

# Texas Water Development Board

## Financial Assistance Programs

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

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Regional Water Project Development

# TWDB



- In 1957 the Texas Legislature creates the agency that will become TWDB
- The mission of the Texas Water Development Board (TWDB) is to lead the state's efforts in ensuring a secure water future for Texas
- Provides water & flood planning, data collection and dissemination, financial and technical assistance

# AGENDA

## Overview of Financial Assistance Programs:

- Drinking Water / Clean Water State Revolving Fund Programs (DWSRF / CWSRF)
- Infrastructure & Investment Jobs Act (IIJA)
- State Water Implementation Fund for Texas (SWIFT)
- Texas Water Development Fund (DFund)
- Flood Infrastructure Fund (FIF)
- Economically Distressed Areas Program (EDAP)
- Helpful Hints
- Questions & Answers
- TWDB WSI Contacts

# Financial Assistance Programs



Loans

Loans / Principal  
Forgiveness  
Loans / Grant

Planning,  
Acquisition,  
Design,  
Construction

Program Funding  
Cycles

Program  
Requirements



**Federal Funding Programs**

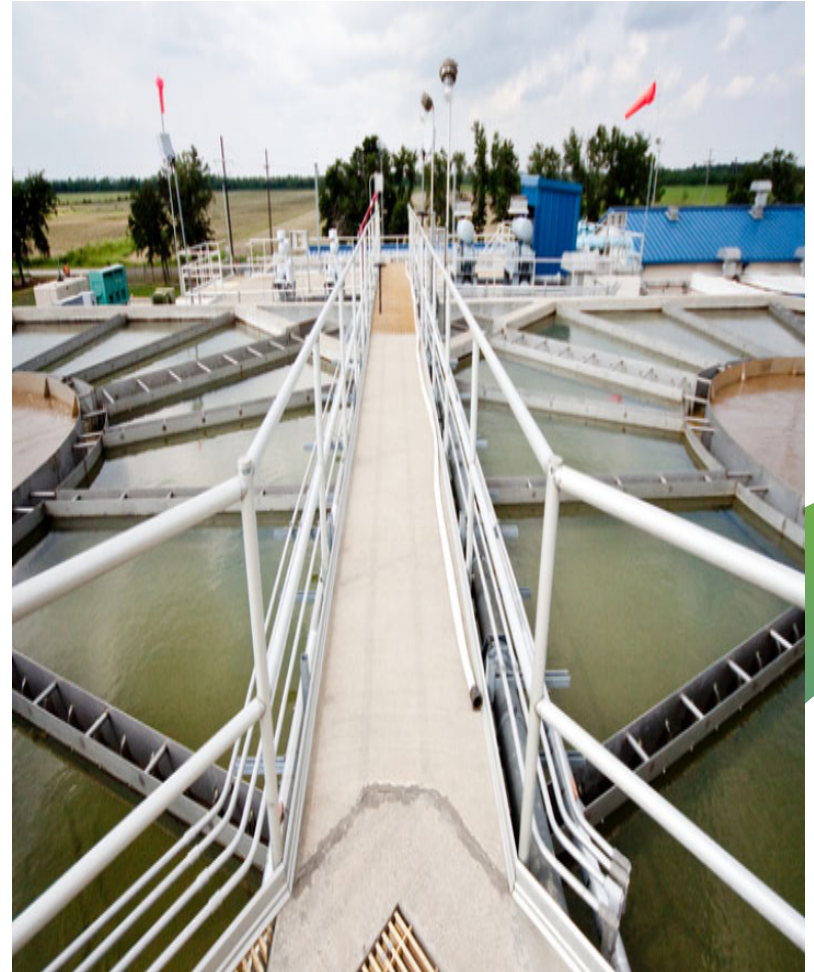
**Water State Revolving Fund  
and  
Drinking Water State Revolving Fund  
(SRFs)**



# Drinking Water State Revolving Fund DWSRF

Public/private owned water systems,  
for-profit water utility corporations,  
community public

