	Nonprofit water supply corporations	Loan Agreement	Contract Revenue	
	Privately-owned community water systems		Ad Valorem Tax	
	Non-community public water systems State agencies		Tax and Revenue Pledge	

- The Infrastructure Investment and Jobs Act (IIJA) appropriated funds through the base DWSRF for Lead Service Line Replacement (LSLR) projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines.
- 2.00% loan origination fee
- LSLR FY24 \$146,246,000
- Project Information Form (PIF) Due April 1, 2024

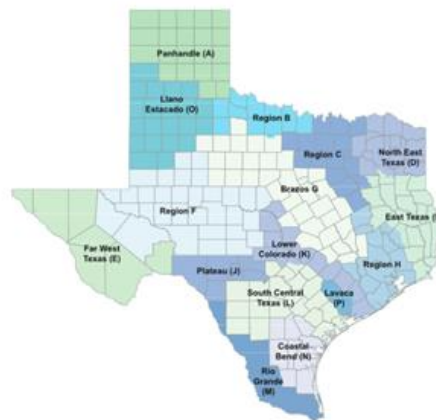


Flood Mitigation Assistance
Grant Program

Political Subdivisions	Must have FEMA approved and adopted Hazard Mitigation Plan.	Federal / Local Cost Share
Repetitive Loss or a Severe Repetitive Loss.		75/25
Project is a drainage or Capacity & Capacity Building subgrant.		90/10
Project mitigates a Repetitive Loss property.		90/10
Project mitigates a Severe Repetitive Loss property.		100/0

- Capability and Capacity Building Activities subtotal: \$60,000,000.
 - \$900,000 per Project Scoping sub-applications.
 - \$100,000 per applicant for flood hazard mitigation planning with maximums of \$50,000 for state flood hazard mitigation planning and \$25,000 for local flood hazard mitigation planning.
 - \$300,000 for additional Capability and Capacity Building activities.
- Localized Flood Risk Reduction Projects subtotal: \$520,000,000.
\$50,000,000 cap per localized flood risk reduction sub-application.
- Individual Flood Mitigation Projects subtotal: \$220,000,000.
- TWDB anticipates the release of the FY2024 Notice of Funding Opportunity (NOFO) to occur in Fall of 2024.

Program	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>State Water Implementation Fund for Texas (SWIFT)-Water</u>	Political Subdivisions	Bonds	System Revenue	20 to 30 years
	Water Supply Corporations	Master Agreement	Contract Revenue	34 years for Board Participation
	Project must be included in adopted State Water Plan / Regional Water Plan		Ad Valorem Tax Tax and Revenue Pledge	



- Eligible projects are the recommended water management strategies listed in Regional and State Water Plans with an associated capital cost.
- Projects include conservation and reuse, desalinating groundwater and seawater, building new pipelines, developing reservoirs and well fields, purchasing water rights, and other plan strategies.
- Eligible to receive supplements from the new Texas Water Fund.
- Abridged Application Due 2/1/2024

Program	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Economically Distressed Areas Program (EDAP) - Water & Wastewater</u>	Entities with Adopted Model Subdivision Rules	Bonds	System Revenue	20 years
	Political Subdivisions	Loan Agreement	Contract Revenue	
	Water Supply Corporations		Ad Valorem Tax Tax and Revenue Pledge	

- EDAP provides financial Assistance for projects serving economically distressed residential areas where water or sewer services do not exist, or existing systems do not meet minimum state standards.
- Political subdivisions are required to show they are enforcing Model Subdivision Rules.
- Median household income less than 75 percent of the median state household income.
- \$100 million for the 2024-2025 biennium.
- **NOT** eligible to receive supplements from the new Texas Water Fund.
- Abridged Applications due May 15, 2024.

Program	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Rural Water Assistance Fund (RWAFF) – Water & Wastewater</u>	Political Subdivisions Water Supply Corporations	Bonds Loan Agreement	System Revenue Contract Revenue Ad Valorem Tax Tax and Revenue Pledge	20 to 40 years

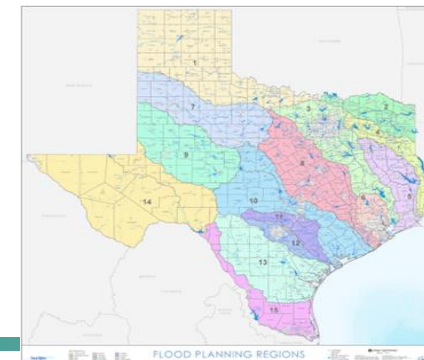
- The fund is designed to assist small rural utilities to obtain low-cost financing for water and wastewater projects.
- Eligible to receive supplements from the new Texas Water Fund.
- Serves systems with population of 10,000 or less, and with no county urban area greater than 50,000 population.
- The RWAFF program is not currently accepting applications.
- Eligible to receive supplements from the new Texas Water Fund.
- Timeline TBD

