

State Revolving Fund Programs Webinar

Agenda

Programs
Overview

Program
Requirements

Funding
Cycle

Alternative
Funding
Programs

Helpful
Tips

Contact Us

Agenda

- State Revolving Fund Programs Overview
- Program Requirements
- Timeline of Funding Cycle
- Alternative Funding Options
- Helpful Tips
- Questions/Answers

Housekeeping

Texas Water 
Development Board

Texas Water Development Board

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



Clean Water
SRF

Drinking Water
SRF

SRF
Funding
Options

Program
Updates

Clean Water State Revolving Fund (CWSRF)

Authorized by the Clean Water Act
Provides low-cost financial assistance for
planning, acquisition, design and construction of
wastewater, reuse and stormwater infrastructure

- Offers repayment terms up to 30 years
- Partial principal forgiveness available for
Disadvantaged Communities, Disaster
Relief, and projects with Green components

Who can
apply?



Who can apply?

- Political subdivisions, including water supply corporations that are Designated Management Agencies (DMAs)
- Federally authorized tribal organizations
- Private entities (for nonpoint source or estuary projects only)



Eligible Projects

Planning, design, acquisition, and construction of:

- Wastewater treatment facilities
- Wastewater recycling and reuse facilities including “purple” pipe distribution systems
- Nonpotable reuse
- Wastewater collection systems
- Meter Replacements
- Stormwater control
- Conservation easements
- Nonpoint source pollution control projects, such as correction of failing on-site systems and wetlands restoration
- Estuary management projects identified in either the Galveston Bay or Coastal Bend Estuary Management Plans

Drinking Water State Revolving Fund

Established in 1996 from amendments to the Safe Drinking Water Act

- Assists communities with below market-rate financing and various levels of principal forgiveness for Disadvantaged Communities, Disaster Relief, and projects with green components
- Planning, Acquisition, Design and Construction Phases
- Repayment terms up to 30 years

Who can
apply?



Who can apply?

- Existing community Public Water Systems (PWSs) including political subdivisions, nonprofit water supply corporations and privately-owned community water systems
- Non-profit, non-community public water systems
- State agencies



Eligible Projects

Planning, design, acquisition, and construction to:

- Correct water system deficiencies
- Upgrade or replace water systems
- Consolidate systems
- Purchase capacity
- Purchase other systems
- Implement green projects
- Implement source water protection projects
- Refinance (under limited scenarios)

SRF Funding Options*

CWSRF/DWSRF

- Disadvantaged Communities
- Disadvantaged Community
Small / Rural only
- Green Projects
- Emergency Relief (CWSRF)

DWSRF

- Very Small Systems
- Very Small Systems
“Securing Safe Water Initiative
- Urgent Need – Disasters; Contaminants;
“Securing Safe Water” Initiative;



Disadvantaged Community Eligibility

75% or less of state-wide Annual median Household Income (AMHI)

State's AMHI is \$61,874 (5-year ACS estimates)

$\$61,874 \times .75 = \$46,405.50$ eligibility threshold

May be documented with Census data or a household survey

Household Cost Factor: estimates loan's impact on residential ratepayers

Calculate level of principal forgiveness of 30%, 50% or 70%



Funding Option Allocations

Funding Option	Allocation
Disadvantaged Community – as Principal Forgiveness	\$17,000,000
Disadvantaged Community – Small / Rural only – as Principal Forgiveness	\$2,000,000
Subsidized Green (incl. Reuse/Water Conservation) – as Principal Forgiveness	\$4,600,000
Emergency Relief – as Principal Forgiveness	\$5,000,000
Bonds/Loans	\$221,400,000
Total	\$250,000,000

CWSRF IUP - page 10



Texas Water
Development Board

Funding Option	Allocation
Disadvantaged Community – as Principal Forgiveness	\$16,000,000
Disadvantaged Community – for Small / Rural only – as Principal Forgiveness	\$2,000,000
Subsidized Green (incl. Water Conservation) – as Principal Forgiveness	\$2,000,000
Very Small Systems – as Principal Forgiveness	\$2,000,000
Very Small Systems – “Securing Safe Water Initiative – as Principal Forgiveness	\$1,000,000
Urgent Need – Contaminants (Lead, Radionuclides, Arsenic) – as Principal Forgiveness	\$2,000,000
Urgent Need – “Securing Safe Water” Initiative – as Principal Forgiveness	\$2,000,000
Urgent Need – Other than Contaminants (Disasters, etc.) – as Principal Forgiveness	\$3,000,000
Bonds/Loans	\$120,000,000
Total	\$150,000,000

DWSRF IUP - page 9

Significant Program Changes

SFY 2021 - Highly recommend reviewing amended IUP

- Amended CW/DW IUP capacity for funding
- Minimum interest rate floor
- Invitation only by rank
- Letters of Intent to Apply
- Multi-year funding has been suspended

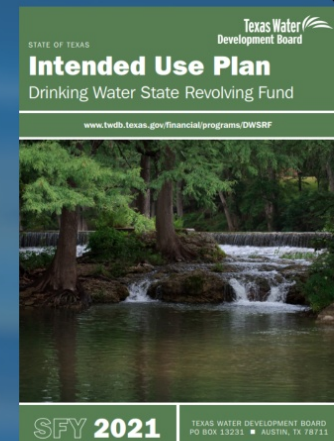
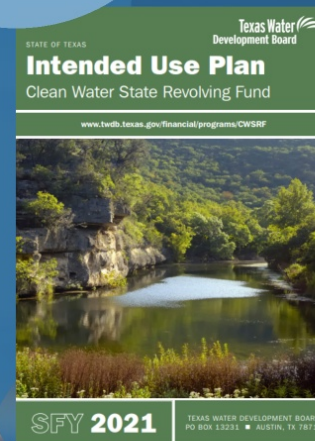
SFY2022
Update

Important Upcoming Dates

February 26 - Letters of Intent to Apply due
for first round of SFY 2021 SRFs

March 31 - Applications due for first round

March 3 - Project Information Forms due for SFY2022



SFY 2022 Interest Rate Reduction Methodology

Percentage reduction from the Thomson Reuters
Municipal Market Date (MMD) rate*

- CWSRF program:
Equivalency projects: 40% reduction
Non-Equivalency projects: 35% reduction
- DWSRF program:
Equivalency projects: 35% reduction
Non-Equivalency projects: 30% reduction

Interest
Rate
Example

*adjusted for yield to maturity
applicable to entity's rating
non-rated entities at Baa rate

What does "Equivalency" mean?

Equivalency projects (Federal Requirements)

A portion of the CWSRF/DWSRF funded projects must follow all federal requirements commonly known as “cross-cutters”.

This type of financial assistance is referred to broadly as “Equivalency”

Non-Equivalency projects (State Requirements)

Non-Equivalency projects are not subject to federal cross-cutter requirements, with the exception of the federal anti-discrimination laws, also known as the “super cross-cutters”.



Clean Water: Non-Equivalency 35% Reduction

20-yr term	Principal	Interest	Total Debt Service
TWDB	\$10,000,000	\$ 1,945,605	\$ 11,945,605
Market 2.79%	\$9,828,010	\$3,235,573	\$13,063,583

Net Interest Rate*
1.695%

Cost Savings
\$1,117,978

Drinking Water: Non-Equivalency 30% Reduction

20-yr term	Principal	Interest	Total Debt Service
TWDB	\$10,000,000	\$2,103,349	\$12,103,349
Market 2.79%	\$9,803,922	\$3,255,992	\$13,029,913

Net Interest Rate*
1.774%

Cost Savings
\$926,564

*Illustrative Rates only based on Baa rating for non-rated entities

Program Requirements

Davis-Bacon wage
rate requirements

American Iron and
Steel requirements

Loan
Origination
Fee

National Environmental
Policy Act (NEPA)-type
environmental review

For equivalency projects only:

- Disadvantaged Business Enterprise program
- Additional steps when procuring architecture and engineering services

DWSRF Projects must
be consistent with the
current state water
plan

Projects must be
listed in the current
CWSRF/DWSRF
Intended Use Plan

Projects >\$500,000
must adopt a water
conservation and drought
contingency plan

Review of legislative
requirements regarding
water loss threshold limits

Disadvantaged Business Enterprise (DBE) Procurement Requirements



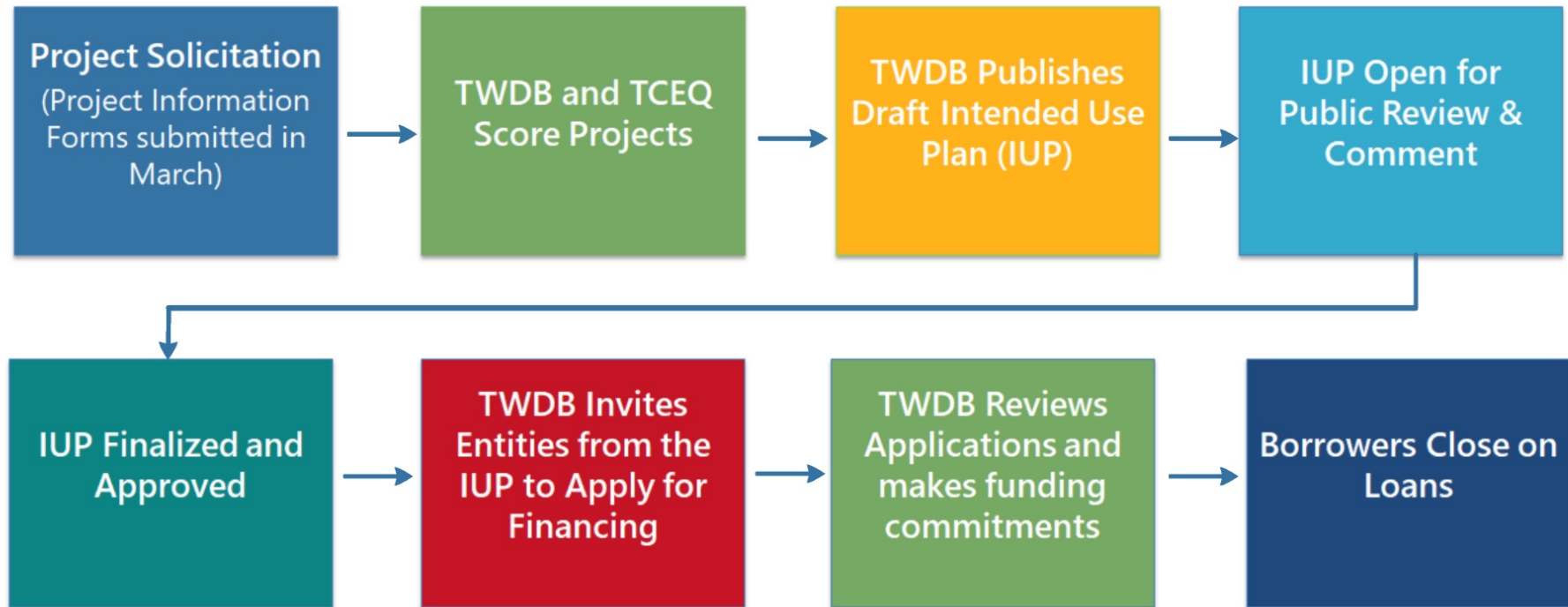
Associated with Federal funding programs

Ensures Minority and Women-Owned Businesses have opportunities to bid

TWDB Resources:

- DBE Coordinator available for technical assistance
- DBE Web page and newly updated guidance
- Specific language to use in advertisements
- DBE@twdb.texas.gov email for questions & submittals

SRF Annual Funding Cycle



Project Information Forms - Due March 3rd

Alternative Funding Programs

	SWIFT	CWSRF	DWSRF	DFund
Water Supply: Current Need			💧	💧
Water Supply: Future Need	💧			
Water Treatment	💧		💧	💧
Water Transmission & Distribution	💧		💧	💧
Potable Reuse	💧	💧	💧	💧
Wastewater Collection		💧		💧
Wastewater Treatment		💧		💧
Nonpoint Source Pollution Control		💧		
Flood Control & Storm Water Management		💧	💧	💧



**Texas Water
Development Fund
(DFund)**

TWICC

Texas Water Development Fund

- Flexible, available year-round
- Many eligible project types
Water, Wastewater, Flood Control
- Can fund multiple types in a single commitment
- Low rates based on TWDB's cost of funds
- AAA Bond Rating
- Repayment terms up to 40 years

Special requirements

- Water supply projects must be consistent with the current TWDB State Water Plan
- Entities receiving assistance greater than \$500,000 must adopt a water conservation and drought contingency plan
- U.S. Iron and Steel Manufactured Goods requirements
- Review of legislative requirements regarding water loss threshold limits

Texas Water Development Fund

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Call us for availability of funds

TWICC

Texas Water Infrastructure Coordination Committee

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What Is TWICC

The Texas Water Infrastructure Coordination Committee (TWICC) is a one-stop shop for information on funding eligibility or technical assistance for water systems facing infrastructure or compliance issues. TWICC is a collaborative effort by State and Federal government agencies and technical assistance providers promoting an efficient process for affordable, sustainable, and innovative funding strategies for water and wastewater infrastructure projects that protect public health.

What can TWICC do for you?

To request technical assistance or receive eligibility information regarding the financial and technical assistance programs administered by TWICC members, simply complete and submit a [Funding Inquiry Form](#). A basic overview of each financial assistance program is available in our [Funding Resources Guide](#). Water and wastewater system representatives may also participate in TWICC meetings in person or via conference call to discuss their specific infrastructure or compliance concerns.

Upon request, TWICC members also conduct local workshops to present information tailored to the needs of a specific region. Please [contact us](#) to request a TWICC workshop in your region.

Resources

[Funding](#)

[Technical Assistance](#)

[Disasters/Urgent Needs/Drought](#)

[Water Loss/Leaks/Conservation](#)

[Drinking Water Quality](#)

[Wastewater Needs](#)

[Nonpoint Source Solutions](#)

[Feasibility Studies](#)

[Drinking Water Watch](#)

[Drinking Water Advisory Work Group](#)

[Private Financing Resource List](#)

TWICC

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Banco de Desarrollo de América del Norte



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- 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.

- Analysis of ability to take on debt
Rates and Charges in place? Will they need to be raised?
- Reminder: Updated Water Use Survey and Water Loss Audit
Water Conservation and Drought Contingency plan if applicable.
- Communicate/coordinate data entry in OLA - only one person at a time can work on PIF/Application.
- Make sure all consultants and entity officials are clear on project elements/details. Be mindful of project schedules and budgets; with funding caps in place have alternate funding in mind.
- Most financing is through bonds/COs recommend seeking out bond counsel and financial advisor early if planning to apply.
- Only WSC and private entities receive "loans"; if an entity has the ability to issue bonds, TWDB buys those bonds.

Talk early and often with TWDB staff - we are happy to provide guidance and support!

Contact us!

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Email:
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Jesse Milonovich, (512) 463-8657

Team #2 - Brazos (regions G/B)

Tom Barnett, (512) 475-1919

Team #3 - Northeast (regions C/D)

Joe Koen, (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

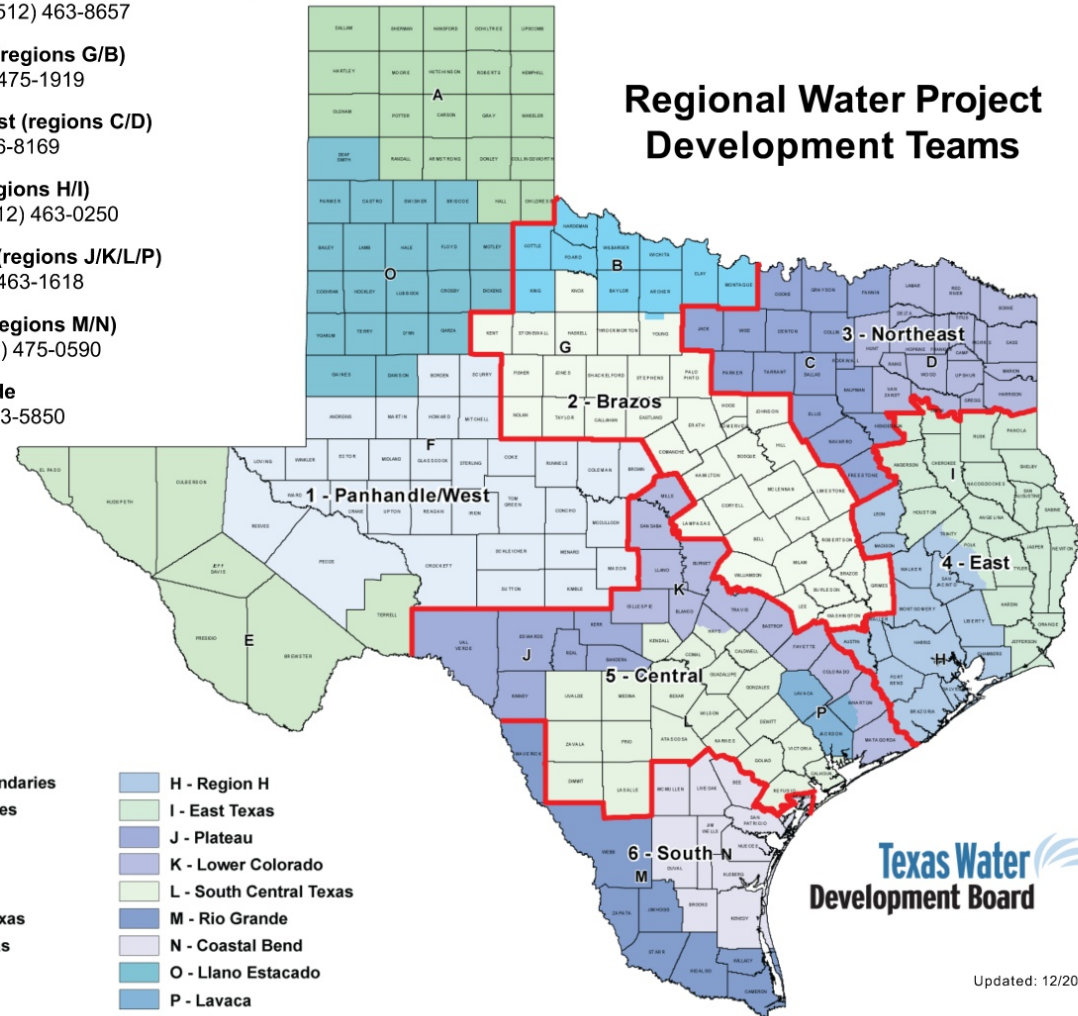
Team #6 - South (regions M/N)

Mireya Loewe, (512) 475-0590

Team #7 - Statewide

Jeff Taylor, (512) 463-5850

Regional Water Project Development Teams



Updated: 12/20