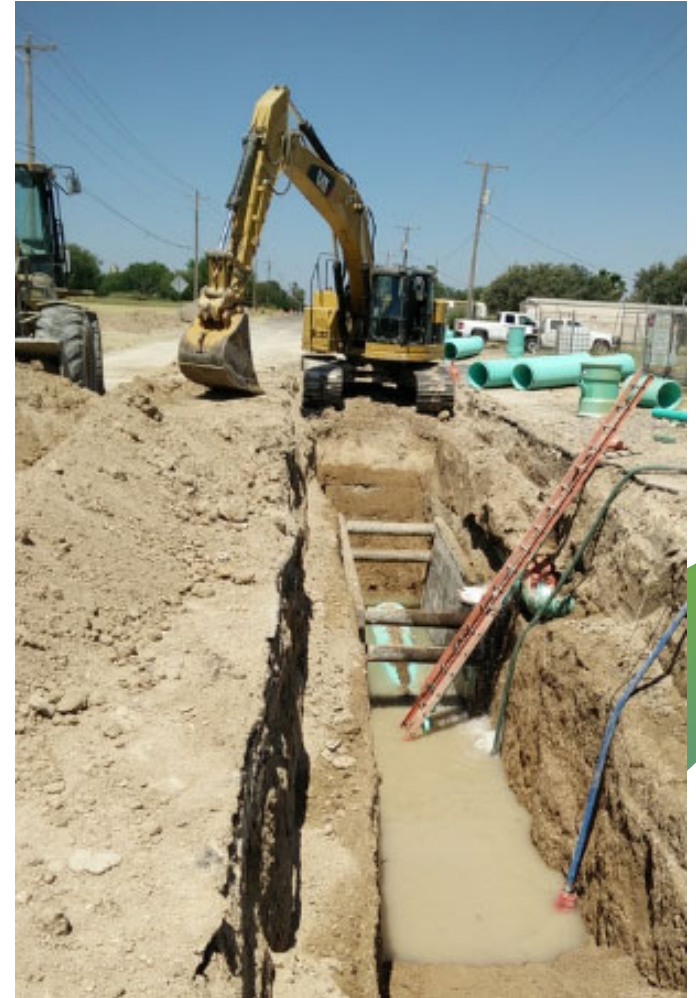
- Address water infrastructure needs such correct water system deficiencies, upgrade or replace water systems, consolidate systems, purchase capacity, purchase other systems, green projects
- Program Requirements



# Clean Water State Revolving Fund CWSRF

Political subdivisions, water supply corporations, designated agencies, authorized Indian nations, private entities (for nonpoint source or estuary projects only)

- 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
- Program Requirements



# SRFs Funding Options

## Subsidized Interest Rate Financing

- Rates based on applicant's bond rating and loan term
- Up to 30-year term
- SFY 2023 interest rate subsidies
  - ✓ CWSRF: 40% / 35%
  - ✓ DWSRF: 35% / 30%
- Loan Origination Fees
  - ✓ CWSRF: 1.75%
  - ✓ DWSRF: 2.00%

## Principal Loan Forgiveness and/or 0% Interest Financing

- Disadvantaged Communities
- Disadvantaged Communities Small/ Rural
- Very Small Systems
- Green Projects
- Emergency Preparedness
- Urgent Need



# Disadvantaged Community Eligibility

➤ 75% or less of the county-wide Annual Median Household Income (AMI)

\$67,321 (5-year American Community

**\$67,321 = \$50,490.75 eligibility threshold**

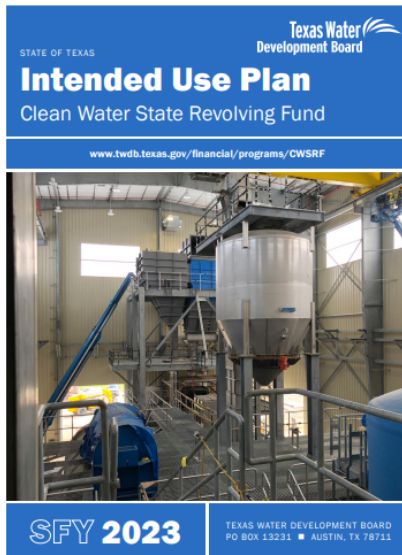
- Documented with census data or TWDB household survey (socioeconomic survey guidelines)
- Household Cost Factor (HCF) estimates loan's impact on residential ratepayers
- Level of principal forgiveness of 70% (SFY 2023)

# Intended Use Plan (IUP) Drinking Water State Revolving Fund (DWSRF) Clean Water State Revolving Fund (CWSRF)

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



- Program overview, goals and participation
- Projects to Fund
- Program Changes
- Amount Available
- Funding Options and Terms
- Set Asides
- Financial Status
- Special Program Initiatives
- Appendices for Public Review & Comment, Projected Sources & Uses of Funds, **Rating Criteria**, Criteria to Determine Disadvantaged Communities, Federal Requirements, and Bypass Procedures
- Project Priority List – Alphabetical, By Rank, Initial Invited Projects List



# Infrastructure Investment and Jobs Act IIJA



- Signed into law November 15, 2021
- To address Infrastructure priorities, which include water
- SRF Supplemental Funds
- 5-year period (funds allocated yearly)

# Infrastructure Investment and Jobs Act

## (IIJA) Categories

The IIJA is a 5-year supplement to the State Revolving Fund. This 5-year period is from Federal FY 2022 through 2026 (State FY 2023-2027)

### Drinking Water State Revolving Fund

- Base (general activities)
- Lead Service Line Replacement
- Emerging Contaminants (PFAS)

### Clean Water State Revolving Fund

- Base (general activities)
- Emerging Contaminants (PFAS)





# State Fiscal Year 2023 Funding Capacity

Drinking Water State Revolving Fund		Clean Water State Revolving Fund	
<b>\$342,000,000</b>	<b>Total</b>	<b>\$408,000,000</b>	<b>Total</b>
<b>\$255,000,000</b>	<b>Subsidize Interest/ Zero Percent</b>	<b>\$355,000,000</b>	<b>Subsidize Interest/ Zero Percent</b>
<b>\$ 87,000,000</b>	<b>Principal Forgiveness</b>	<b>\$ 53,000,000</b>	<b>Principal Forgiveness</b>

**Over five years**, the state expects to receive approximately \$2.5 billion through the IIJA to improve water and wastewater infrastructure.

# Drinking Water State Revolving Fund Lead Service Line Replacement Program

- Projects must be a lead service line replacement project or associated activity directly related to the identification (including service line inventories), planning, design, and replacement of lead service lines.
- The system must be DWSRF program eligible.

# Drinking Water State Revolving Fund Lead Service Line Replacement Program

- The entity may have lead service lines within the distribution system; and
- 51 percent or more of the proposed project beneficiary area, based on household connections, must have an Annual Median Household Income (AMHI) level that does not exceed 150 percent of the state's AMHI level.

The state AMHI from the U.S. Census 2017-2021 American Community Survey (ACS) 5-year estimate is \$67,321; therefore, the AMHI of the proposed project beneficiary area must not exceed \$100,982

# Drinking Water State Revolving Fund Lead Service Line Replacement Program

- SFY 2023 Funding - Project Information Forms were due May 23, 2023
- \$213,455,000 Total Available for SFY 2023
- 51% principal forgiveness / 49% financing
- For inventories, 0% interest financing, 15-yr term
- For planning through construction costs, regular DWSRF subsidized interest rate financing applies



# Clean and Safe Drinking Water State Revolving Fund for Emerging Contaminants

To reduce exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants through drinking water and to help address discharges through wastewater and, potentially, nonpoint sources

Projects that address any contaminant listed on any of EPA's Contaminant Candidate Lists (CCL) are eligible. See EPA webpage for details on the drinking water contaminants on the CCL - <https://www.epa.gov/ccl>

# Clean Water and Drinking Water State Revolving Funds Emergency Contaminants Funding

## Texas SFY 2023 Funding

- DWSRF: \$56,833,920
- DWSRF Small or Disadvantaged Communities Grants program: \$114,696,000
- CWSRF: \$4,103,040
- All project funding will be in the form of principal forgiveness.
- SFY 2023 Project Information Forms were due June 7, 2023.

# State Funding Programs

- **State Water Implementation Fund for Texas (SWIFT)**
- **Texas Water Development Fund (DFund)**
- **Flood Infrastructure Fund (FIF)**
- **Economically Distressed Areas Program (EDAP)**
- **Asset Management Program Small Systems (AMPS)**

# State Water Implementation Fund for Texas SWIFT



- Projects in the State Water Plan
- Eligible applicants such political subdivisions or nonprofit water supply corporation
- Projects are the recommended water management strategies with an associated capital cost
- Projects include conservation and reuse, desalinating groundwater and seawater, building new pipelines, developing reservoirs and well fields, and purchasing water rights as well as numerous other strategies
- Interest rates reflect the TWDB low cost funds (additional subsidies may apply as set by the Board for each funding cycle)
- Up to 30-year repayment period



# State Water Implementation Fund for Texas SWIFT

## ➤ Flexible Financing Options

Low interest loans

- Principal and interest deferred up to 8 years or until end of planning and design phase costs), whichever is sooner
- 3. **Participation** – Temporary TWDB ownership interest in the excess capacity of a state water plan project, providing an entity the opportunity to reasonable finance an optimally sized regional facility. The TWDB may participate up to 80% of the total project costs
- Additional interest rate subsidies for rural or agricultural water conservation/irrigation projects
- No maximum funding limit
- Multi year commitments
- Program Requirements