Program	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Texas Water Development Fund (DFUND) - Water, Wastewater, & Flood Control</u>	Political Subdivisions (including non-profits)	Bonds	System Revenue	Up to 30 years
	Water Supply Corporations	Loan Agreement	Contract Revenue Ad Valorem Tax Tax and Revenue Pledge	

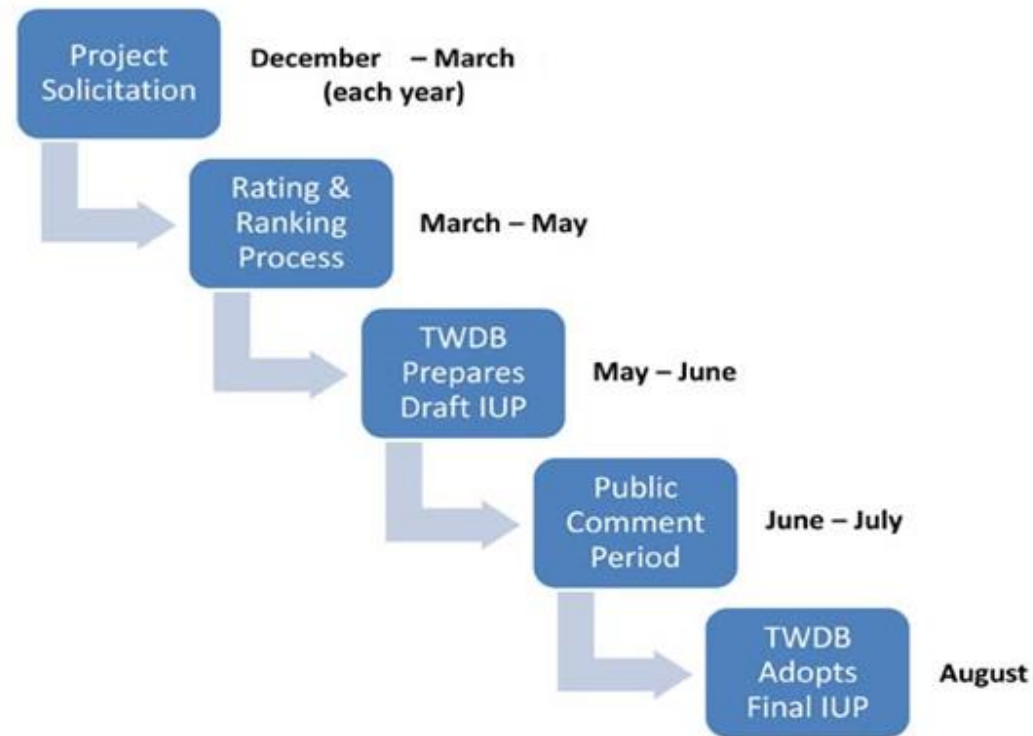
- The program enables the TWDB to fund projects with multiple purposes (e.g., drinking water, wastewater, and flood control) in one commitment.
- Long-term fixed interest rates based on the TWDB’s cost of funds.
- Eligible to receive supplements from the new Texas Water Fund.
- No maximum funding limits. TWDB will sell bonds as needed.
- Application Submission – Opens Summer and closes December 31, 2024.

Programs	Eligible Applicants	Security Instruments:	Typical Pledges Include:	Length of Loans:
Flood Infrastructure Fund (FIF)	Political Subdivisions	Bonds Loan Agreement	System Revenue Contract Revenue Ad Valorem Tax Tax and Revenue Pledge	Varies

- Eligible projects are listed in Regional and State Flood Plans.
- Up to 30-year repayment period for construction projects.
- Up to 10-year repayment period for planning, acquisition, and/or design projects.
- 0% interest loans and grants available.
- Eligible activities: planning, construction, nature-based solutions, warning systems, and gauges.
- **NOT** eligible to receive supplements from the new Texas Water Fund.
- Abridged Application due April 15, 2024.



Example of Project Information Form & Intended Use Plan Annual Cycle



Timelines - State Fiscal Year 2024

September 1, 2023 – August 31, 2024

Program		Solicitation Open	Application Deadline
Clean Water State Revolving Fund	\$460M	12/15/2023 - 3/1/2024	
Drinking Water State Revolving Fund	\$435M		
Emerging Contaminants (CWSRF)	\$9.7M	12/15/2023 - 4/1/2024	
Lead Service Line Replacement (DWSRF)	\$146M		
Emerging Contaminants (DWSRF)	\$609M		
Asset Management Program for Small Systems	\$100K in services	9/18/2023	11/2/2023
Water Utilities Technical Assistance Program	\$150K in services	11/17/2023	1/31/2024
State Water Implementation Fund for Texas <i>(water plan projects over next 50 years)</i>	\$27B	12/7/2023	2/1/2024
Flood Infrastructure Fund <i>(flood plan projects 2024-2025)</i>	\$375M	12/15/2023	4/15/2024
Economically Distressed Areas Program <i>(2024-2025)</i>	\$100M	3/15/2024	5/15/2024
Texas Water Development Fund	Bond sell as needed	Spring	12/31/2024
<i>Blue Text Federal Program. Black Text State of Texas Program.</i>			