# Flood Infrastructure Fund

The FIF program provides financing in the form of grants and 0% loans for drainage, flood mitigation and flood control projects

## Categories

- Category 1: Flood Protection Planning for Watersheds
- Category 2: Planning, Acquisition, Design, Construction, and Operation
- Category 3: Federal Award Matching Funds
- Category 4: Measures Immediately Effective in Protecting Life and Property

## Eligible Applicants

- Categories 1–4: Political subdivisions, including cities, counties, and independent district or authority created under Article III, Section 52 or Article V, Section 59 of the Texas Constitution.
- Category 1 only: Any political subdivision of the state, interstate compact commission to which the state is a party, and nonprofit water corporation created and operating under Chapter 67.

# Flood Infrastructure Fund

- The last FIF IUP was approved, and additional projects are not being considered at this time.

## State Flood Plan (2023) authorized over \$624 million

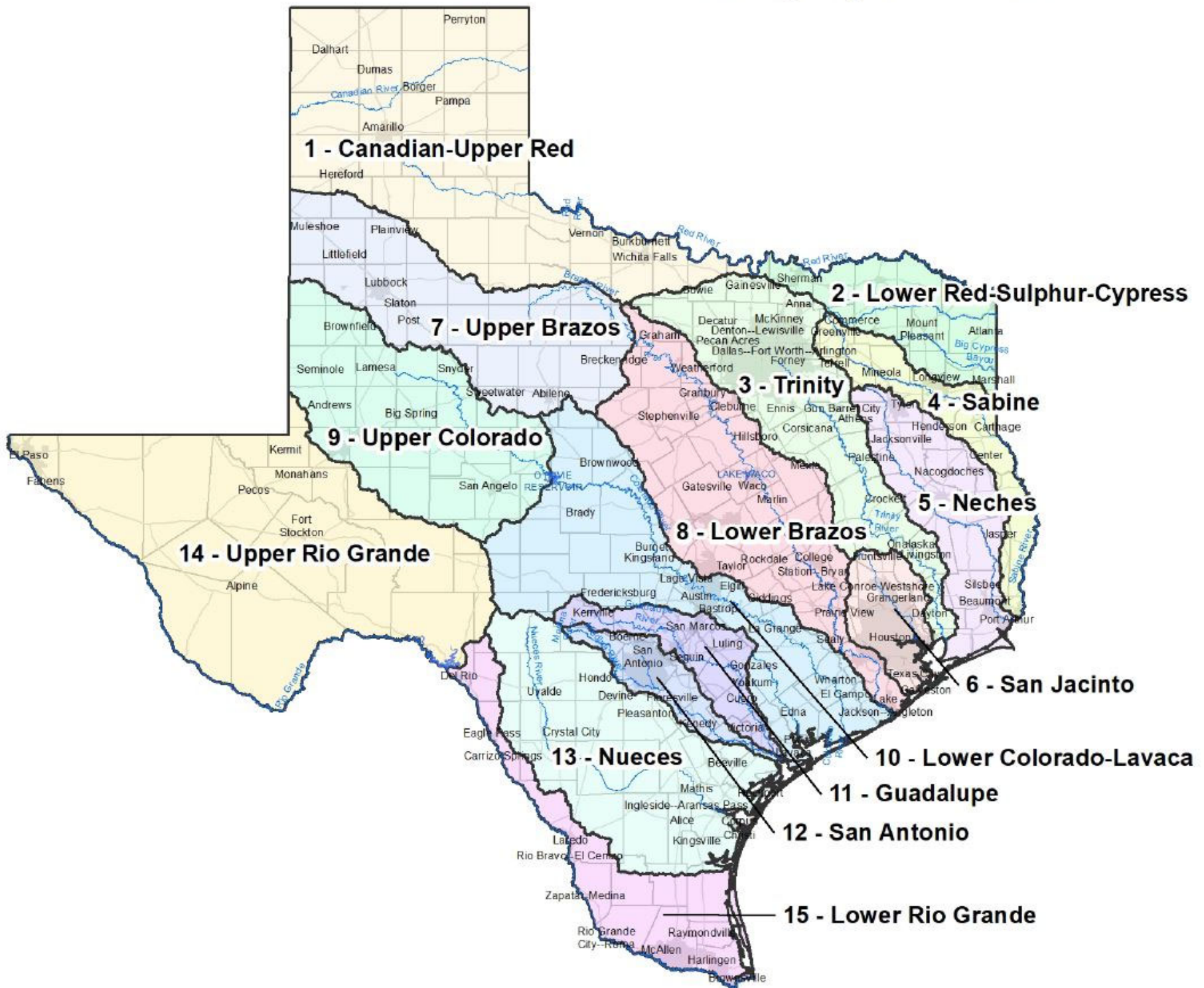
In the future for FIF funding, the TWDB may only be financing for flood projects included in the State Flood Plan.

- Contact your Regional Flood Planning Group for more information.

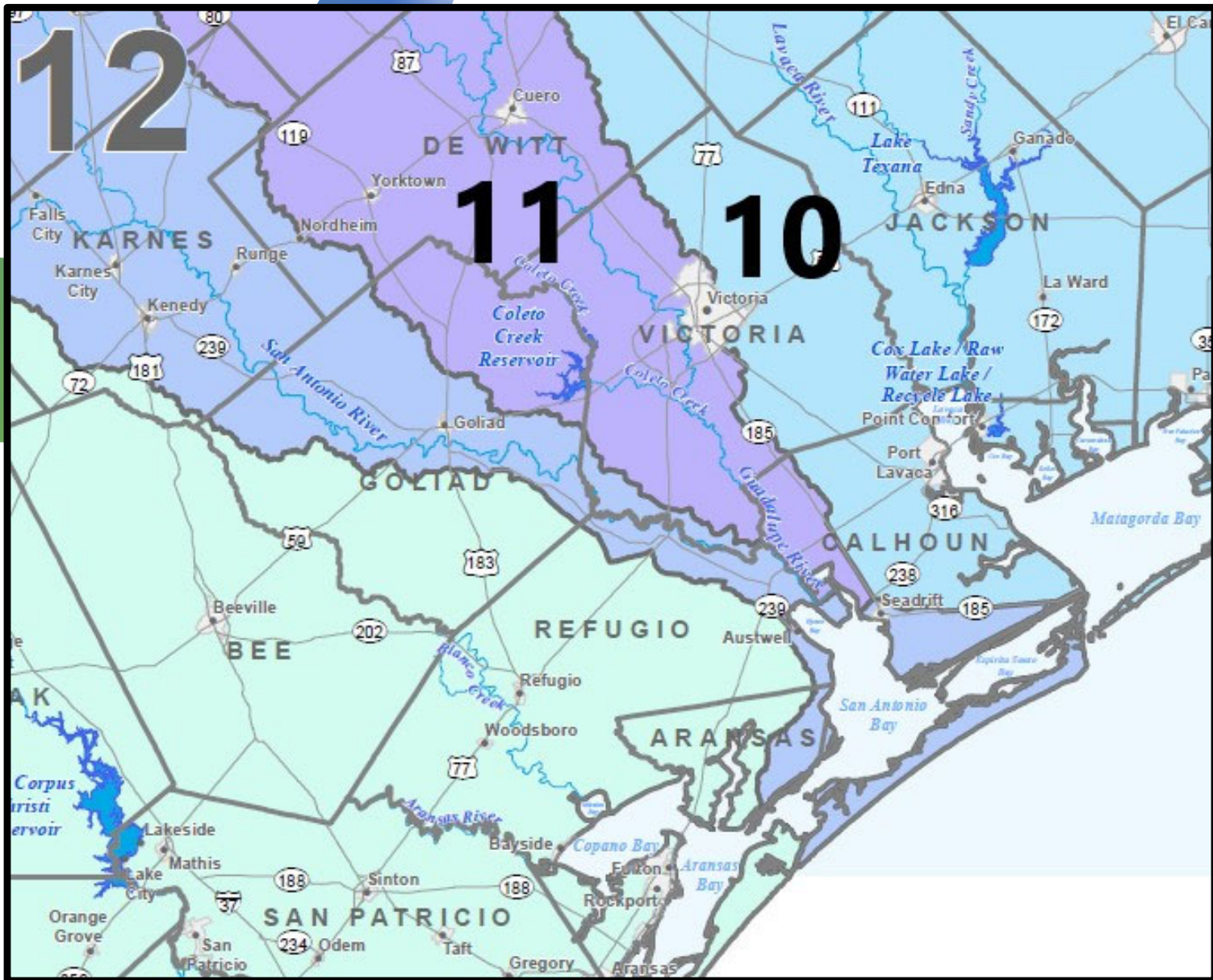
### State Flood Plan Timeline

08/01/2022:	Regional flood plans due
01/10/2023:	Final regional flood plans due
07/14/2023:	Amended regional flood plans due
09/01/2024:	State flood plan due

# Flood Planning Region Boundaries









# Economically Distressed Areas Program (EDAP)

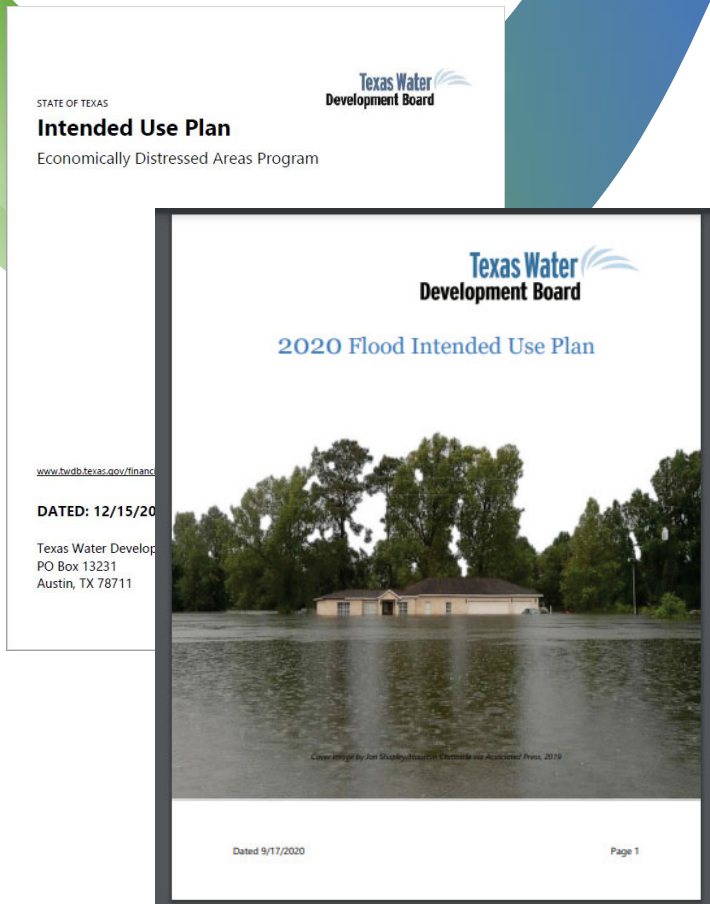
- EDAP was created in 1989  
Provides financial assistance through grants and loans for water and wastewater projects in economically distressed areas where service is unavailable or inadequate to meet state standards
- Financing interest rates based on TWDB's cost of funds
- Grants up to 70% of eligible costs (nuisance determination requirements)

# Economically Distressed Areas Program (EDAP)

- SFY 2022 IUP closed
- Program funding is based on remaining constitutional capacity and legislative authorization for debt service
- **88<sup>th</sup> (R) Legislature authorized up to \$100 million for SFY 2024-2025 biennium**
- Requirements
  - ✓ Model Subdivision Rules – by county and applicable city
  - ✓ Established residence prior to June 1, 2005
  - ✓ For residential purposes only
  - ✓ No transfer of funds from utility
  - ✓ Applicant must become OSSF Authorized Agent
  - ✓ Mandatory connections for wastewater projects

# FIF and EDP Intended Use Plans

- Program Overview
- Eligible Applicants
- Eligible Projects
- Abridged Application
- Priority Criteria



# Office of Water Science and Conservation Grant Programs

Conservation Grants  
Contact CIWT's Grant  
Coordination department for more info.  
[floodgrant@twdb.texas.gov](mailto:floodgrant@twdb.texas.gov)



Agricultural Conservation Grants  
Contact staff in CIWT's Conservation  
department for more info.  
[agconservation@twdb.texas.gov](mailto:agconservation@twdb.texas.gov)



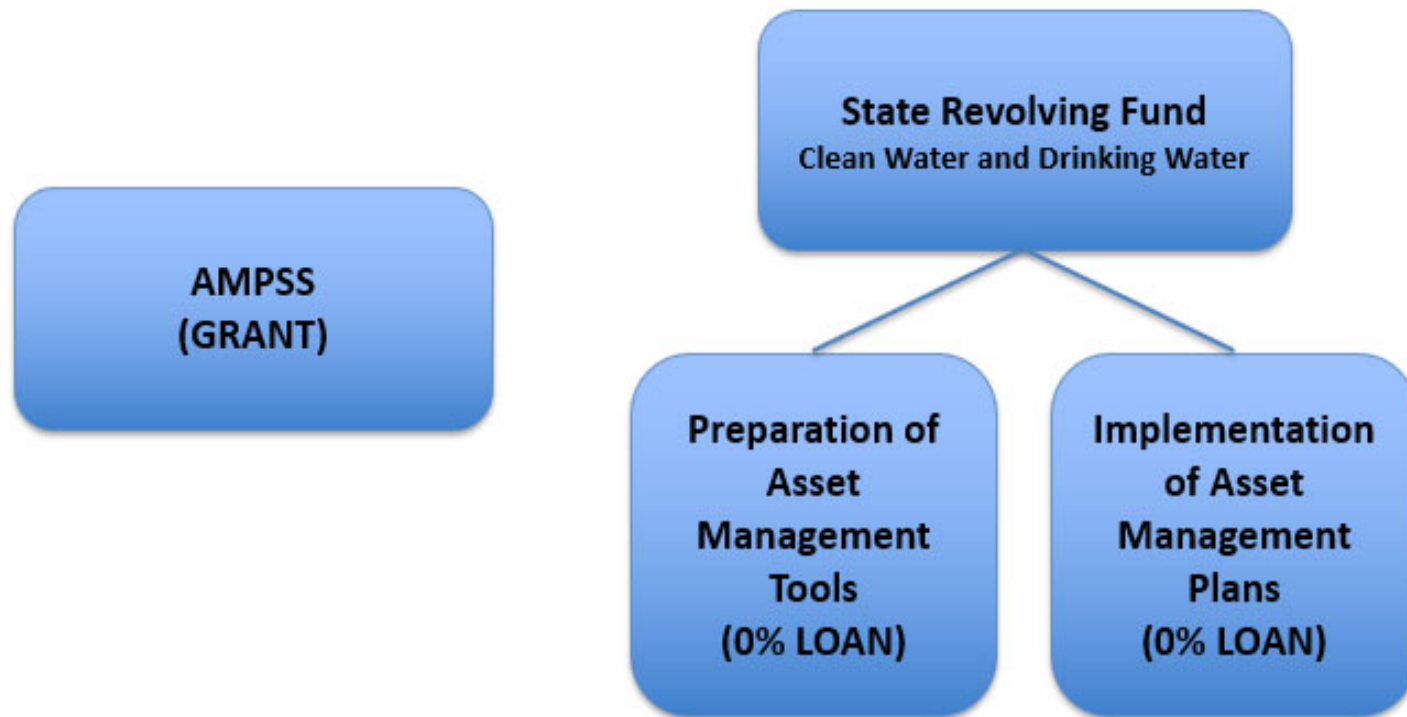
# Texas Water Development Fund DFund

- Financing various types of infrastructure projects
- Eligible applicants include political subdivisions and nonprofit organizations
- Acquisition, Construction, 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**



# AMPSS



# Asset Management Program for Small Systems (AMPSS)

## Grant

- Contract between TWDB and contractor
- MOU between TWDB and participant system
- Funding up to \$100,000

## Eligibility

- Less than or equal to 5,000 connections or 10,000 people
- Must be eligible for DWSRF or CWSRF funding

No financial match for system, 80 hours of staff time

First Round - 20 systems (178 applicants)

# SRF Asset Management Funding

- 2 funding opportunities in the SRF
  - Preparation of Asset Management tools
  - Implementation of Asset Management Plans
- 0% interest loans
- Apply through the SRF process
- Typically part of larger SRF applications/projects
- Found in DWSRF and CWSRF IUP's

**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

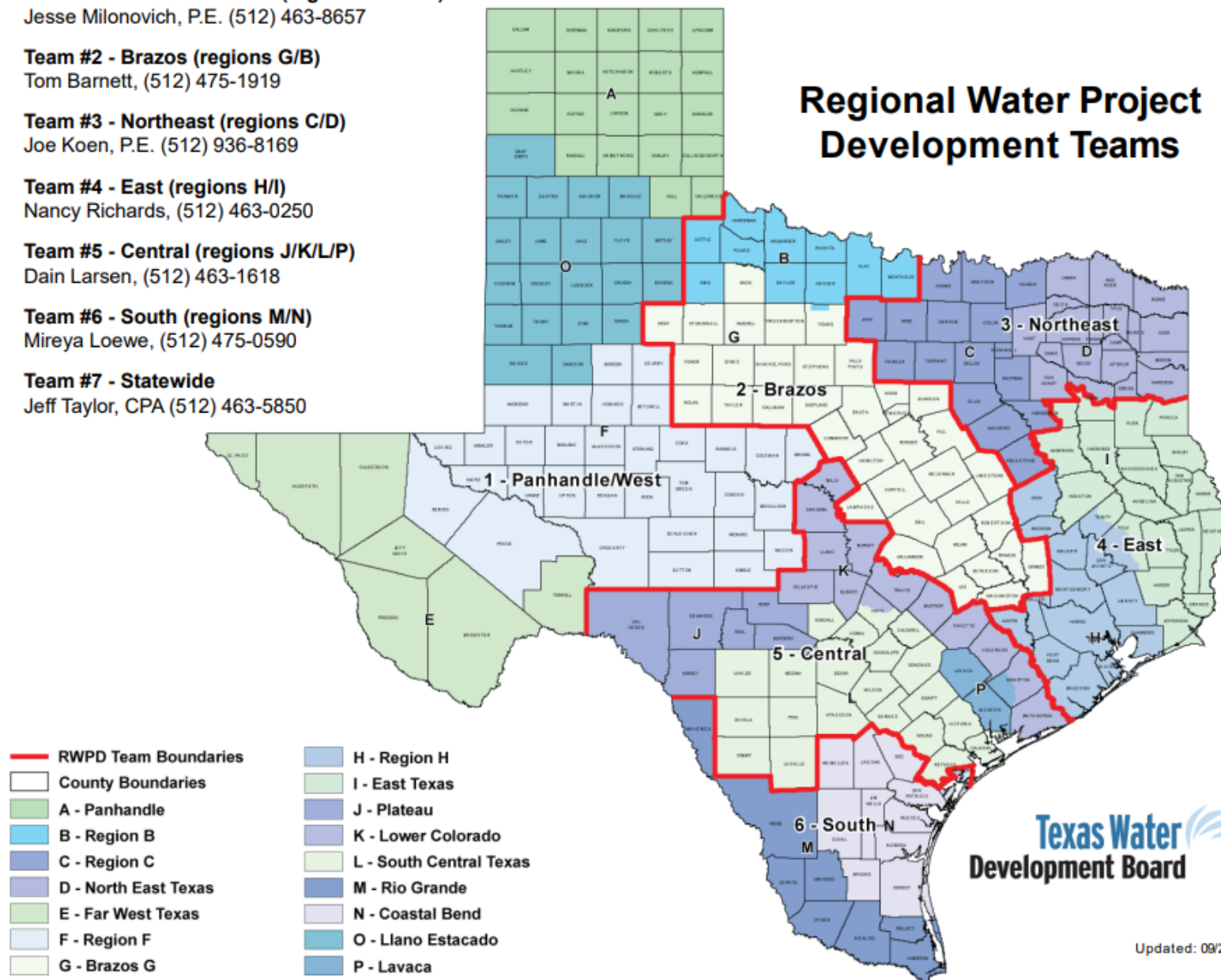
**Team #6 - South (regions M/N)**

Mireya Loewe, (512) 475-0590

**Team #7 - Statewide**

Jeff Taylor, CPA (512) 463-5850

## Regional Water Project Development Teams



**Texas Water**  
Development Board

Updated: 09/22

# Program Administration & Reporting

## **CWSRF Coordinator**

[financial\\_assistance@twdb.texas.gov](mailto:financial_assistance@twdb.texas.gov)

## **DWSRF Coordinator**

Heather O'Keefe

281-895-0722

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## **FIF Coordinator**

Sara Sopczynski

512-936-0852

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## **Program Administration Manager**

[financial\\_assistance@twdb.texas.gov](mailto:financial_assistance@twdb.texas.gov)

## **General Questions**

[financial\\_assistance@twdb.texas.gov](mailto:financial_assistance@twdb.texas.gov)

## **State Programs**

William Alfaro

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## **State Outreach Team Lead**

Scott Galaway

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## **State Outreach**

Enriqueta "Keta" Caballero

512-435-9071

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## **Disadvantaged Business Enterprise**

[512-463-4841](mailto:512-463-4841)

[Jo.Bradshaw@twdb.texas.gov](mailto:Jo.Bradshaw@twdb.texas.gov)



# Questions

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