Helpful Tip

➤ **Financial Audits**

- Are they up to date?
- At the time of full application submittal, a current audit is required for the application to be deemed administratively complete.
- 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

Team #1 - Panhandle/West (regions A/O/E/F)
Theresa Finch, (512) 475-1713

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

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

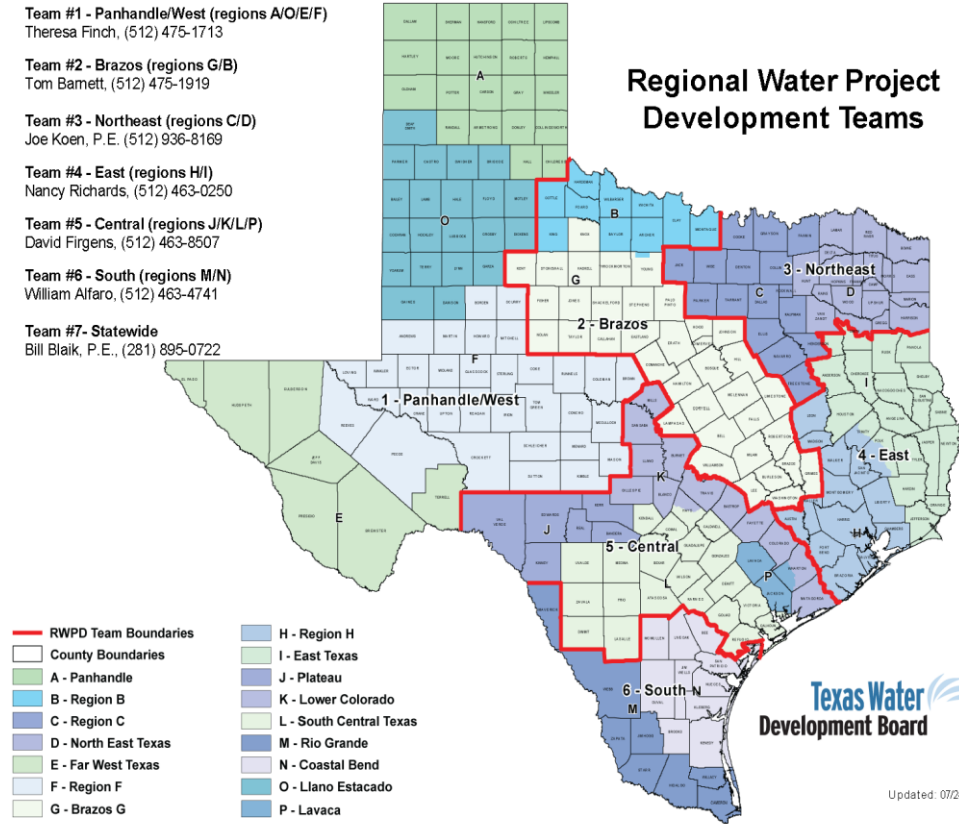
Team #4 - East (regions H/I)
Nancy Richards, (512) 463-0250

Team #5 - Central (regions J/K/L/P)
David Firgens, (512) 463-8507

Team #6 - South (regions M/N)
William Alfaro, (512) 463-4741

Team #7 - Statewide
Bill Blaik, P.E., (281) 895-0722

Regional Water Project Development Teams



General Email

Financial_Assistance@twdb.texas.gov

Financial Assistance Outreach

Scott Galaway

737-226-3381

scott.galaway@twdb.texas.gov

Drinking Water SRF Coordinator

dwsrf@twdb.texas.gov

Clean Water SRF Coordinator

cwsrf@twdb.texas.gov



Updated: 07/24

Resource Links

*** New Texas Water Fund**

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

*** TWDB Financial Assistance Programs**

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

*** TWDB Financial Assistance Program Guidance Manuals and Forms Library**

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

*** TWDB Funding Application FAQ**

<https://www.twdb.texas.gov/financial/applications/faq.asp>

*** Clean Water State Revolving Fund Program**

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

*** Drinking Water State Revolving Fund Program**

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

Resource Links

* **Regional Water Planning**

www.twdb.texas.gov/waterplanning/index.asp

* **Flood Programs**

<https://www.twdb.texas.gov/flood/index.asp>

* **Conservation**

<https://www.twdb.texas.gov/conservation/index.asp>

* **Texas Water Infrastructure Coordination Committee (TWICC)**

https://twicc.org/resources/doc/TWICC_Funding_Resources_Guide.pdf

* **TWDB Newsletter**

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

For more information

Visit

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

Or email:

financial_assistance@twdb.texas.gov

Stay connected:

