

STATE OF TEXAS

Annual Report

Drinking Water State Revolving Fund

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



SFY **2018**

TEXAS WATER DEVELOPMENT BOARD
PO BOX 13231 ■ AUSTIN, TX 78711

COVER PHOTO

JJM Development - Site View of Valley Acres Water Treatment Plant

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- A. Briefing on a pilot initiative to offer assistance to smaller water and wastewater systems
- B. SFY 2018 Annual Financial Report – DWSRF Financial Statements
- C. TCEQ – Small Systems Technical Assistance 2018 Annual Report
- D. TCEQ – State Management Program 2018 Annual Report
- E. TCEQ – Local Assistance 2018 Annual Report

1 Executive Summary

The purpose of the Texas Drinking Water State Revolving Fund (DWSRF) is to provide affordable financing to assist public drinking water systems meet or maintain compliance with the primary drinking water regulations or otherwise significantly further the health protection objectives of the Safe Drinking Water Act (SDWA). Funding through the DWSRF goes towards addressing needs in the areas of ensuring public health protection, maintaining and/or bringing systems into compliance, and supporting affordable and sustainable drinking water as set forth in the SDWA.

The Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ) collectively administer the state's DWSRF program. The TWDB is authorized by statute to administer the DWSRF program in accordance with the SDWA. The TCEQ, as the State's primacy regulatory agency, is responsible for implementing the drinking water regulations established by the SDWA, enforcing the national drinking water standards set by the U.S. Environmental Protection Agency (EPA), administering the Public Water System Supervision (PWSS) program, providing Small System Technical Assistance, and providing Capacity Development across the state.

The TWDB and the TCEQ provide these reports to summarize annual activities, achievements of goals, requirements met, and obligations made as set forth in the State Fiscal Year (SFY) 2018 Intended Use Plan (IUP) and Set-Aside Work Plans for the DWSRF program. The report describes the progress made toward short-term and long-term program goals, the financial status of the DWSRF, and compliance with federal DWSRF requirements during SFY 2018, which was from September 1, 2017, through August 31, 2018.

The SFY 2018 IUP described the intended uses of the funds available in the DWSRF financial assistance program and detailed how the TWDB planned to commit available funds. To comply with the federally mandated program requirements of priority ranking, those eligible entities interested in assistance were required to submit a project information form by March 3, 2017, to be added to the Initial Invited Projects List and be included in the first round of invitations for funding. The TCEQ, using project details outlined in the project information forms, scored them in accordance with their ranking system for SFY 2018, federal DWSRF regulations, and program rules. TWDB staff reviewed, scored, and ranked all submissions based on the requirements set forth in TWDB rules and criteria established for SFY 2018. An Initial Invited Projects List was created based upon project ranking and the established criteria.

During this SFY, the TWDB maintained an open IUP throughout the year to enable all interested parties to submit a project information form for inclusion on the Project Priority Lists. Applications from the initial round of invitations were based upon project ranking if the application was submitted by the established deadline. Following the initial round of invitations, all eligible projects were invited to apply for assistance and funding was awarded on a first-come, first-served basis. The interest in the DWSRF program for SFY 2018 was evidenced in the receipt of 194 project information forms from eligible applicants for projects totaling approximately \$1 billion.

One of the strongest hurricanes in history to hit Texas made landfall on August 25, 2017. The storm brought damaging winds, storm surge, and dropped over 50 inches of rain in parts of the state. The devastation significantly impacted the local infrastructure, including many water and wastewater systems. As of August 31, 2018, four systems applied to and subsequently received Urgent Need financial assistance made available through the DWSRF during the SFY to cover rebuilding efforts and to implement mitigation strategies. We anticipate more projects receiving assistance during SFY 2019.

The Federal Fiscal Year (FFY) 2017 Appropriations authorized a \$59,590,000 federal capitalization grant that was used for the SFY 2018 IUP. The TWDB set the SFY 2018 DWSRF program capacity at \$250,000,000, with an interest rate subsidy of 135 basis points below market rates.

In addition to the EPA capitalization grant, the Texas DWSRF utilizes additional state funding sources to increase the program capacity. The additional available resources include the required state match of 20% of the grant, principal repayments from previous DWSRF loans, and interest and investment earnings. During SFY 2018, utilizing all the funding sources mentioned, the TWDB made 62 DWSRF commitments totaling over \$164 million.

The TWDB continues to strive to improve our financial assistance programs to ensure applicants have access to the cost savings associated with utilizing these programs to advance safe drinking water infrastructure for all Texas citizens.

2 Goals and Achievements

The primary goal of the Texas DWSRF program is that of the SDWA— to improve public health protection. The overall program goals are to identify and provide funding for maintaining and/or bringing Texas’ public water systems into compliance with the SDWA; to support affordable drinking water and sustainability; and to maintain the long-term financial health of the DWSRF program fund.

The TWDB provides effective and efficient administration of the DWSRF program, and offers affordable long-term financing to assist public water systems in providing sufficient quality and quantity of affordable potable water throughout Texas. The DWSRF program also uses set-aside funds to improve public health protection programs that support the goals of the SDWA. The following sections detail the TWDB’s progress in meeting the short- and long-term goals established in the IUP.

Short-Term Goals of the Texas DWSRF Program

1. *Encourage the use of green infrastructure and technologies by offering principal forgiveness for green infrastructure, energy efficiency, water efficiency, or environmentally innovative portions of projects and allocating an equivalent of 10% of the capitalization grant to approved green project costs.*

During SFY 2018, the TWDB continued efforts to promote the use of green infrastructure and technologies by setting goals of committing an equivalent of 10% of the capitalization grant, or \$5,959,000, to approved green project costs via a Green Project Reserve. The TWDB enhanced the Green Project Reserve goal with the inclusion of a Green Subsidy category, which offered additional subsidy assistance to projects that contained green components equal to or greater than 30% of their total project costs. For more information on projects identified for Green Project Reserve goals and Green Subsidy amounts, please see Appendix A, Table 1.

2. *Offer terms of up to 30 years for the planning, acquisition, design, and/or construction for up to 75 percent of available funds in accordance with TWDB determined guidelines and the SDWA.*

Of the closings made during SFY 2018, 26 projects took advantage of terms greater than 20-years. Details on loan terms for these projects may be found in Appendix B.

- 3. Increase the amount of funding available by leveraging the program as necessary to meet the demand for funding additional drinking water projects.*

On April 26, 2018, the TWDB issued bonds for the DWSRF program. However, the program capacity remains at \$250,000,000.

- 4. Enhance the DWSRF by cross-collateralizing, if necessary, the program with the Clean Water State Revolving Fund (CWSRF) program in accordance with state and federal law.*

During SFY 2015, the TWDB secured approval from the State Legislature during the 84th Legislative Session to cross-collateralize the CWSRF with the DWSRF. On April 26, 2018, the TWDB issued bonds utilizing a cross-collateralization of the CWSRF and DWSRF. The DWSRF received over \$70 million in proceeds from the bond sale, which were deposited into the separate DWSRF program account in accordance with all state and federal laws.

- 5. Enhance our current level of outreach on the State Revolving Fund (SRF) programs by hosting regional financial assistance workshops in conjunction with the continued use of social media.*

The TWDB hosted 17 Financial Assistance workshops during SFY 2018. Additionally, staff from the agency's regional project development teams participated in various outreach opportunities throughout the state at conferences, regional planning meetings, and one-on-one meetings with individual entities/authorities. The topics discussed during the workshops and outreach opportunities covered all TWDB financial assistance programs, the IUP process, the project information form submission, DWSRF federal requirements and program changes, specific project related questions and answers, and general outreach. A map showing workshop locations is included as Appendix A-17.

The TWDB's outreach team continues to conduct additional customer assistance. The use of social media continues to grow at the TWDB with increasing numbers of followers on Facebook, Twitter, LinkedIn, YouTube, and Instagram. TWDB Board members and staff continually share information on various social media sites.

- 6. Assist water systems with urgent needs through financial assistance in the form of principal forgiveness and loans with an additional interest rate subsidy from the Urgent Need reserve.*

The TWDB continued efforts to prioritize urgent need projects through outreach efforts, technical assistance, and utilization of urgent need funding. Eligible projects could receive principal forgiveness or a reduced interest rate on financing. By offering this funding, the objective was to assist communities with projects that addressed an imminent peril to public health, safety, environment or welfare with a threat of failure in response to an emergency condition were given higher preference for immediate

assistance. During SFY 2018, the TWDB committed funds to eight projects meeting these criteria totaling \$20,738,510.

Long-Term Goals of the Texas DWSRF Program

1. *Maintain the fiscal integrity of the DWSRF in perpetuity.*

The long-term financial health of the DWSRF is monitored through ongoing cash flow and capacity analyses. Efficient and effective use of program resources remained a top priority of the program, especially given the economic pressure of low interest and investment rates. The TWDB lending rate policy has been established to preserve the corpus of the capitalization grants and state match funds, excluding the amount of principal forgiveness and set-aside amounts from each grant. The TWDB will continue to manage the DWSRF to ensure funds will be available in perpetuity for activities under the SDWA.

2. *Employ the resources in the DWSRF in the most effective and efficient manner to protect public health and assist communities in maintaining compliance with SDWA requirements and maintain a strong financial assistance program that is responsive to changes in the state's priorities and needs.*

During SFY 2018, the TWDB provided DWSRF funds totaling over \$137 million to 39 projects that will protect public health and assist communities in maintaining or achieving compliance with SDWA requirements. While the program currently has ample lending capacity to satisfy demand, it has established a priority rating system that directly supports the goals of the SDWA. The TWDB reports on its efforts in achieving this goal using EPA's National Information Management System (NIMS) and Project and Benefits Reporting (PBR) databases as required.

3. *Assist borrowers in complying with the requirements of the SDWA by meeting the demands for funding eligible water projects by providing financial assistance with interest rates below current market levels and with Additional Subsidization in the form of principal forgiveness.*

The TWDB provided funding commitments during SFY 2018 to all eligible projects that submitted a complete application for assistance, except for those that withdrew or have applications still pending, thereby ensuring water systems within the state achieved or maintained compliance with the SDWA. Through the approval of leveraging and cross-collateralization with the CWSRF program, the TWDB has the ability to increase the capacity of low-interest funding options.

To encourage entities to use the DWSRF, a 135 basis point reduction from market interest rates on financing were provided to recipients. The resulting effects were

substantial cost savings for the communities. To provide additional savings to disadvantaged communities, green projects, urgent need, and very small systems, the TWDB allocated \$16,000,000 of additional subsidy as shown in the IUP.

4. *Support the development of drinking water systems that employ effective utility management practices to build and maintain the level of financial, managerial and technical (FMT) capacity necessary to ensure long-term sustainability.*

Through the promotion of effective management, the TWDB provides additional prioritization points to drinking water systems that demonstrate a commitment to effective utility management practices. Categories in which systems may demonstrate their ability to maintain the level of financial, managerial and technical capacity include asset management, implementation of water plans, water conservation strategies, use of reclaimed water, and projects increasing energy efficiencies.

The TWDB also started a pilot program to assist small, rural wastewater systems create and implement an asset management plan and other management tools through use of program funds. Further details are available in Program Initiatives, Asset Management Program for Small Systems (AMPSS).

3 Subsidies to Promote Sustainability

According to EPA guidance, among projects with comparable public health and water quality benefits, priority for construction financing should be given to communities that could not otherwise obtain financing for the following purposes:

- Projects that are based on a “fix it first” approach which focuses on system upgrade and replacement in existing communities;
- Investigations, studies, or plans that improve the technical, financial, and managerial capacity of the assistance recipient to operate, maintain, and replace financed infrastructure; and
- Preliminary planning, alternatives assessment, and eligible capital projects that reflect the full life cycle costs of infrastructure assets, conservation of natural resources, and alternative approaches to integrate natural or “green” systems into the built environment.

During SFY 2018, the TWDB prioritized the use of additional subsidization for those entities that met EPA’s guidance criteria. Disadvantaged communities were allocated the majority of the available subsidy for system upgrades and replacements. The TWDB initially made available \$10,000,000, of additional subsidy for qualifying disadvantaged communities. The TWDB also made available \$3,000,000 of additional subsidy for very

small system projects (serving 1,000 or fewer in population). The other components of this guidance were fulfilled in part by awarding additional points in the project ranking criteria for entities implementing effective management that will contribute to sustainable operations.

The EPA's sustainability strategy, which included financing alternative approaches that integrate a green component into the existing system, was prioritized through an additional subsidy for green costs. The TWDB made available \$1,000,000 of the amount required in additional subsidy for green projects in the form of principal forgiveness. Applicants with proposed project components that qualified as green were eligible for this additional subsidy. For further details, review Section 4, Green Project Reserve.

For the Urgent Need reserve, the TWDB allocated \$2,000,000 in principal forgiveness to these projects and a 100 basis point reduction below the standard reduced interest rate.

Details of the additional subsidies provided are shown in Appendix A, Table 1.

4 Green Project Reserve

To further the EPA's sustainability strategy, the TWDB set a goal to fund green projects in the amount of 10% of the capitalization grant. The green project funding was allocated to projects that addressed green infrastructure, water efficiency, energy efficiency, or other environmentally innovative activities.

The TWDB designated projects as green in the IUP based upon designation by the entity and a review of the initial information submitted demonstrating their green components. The TWDB developed a green project information worksheet to facilitate a uniform approach to providing the information proving eligibility. The form also counted as a business case. All eligible projects considered as having green components received an invitation to apply for financial assistance. The TWDB committed to fund \$10,284,790 in green project costs during SFY 2018. Details of the Green Project Reserve are shown in Appendix A, Table 2.

5 Income from Program Fees

The TWDB assesses fees to recovering administrative costs associated with the DWSRF. These fees are placed in a separate account held outside of the program funds. The fees are an assessment of 2.25% of the portion of the DWSRF financial assistance that is to be repaid and is assessed in full at closing. For projects receiving funding under the SFY 2018 IUP, the assessment was reduced to 2.15%.

For SFY 2018, the TWDB collected \$4,689,948 in DWSRF administrative fees. Fees are budgeted as a source of revenue for financing DWSRF administration expenses. During SFY 2018, no funds were transferred from the fee account to the general fund for operations. The balance of funds within the fee account as of August 31, 2018, was \$30,775,618.99.

6 Method of Cash Draw

Of the available cash draw methods, the TWDB utilizes the disbursement of the full amount of State Match first, then draws 100% Federal Funds from the capitalization grant.

The TWDB demonstrates that the required state match has been deposited and utilized prior to drawing 100% federal funds. In accordance with statute and the FFY 2017 Capitalization Grant, during SFY 2018, the TWDB deposited \$11,918,000 into the DWSRF to fully meet its requirement to match an amount at least equal to 20 percent of the amount awarded in the capitalization grant. Of the \$11.9 million, \$9,581,829 of program funds were deposited on September 14, 2017, and \$2,336,171 of state appropriations were deposited on October 2, 2017. Details of the state match are shown in Appendix A, Table 3.

7 Timely and Expeditious Use of Funds

As of August 31, 2018, the outstanding capitalization grant balance was \$3,833,058.74. Federal draws for SFY 2018 totaled \$63,154,389.79. The TWDB closed on 68 projects totaling \$236,141,515. Additionally, 17 projects totaling \$76,542,005 began work while 17 projects totaling \$42,828,308 were completed. The TWDB has ensured that recipients of financial assistance make sufficient progress to reasonably ensure completion of their project within the project period. Details of fund balances are shown in Appendix A, Table 4.

During SFY 2018, the TWDB did not need to support either the CWSRF or DWSRF programs with an inter-fund loan or transfer of funds.

8 Program Initiatives

Additional Subsidization

The additional subsidization associated with the FFY 2017 grant that was allocated to closed projects and commitments totaled \$17,383,840 as of August 31, 2018. Details of the additional subsidization are shown in Appendix A, Table 1.

Disadvantaged Communities Funding

In SFY 2018, the TWDB closed on 1 disadvantaged projects totaling \$969,200. A disadvantaged community is a community that meets the DWSRF's Affordability Criteria based upon income, unemployment rates, and population trends. For details on the DWSRF Affordability Criteria, please see the SFY 2018 IUP, Appendix D, Affordability Criteria to Determine Disadvantaged Community Eligibility.

Application Process

The TWDB continued its invitation process whereby projects are invited in excess of the funding capacity available. The process operated such that limited time was given to applicants to respond to their invitation. This allowed those with projects further down the Project Priority List earlier access to program funds.

The first round of invitations included projects whose total costs exceeded the amount of the capitalization grant, as evidenced by the Initial Invited Projects List within the SFY 2018 IUP. Applications received by the initial deadline were considered in the priority order listed on the Project Priority List. Thereafter, applications received were allocated funding on a first-come, first-served basis.

Additionally, the TWDB utilized an open IUP to allow for the addition of new projects at any time throughout the year. This encouraged entities with projects that were not on the initial list to apply at any time during the year. Once their project was added to the SFY 2018 IUP Project Priority List, invitations were extended for them to apply for funding.

Bypass of Projects on the Project Priority List

The SFY 2018 IUP, in accordance with DWSRF regulations, included a process to bypass higher ranked projects to ensure that funds available are utilized in a timely manner, and that statutory and capitalization grant requirements were met. Following the application process listed above, higher ranked projects that did not submit an application for financial assistance were bypassed by lower ranked projects that were ready to apply for financial assistance.

American Iron and Steel

To implement the requirements for American Iron and Steel, the TWDB: (1) advised all DWSRF applicants of the need to comply with the American Iron and Steel requirements during pre-application meetings, via guidance documents, and the agency’s website; (2) included a condition in TWDB resolutions requiring recipients of DWSRF financial assistance to comply with the American Iron and Steel requirements; (3) ensured that all financial assistance agreements contained a clause mandating compliance with American Iron and Steel requirements; and (4) provided recipients with de minimis logs and certification forms.

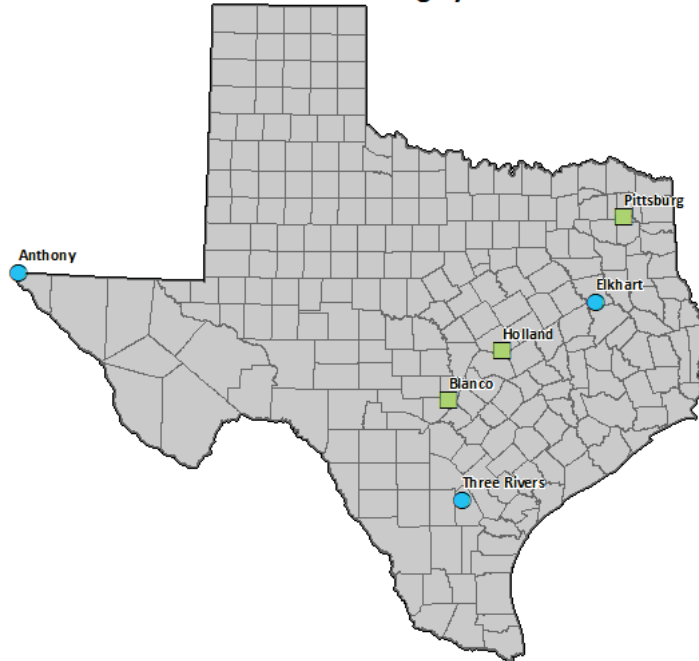
Asset Management Program for Small Systems (AMPSS)

During SFY 2018, the TWDB began implementation of a pilot program for small systems to undertake asset management planning. The pilot program allows qualified contractors to work with six small water and wastewater system providers to create asset management plans including, but not limited to, an inventory of assets with replacement dates and estimated costs, best practices for operation and maintenance, and associated financial plans for obtaining funding to meet future needs. Funding for the pilot was obtained through use of the CWSRF and DWSRF origination fees. A total of \$450,000 was authorized for use. The anticipated completion of the six asset management plans will occur during SFY 2019.

Details regarding the six communities to receive assistance are as follows:

<u>Benefitting Small System</u>	<u>Service Type</u>	<u>Engineer</u>	<u>Max. Amount</u>	<u>Source of Fees for Payment</u>
City of Holland	Wastewater	BSP Engineers, Inc.	\$75,000	CWSRF
City of Elkhart	Water	KSA Engineers, Inc.	\$75,000	DWSRF
City of Three Rivers	Water	LNV, Inc.	\$75,000	DWSRF
City of Blanco	Wastewater	HR Green, Inc.	\$75,000	CWSRF
Town of Anthony	Water	Parkhill, Smith & Cooper, Inc.	\$75,000	DWSRF
City of Pittsburg	Wastewater	KSA Engineers, Inc.	\$75,000	CWSRF
			\$450,000	

AMPSS Benefitting Systems



For more information regarding the AMPSS program, review Attachment A, *Briefing on a pilot initiative to offer assistance to smaller water and wastewater systems*.

Efforts to Address Systems Impacted by Hurricane Harvey

On August 25, 2017, Hurricane Harvey made landfall at San Jose Island, just east of Rockport, as a Category 4 hurricane with winds up to 130 mph. The storm lingered along the Texas coast for five days, and in the process, deposited over 50 inches of rainfall across parts of southeastern Texas, including the Houston and Beaumont metropolitan areas. Disaster declarations were issued for counties stretching from Kleberg and Jim Wells counties in the south to San Augustine and Sabine counties in the northeast along the state's central eastern border. Numerous water and wastewater systems received impacts from increase stormwater runoff, flooding, and loss of electrical power, among other issues.

In the wake of destruction, the TWDB joined many other state, federal, and local agencies in aiding the communities impacted. Through the DWSRF's Urgent Need funding, the TWDB was able to make available principal forgiveness and reduced interest financing for damaged infrastructure. On the following page is a listing of projects that received DWSRF Urgent Need assistance to address Harvey's impacts.

Entity Name	Project #	Project Name	Amount Funded (Type)	Funding Status
Beechwood WSC	62801	Ridgecrest Cul-de-sac and Water Storage Foundation	\$208,510 (Principal Forgiveness)	Committed DWSRF Funds
Bevil Oaks	62806	Disaster Recovery – Water Treatment Plant Restoration Project	\$500,000 (Principal Forgiveness)	Committed DWSRF Funds
Holiday Beach WSC	62784	Urgent Need – Hurricane Harvey Water System Repairs	\$700,000 (Principal Forgiveness)	Closed on Funding
Bridge City	62815	Flushing Valve Unit Replacement	\$500,000 (Principal Forgiveness)	Committed DWSRF Funds

Financial Indicators

The table below represents key indicators of the financial health of the DWSRF program. The TWDB continues to annually review these indicators to ensure the program is keeping “pace” with the national benchmarks.

Financial Indicators (as of June 30, 2018)						
NIMS Line #	Financial Indicators Based on Cumulative Activity	2014	2015	2016	2017	2017
418	Return on Federal Investment	131.0%	144.2%	136.0%	142.0%	150.1%
419	Assistance Provided as a % of Funds Available	77.9%	84.3%	82.6%	87.7%	89.0%
420	Disbursements as a % of Assistance Provided	97.0%	98.5%	99.1%	99.1%	99.3%
424	Set-Aside Spending Rate	96.4%	96.5%	97.5%	98.4%	98.3%

9 Performance Evaluation Review Follow-up

The DWSRF requires that states comply with Section 1452 of the Safe Drinking Water Act, 40 CFR 35.3570(c). The EPA conducts an annual Performance Evaluation Review (PER) to evaluate compliance with the program and grant requirements. The SFY 2017 PER was conducted March 20 – 23, 2018. The review was based upon the TWDB SFY 2017 annual activity. For the review, there were interactive onsite discussions, file reviews, completion of the standardized national EPA checklists of program evaluation questions, and an analysis of the EPA Office of Chief Financial Officer's selected cash transactions. The PER was finalized on August 20, 2018. Overall, the EPA found that the TWDB is in compliance with Section 1452 of the SDWA, 40 CFR 35.3570(c), and the capitalization grant conditions.

10 Compliance Statements

Compliance with FFY 2017 DWSRF Grant Agreement Conditions

The TWDB has complied with all administrative and programmatic conditions in the FFY 2017 DWSRF Capitalization Grant Assistance Agreement (Agreement). The Agreement was adhered to by the TWDB in an appropriate and expeditious manner in compliance with state and federal law. The TWDB understands the terms and conditions as set forth in the Agreement. Any proposed changes or necessary corrections were provided to EPA for appropriate Agreement Amendments.

State Statutes

The TWDB has complied with all applicable state laws pertaining to the TWDB's CWSRF program.

Appendix A: DWSRF SFY 2018 Tables

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Table 1						
Green Project Reserve and Additional Subsidization - 2015 IUP / 2014 Grant						
IUP and/or Grant Targets	GPR: \$ 6,395,300		Add Sub Minimum			\$ 12,790,600
			Add Sub Maximum			\$ 19,185,900
Recipient	Amount	Green	Green Subsidy	Very Small System	Disadvantaged	Urgent Need
Baylor WSC	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Corix Utilities	153,000	-	-	153,000	-	-
Corix Utilities	200,000	-	-	200,000	-	-
D Bar B Water & WW SC	200,000	-	-	200,000	-	-
Fayetteville	400,000	-	-	200,000	-	-
Gorman	275,960	272,879	-	-	135,960	-
Harris Co. MUD #50	3,504,409	-	-	-	1,034,409	-
Hazy Hills WSC	94,000	-	-	94,000	-	-
Lee County FWSD #1	151,839	-	-	151,839	-	-
Malone	179,000	-	-	179,000	-	-
Mart	102,719	-	-	-	-	102,719
Reklaw	500,000	-	-	200,000	-	-
Rio Hondo	1,960,215	1,045,596	292,979	-	1,367,236	-
San Pedro Estates Water, LLC	240,281	-	-	200,000	-	40,281
Seymour	3,000,476	-	-	-	885,476	-
Silver Creek Village WSC	447,000	-	-	200,000	-	247,000
Upper Leon River MWD	14,105,766	4,146,442	621,966	-	4,168,800	-
Weinert	110,000	-	-	-	-	110,000
Wellman	1,122,654	-	-	200,000	782,654	-
Westphalia WSC	96,961	-	-	96,961	-	-
White River MWD	500,000	-	-	-	-	500,000
Willow Park	1,039,350	1,039,350	44,350	-	-	-
Windthorst WSC	54,000	-	-	-	-	54,000
Grand Totals	\$ 28,937,630	\$ 6,504,267	\$ 959,295	\$ 2,074,800	\$ 8,374,535	\$ 1,554,000
Total Additional Subsidy:					\$ 12,962,630	

Green Project Reserve and Additional Subsidization - 2016 IUP / 2015 Grant						
IUP and/or Grant Targets	GPR: \$ 6,353,200		Add Sub Minimum			\$ 12,706,400
			Add Sub Maximum			\$ 19,059,600
Recipient	Amount	Green	Green Subsidy	Very Small System	Disadvantaged	Urgent Need
Bluegrove WSC	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ -	\$ -
Cisco	500,000	-	-	-	-	500,000
Dario V. Guerra, III dba Derby Ing.	140,000	-	-	140,000	-	-
Fayetteville	200,000	-	-	200,000	-	-
LaSalle Landing WSC	200,000	-	-	200,000	-	-
Lee Co. FWSD #1	725,000	-	-	200,000	-	-
Loop WSC	170,000	-	-	170,000	-	-
New Ulm WSC	200,000	-	-	200,000	-	-
New Ulm WSC	200,000	-	-	200,000	-	-
Opdyke West	200,000	-	-	200,000	-	-
Stamford	19,765,708	16,296,000	952,980	-	9,282,728	-
Strawn	700,000	-	-	200,000	-	500,000
Tioga	1,250,000	-	-	200,000	-	-
Grand Totals	\$ 24,340,708	\$ 16,296,000	\$ 952,980	\$ 2,000,000	\$ 9,282,728	\$ 1,000,000
Total Additional Subsidy:					\$ 13,235,708	

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Table 1 (Continued)						
Green Project Reserve and Additional Subsidization - 2017 IUP / 2016 Grant						
IUP and/or Grant Targets	GPR: \$ 6,010,400		Add Sub Minimum			\$ 12,020,800
			Add Sub Maximum			\$ 18,031,200
Recipient	Amount	Green	Green Subsidy	Very Small System	Disadvantaged	Urgent Need
114th St. Mobile Home	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -
Arlington	11,895,777	11,445,000	450,777	-	-	-
Barton WSC	200,000	-	-	200,000	-	-
Bracken Christian School	32,072	-	-	32,072	-	-
Buckholts	200,000	-	-	194,932	5,068	-
Commodore Cove ID	200,000	-	-	200,000	-	-
Cotulla	5,545,400	-	-	-	1,625,400	-
Derby Ing.	200,000	-	-	200,000	-	-
Gordon	1,188,072	1,166,157	174,923	200,000	353,149	-
Gorman	2,000,000	-	-	-	1,000,000	-
Loop WSC	200,000	-	-	200,000	-	-
Lueders	483,557	-	-	145,068	338,489	-
Melvin	539,902	-	-	200,000	159,902	-
New Deal	1,033,800	658,709	-	98,800	-	-
Nueces Co.	900,000	-	-	200,000	630,000	-
Ranger	1,729,300	1,595,031	239,300	-	-	500,000
Rogers	2,405,000	-	-	200,000	-	-
Rolling Hills WS	2,333,300	-	-	200,000	1,633,300	500,000
Toyah	200,000	-	-	200,000	-	-
Winters	822,054	-	-	-	242,054	-
Woodloch	200,000	-	-	200,000	-	-
Total Closed	\$ 32,508,234	\$ 14,864,897	\$ 865,000	\$ 2,870,872	\$ 5,987,362	\$ 1,000,000
Ballinger	\$ 3,393,435	\$ -	\$ -	\$ -	\$ 2,358,435	\$ -
Cranfills Gap	-	-	-	-	-	-
Lawn	3,563,239	-	-	200,000	2,478,239	-
Total Unclosed	\$ 6,956,674	\$ -	\$ -	\$ 200,000	\$ 4,836,674	\$ -
Grand Totals	\$ 39,464,908	\$ 14,864,897	\$ 865,000	\$ 3,070,872	\$ 10,824,036	\$ 1,000,000
					Total Additional Subsidy: \$ 15,759,908	

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Table 1 (Continued)						
Green Project Reserve and Additional Subsidization - 2018 IUP / 2017 Grant						
IUP and/or Grant Targets	GPR: \$ 5,959,000		Add Sub Minimum			\$ 11,918,000
			Add Sub Maximum			\$ 29,795,000
Recipient	Amount	Green	Green Subsidy	Very Small System	Disadvantaged	Urgent Need
Barton WSC	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Dickens	763,220	-	-	300,000	-	-
Greater Texoma UA	300,000	-	-	300,000	-	-
Holiday Beach WSC	700,000	-	-	-	-	700,000
Kirbyville	1,999,600	1,296,976	194,600	-	-	-
Ladonia	3,110,000	-	-	300,000	-	-
Lil Countryside WSC	250,000	-	-	250,000	-	-
Mason	2,669,200	-	-	-	969,200	700,000
Morton Valley WSC	200,000	-	-	200,000	-	-
New Ulm WSC	97,060	-	-	97,060	-	-
Paradise	300,000	-	-	300,000	-	-
Patterson Water Supply LLC	138,780	-	-	138,780	-	-
Rochelle WSC	585,000	-	-	300,000	-	-
Total Closed	\$ 11,412,860	\$ 1,296,976	\$ 194,600	\$ 2,485,840	\$ 969,200	\$ 1,400,000
Cisco	15,159,900	-	-	-	5,964,900	500,000
Devine	9,900,000	-	-	-	-	500,000
Eastland	1,227,000	1,209,414	182,000	-	350,000	-
G-M WSC	5,490,900	-	-	-	2,715,900	-
Green Acres MHP	216,000	-	-	216,000	-	-
Lake Texoma VFW Post 7873	200,000	-	-	200,000	-	-
Ramirez Common School District	800,000	-	-	-	-	800,000
River Acres WSC	7,778,400	7,778,400	623,400	-	-	-
Whitewater Springs WSC	505,000	-	-	300,000	-	-
Total Unclosed	\$ 41,277,200	\$ 8,987,814	\$ 805,400	\$ 716,000	\$ 9,030,800	\$ 1,800,000
Pleasant Springs WSC	300,000	-	-	300,000	-	-
Total Uncommitted	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Grand Totals	\$ 52,990,060	\$ 10,284,790	\$ 1,000,000	\$ 3,501,840	\$ 10,000,000	\$ 3,200,000
Total Additional Subsidy:					\$ 17,701,840	

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

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Table 2			
Green Project Reserve - 2017 IUP / 2016 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
Arlington	Energy Efficiency	\$ 11,445,000	Energy efficient retrofits, upgrades, or new systems are business case eligible under Part B, Section 3.5-a. The business case provided documents substantial energy savings that would be accomplished by consolidating services and equipment and also by upgrading to more energy efficient components.
Gordon	Water Efficiency	1,166,157	Water line replacement is business case eligible under the Water Efficiency category, Part B, 2.5-2. The entity has listed an annual cost savings of approximately \$56,400, which corresponds to a payback period of about 21 years. This is less than the design life of 30 years. The water efficiency upgrades that include the Micro-Filtration unit and associated equipment seek to accomplish water savings by considerably reducing water consumption at the treatment plant and should deliver equal or better water services with less net water use as compared to traditional practices. These meet the business case decision criteria described in Part B, Section 2.4. Non-green eligible costs of \$12,000 represent upsizing of existing 6-inch line with 8-inch line. Engineer's cost estimate of \$5/l.f. difference at 2,400-l.f.
New Deal	Water Efficiency	658,709	Water line replacement is business case eligible under the Water Efficiency category, Part B, 2.5-2. The proposed water main replacement will also result in energy savings due to the lower friction in the new pipeline and from not pumping lost water.
Ranger	Water Efficiency	1,595,031	The replacement of existing malfunctioning water meters with meters with built in leak detection is categorically eligible under Part B, Section 2.2-3b. Retrofitting or adding AMR capabilities is categorically eligible under Part B, Section 2.2-4. Water line replacement is business case eligible under the Water Efficiency category, Part B, 2.5-2. The City has demonstrated a history of significant water loss, and this proposed projects seeks to address those losses.
Total Unclosed	4	\$ 14,864,897	

Green Project Reserve Requirement: \$ 6,010,400
247%

Green Project Reserve - 2018 IUP / 2017 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
Kirbyville	Water Efficiency	\$ 1,296,976	Water line replacement is business case eligible under the Water Efficiency category, Part B, 2.5-2. Storage tank replacement/rehabilitation to reduce water loss is business case eligible under the Water Efficiency category, Part B, 2.5-3.
Eastland	Energy Efficiency, Water Efficiency	1,209,414	The green components associated with this project include saving water that is currently lost due to the leaking distribution system; saving electrical energy by eliminating the pumping of water currently lost; and due to the fact that the distribution system is old, replacing the piping will help eliminate potential sources of contaminants migrating into the water supply. In summary, the green components of the project are increased water efficiency, enhanced water conservation, and increased energy efficiency. Replacement of the aging infrastructure with this project will greatly reduce the water loss in the City's distribution system.
River Acres WSC	Green Infrastructure	7,778,400	Due to the age of the water distribution system, line leaks are occurring on a frequent basis. Therefore, the purpose of this project is to reduce the incidence of water line breaks and resulting water losses. This entire project entails the replacement of water distribution lines and meters in the older parts of the system.
Total Unclosed	3	\$ 10,284,790	

Green Project Reserve Requirement: \$ 5,959,000
173%

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Table 3 - Grant and Match Funds

FFY	SFY/ IUP	Grant Award #	SRF Grant	State Match 20%	State Match provided from State Appropriations/ Other Sources	State Match provided from GO Bonds	State Match Provided	In-Kind
1997	1997	FS-99679501	\$ 70,153,800	\$ 14,030,760	\$ -	\$ -	\$ -	\$ -
1998	1998	FS-99679502	54,014,400	10,802,880	13,166,911	-	13,166,911	-
1999	1999	FS-99679503	56,612,200	11,322,440	5,843,600	3,000,000	8,843,600	-
2000	2000	FS-99679504	58,836,500	11,767,300	3,750,000	-	3,750,000	-
2001	2001	FS-99679505	59,079,800	11,815,960	4,098,104	10,000,000	14,098,104	-
2002	2002	FS-99679506	62,023,700	12,404,740	4,098,104	14,500,000	18,598,104	-
2003	2003	FS-99679507	61,651,000	12,330,200	3,130,403	20,000,000	23,130,403	-
2004	2004	FS-99679508	63,953,900	12,790,780	3,130,403	10,000,000	13,130,403	-
2005	2005	FS-99679509	63,818,500	12,763,700	3,636,971	12,800,000	16,436,971	-
2006	2006	FS-99679510	67,799,550	13,563,165	3,636,971	9,000,000	12,636,971	-
2007	2007	FS-99679511	67,801,000	13,560,200	3,735,026	9,622,377	13,357,403	-
2008	2008	FS-99679512	42,112,000	13,422,400	5,183,323	8,242,332	13,425,655	54,887
2009	2009	FS-99679513	10,737,920	13,422,400	-	13,422,400	13,422,400	-
2009	ARRA	2F-96692301	160,656,000	-	-	-	-	-
	2010	No Grant Used	-	-	-	-	-	-
2010	2011	FS-99679514	67,628,080	17,250,800	4,936,171	12,314,629	17,250,800	-
2011	2012	FS-99679515	59,854,000	11,970,800	7,597,404	4,373,396	11,970,800	77,600
2012	2013	FS-99679516	57,041,000	11,408,200	949,408	10,458,792	11,408,200	-
2013	2014	FS-99679517	53,517,000	10,703,400	351,787	10,351,613	10,703,400	-
2014	2015	FS-99679518	63,953,000	12,790,600	2,336,171	10,454,429	12,790,600	-
2015	2016	FS-99679519	63,532,000	12,706,400	2,336,171	10,454,429	12,790,600	-
2016	2017	FS-99679520	60,104,000	12,020,800	2,336,171	9,600,429	11,936,600	-
2017	2018	FS-99679521	59,590,000	11,918,000	2,336,171	9,581,829	11,918,000	-
Totals			\$ 1,384,469,350	\$ 264,765,925	\$ 76,589,270	\$ 188,176,655	\$ 264,765,925	\$ 132,487

GO = General Obligations

Note: The TWDB performed a \$100 million transfer between the DWSRF and the CWSRF. The transferred funds were from the SFY 2008, 2009, and 2011 associated grants, as reflected above.

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Table 4 – Capitalization Grant Draws			
	Beginning Balance	Expended	Balance - 08/31/2018
FS-99679520 FY 2016			
Construction	\$ 3,976,713.37	\$ 3,976,713.37	\$ -
Administration	87,412.88	87,412.88	-
TCEQ 10% Set-Aside	2,407,183.76	2,407,183.76	-
TCEQ 2% Set-Aside	555,027.61	555,027.61	-
TCEQ 15% Set-Aside	371,110.91	371,110.91	-
Totals	\$ 7,397,448.53	\$ 7,397,448.53	\$ -
FS-99679521 FY 2017			
Construction	\$ 48,255,600.00	\$ 48,255,600.00	\$ -
Administration	2,383,600.00	2,383,600.00	-
TCEQ 10% Set-Aside	5,959,000.00	3,442,299.04	2,516,700.96
TCEQ 2% Set-Aside	1,191,800.00	383,978.03	807,821.97
TCEQ 15% Set-Aside	1,800,000.00	1,291,464.19	508,535.81
Totals	\$ 59,590,000.00	\$ 55,756,941.26	\$ 3,833,058.74
Grand Totals	\$ 66,987,448.53	\$ 63,154,389.79	\$ 3,833,058.74

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Table 5 – Binding Commitments Summary

IUP	Recipient	Project ID	Commitment #	Commitment Date	Status	Closing Date	Amount	Required Binding Commitments	Total Commitments / Quarter	% of Required
(1997) - (2017)	Previous SFYs						\$2,498,869,161	\$ 1,313,231,426	\$2,498,869,161	190.28%
2017	Blanco	62748	L1000633	09/07/2017	Active	10/24/2017	\$3,150,000	\$1,373,855,386	\$2,514,144,161	183.00%
2017	San Antonio Water System	62756	L1000652	09/07/2017	Active	06/14/2018	\$10,500,000			
2018	Craft-Turney WSC	62755	L1000733	10/31/2017	Active	08/22/2018	\$1,625,000			
2017	Gorman	62660	L1000649	12/07/2017	Active	03/22/2018	\$1,000,000	\$1,373,855,386	\$2,549,218,461	185.55%
2017	Gorman	62660	LF1000650	12/07/2017	Active	03/22/2018	\$1,000,000			
2018	Paradise	62762	LF1000711	12/07/2017	Active	03/21/2018	\$300,000			
2018	Eldorado	62785	L1000754	01/11/2018	Active	04/12/2018	\$1,200,000			
2018	Greater Texoma UA	62759	L1000674	01/11/2018	Active	03/27/2018	\$16,710,000			
2018	Llano	62766	L1000683	01/11/2018	Active	06/20/2018	\$890,000			
2017	Cypress Creek UD	62760	L1000679	01/22/2018	Active	05/16/2018	\$2,035,000			
2018	Holiday Beach WSC	62784	LF1000701	01/22/2018	Active	03/20/2018	\$700,000			
2018	Ladonia	62616	L1000707	01/22/2018	Active	03/13/2018	\$2,810,000			
2018	Ladonia	62616	LF1000722	01/22/2018	Active	03/13/2018	\$300,000			
2018	Lake Texoma VFW Post 7873	62779	LF1000724	01/22/2018	Active	04/26/2018	\$200,000			
2017	Ranger	62746	L1000626	01/22/2018	Active	06/13/2018	\$420,000			
2017	Ranger	62746	L1000677	01/22/2018	Active	06/13/2018	\$570,000			
2017	Ranger	62746	LF1000646	01/22/2018	Active	06/13/2018	\$739,300			
2018	Del Rio	61580	L1000690	02/15/2018	Commitment		\$6,000,000			
2018	Morton Valley WSC	62761	LF1000705	02/15/2018	Active	05/30/2018	\$200,000			
2018	Devine	62777	L1000684	03/01/2018	Active	08/14/2018	\$2,755,000	\$1,373,855,386	\$2,639,537,540	192.13%
2018	Devine	62777	L1000743	03/01/2018	Active	08/14/2018	\$6,645,000			
2018	Devine	62777	LF1000744	03/01/2018	Active	08/14/2018	\$500,000			
2017	Lawn	62568	L1000582	03/01/2018	Active	09/07/2018	\$885,000			
2017	Lawn	62568	LF1000643	03/01/2018	Active	09/07/2018	\$2,678,239			
2018	Barton WSC	62792	LF1000712	03/21/2018	Active	05/15/2018	\$300,000			
2018	Cisco	62717	L1000713	03/21/2018	Active	06/27/2018	\$8,695,000			
2018	Cisco	62717	LF1000714	03/21/2018	Active	06/27/2018	\$6,464,900			
2017	Kemp	62758	L1000673	03/21/2018	Withdrawn		\$3,205,000			
2018	Kirbyville	62775	L1000741	03/21/2018	Active	06/21/2018	\$1,805,000			
2018	Kirbyville	62775	LF1000742	03/21/2018	Active	06/21/2018	\$194,600			
2018	Lil Countryside WSC	62768	LF1000723	03/21/2018	Active	06/29/2018	\$250,000			
2018	River Acres WSC	62773	LF1000736	03/21/2018	Active	09/20/2018	\$623,400			
2018	River Acres WSC	62773	LM18763	03/21/2018	Active	09/20/2018	\$3,620,000			

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Table 5 – Binding Commitments Summary

IUP	Recipient	Project ID	Commitment #	Commitment Date	Status	Closing Date	Amount	Required Binding Commitments	Total Commitments / Quarter	% of Required	
2018	River Acres WSC	62773	LM19764	03/21/2018	Commitment		\$1,750,000	\$1,373,855,386	\$2,639,537,540	192.13%	
2018	River Acres WSC	62773	LM20765	03/21/2018	Commitment		\$1,785,000				
2018	Valley MUD # 2	62781	L1000695	03/21/2018	Active	06/27/2018	\$1,495,000				
2018	Nevada SUD	62782	L1000762	04/05/2018	Active	05/24/2018	\$1,490,000				
2018	Patterson Water Supply LLC	62767	LF1000761	04/05/2018	Active	07/19/2018	\$138,780				
2018	Rochelle WSC	62765	LF1000721	04/05/2018	Active	06/28/2018	\$300,000				
2018	G-M WSC	62771	L1000777	04/16/2018	Active	08/24/2018	\$2,775,000				
2018	G-M WSC	62771	LF1000778	04/16/2018	Active	08/24/2018	\$2,715,900				
2018	Mason	62764	L1000725	04/16/2018	Active	07/24/2018	\$990,000				
2018	Mason	62764	LF1000726	04/16/2018	Active	07/24/2018	\$969,200				
2018	Mason	62764	LF1000788	04/16/2018	Withdrawn		\$700,000				
2018	Whitewater Springs WSC	62783	L1000780	04/16/2018	Commitment		\$200,000				
2018	Whitewater Springs WSC	62783	LF1000781	04/16/2018	Commitment		\$300,000				
2018	Dickens	62757	L1000755	05/03/2018	Active	08/09/2018	\$460,000				
2018	Dickens	62757	LF1000784	05/03/2018	Active	08/09/2018	\$300,000				
2018	Elmendorf	21773	L1000789	05/03/2018	Active	08/08/2018	\$10,770,000				
2018	Greater Texoma UA	62791	L1000783	05/03/2018	Active	08/02/2018	\$935,000				
2018	Greater Texoma UA	62791	LF1000799	05/03/2018	Active	09/26/2018	\$300,000				
2018	Eastland	62769	L1000697	05/17/2018	Active	09/05/2018	\$695,000				
2018	Eastland	62769	LF1000706	05/17/2018	Active	09/05/2018	\$532,000				
2018	Johnson County SUD	62794	L1000790	05/17/2018	Active	06/28/2018	\$22,000,000				
2018	New Ulm WSC	62787	LF1000797	05/17/2018	Active	07/19/2018	\$97,060				
2018	Bandera	62793	L1000785	06/11/2018	Active	09/11/2018	\$3,000,000	\$1,373,855,386	\$2,663,153,540	193.85%	
2018	Bangs	62796	L1000798	06/21/2018	Commitment		\$1,760,000				
2018	Boyd	62772	LM18740	06/21/2018	Active	09/07/2018	\$720,000				
2018	Boyd	62772	LM19800	06/21/2018	Commitment		\$5,120,000				
2018	Green Acres Mobile Home Park	62778	LF1000720	06/21/2018	Active	09/20/2018	\$216,000				
2018	Ramirez Common School District	62786	LF1000803	07/09/2018	Active	09/21/2018	\$800,000				
2018	McAllen	62790	L1000746	07/26/2018	Active	11/06/2018	\$12,000,000				
SFY Totals		62						\$164,284,379			

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Table 6 – Grant Payments by Quarter					
	SFY 1997 - SFY 2017	SFY 2018			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
GRANT PAYMENTS					
All Previous Grants (including ARRA)	\$ 1,324,879,350				
FS-99679521		59,590,000			
QUARTERLY TOTAL	\$ 1,324,879,350	\$ 59,590,000	\$ -	\$ -	\$ -

REQUIRED BINDING COMMITMENTS	SFY 1997 - SFY 2018	SFY 2019			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Cumulative EPA Payments	\$ 1,324,879,350	\$ 1,384,469,350	\$ 1,384,469,350	\$ 1,384,469,350	\$ 1,384,469,350
+ State Match	252,847,925	264,765,925	264,765,925	264,765,925	264,765,925
- Set-Asides	203,871,889	215,206,289	215,206,289	215,206,289	215,206,289
REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)	\$ 1,373,855,386	\$ 1,434,028,986	\$ 1,434,028,986	\$ 1,434,028,986	\$ 1,434,028,986

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Table 7 - DWSRF FFY 2018 MBE/WBE Procurement Activity						
	MBE Goals	MBE Actual	% of Procurement	WBE Goals	WBE Actual	% of Procurement
Construction	12.94%	\$2,171,133.00	2.47%	8.72%	\$368,667.12	0.42%
Supplies	9.68%	\$11,670.00	0.01%	9.34%	\$68,830.50	0.08%
Equipment	7.12%	\$8,229.44	0.01%	5.39%	\$10,537.06	0.01%
Services	10.84%	\$4,179,406.54	4.75%	5.72%	\$450,987.03	0.51%
Totals		\$6,370,438.98	7.24%		\$899,021.71	1.02%

Total Procurements in the DWSRF: \$88,020,858.00
Overall DBE Procurements: 8.26%

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Table 8 – Sources and Uses of Funds (Cash Basis)

Cash Available:	\$	262,005,405.85
 SOURCES:		
Federal Grants Drawn	\$	63,154,389.79
State Match Deposited		11,918,000.00
Principal Repayments		64,584,997.66
Interest Repayments		16,260,464.20
DWSRF Revenue Bond Proceeds		70,003,860.74
Investment Earnings on Funds		4,174,937.86
TOTAL SOURCES:	\$	230,096,650.25
 USES:		
<u>Set-Asides Used</u>		
Administration Expenses - 4% Set-Aside	\$	2,471,012.88
TCEQ Small Systems Technical Assistance Program - 2% Set-Aside		939,005.64
TCEQ Texas State Management Program - 10% Set-Aside		5,849,482.80
TCEQ Capacity Development - 15% Set-Aside		1,662,575.10
Total Set-Asides:	\$	10,922,076.42
 <u>Projects Funded</u>		
Funds Disbursed	\$	236,590,884.03
Total Projects Funded:	\$	236,590,884.03
 <u>Debt Service</u>		
Principal Paid	\$	10,059,465.88
Interest Paid		4,105,684.10
Total Debt Service:	\$	14,165,149.98
 TOTAL USES:	 \$	 261,678,110.43
 NET SOURCES (USES):	 \$	 (31,581,460.18)
 Cash - Ending Balance (8/31/2018):	 \$	 230,423,945.67

*Fees are not deposited into the Fund; therefore, based on EPA guidance they are not included in the Sources and Uses of Funds.
Revenue Bond Proceeds are net of cost of issuance.*

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Operational Minimum DSC: **1.10**
Lowest Total DSC: **3.33**

**PROJECTED ANNUAL CASH FLOW
COVERAGE¹ AS OF AUGUST 31, 2018**

Fiscal Year (2)	Balance & Loan Receipt		Balance & Pledged Principal & Non-Pledged		Revenue Bond		Total Debt Service	Total Debt Service Coverage (8)	Annual Excess Revenue
	Interest 7/1 - 6/30 (3)	Debt Service for Match (4)	Match Excess	Loan Receipts 7/1 - 6/30 (5)	Revenue Bond Debt Service (6)	Debt Service Coverage (7)			
2019	\$17,087,983	\$16,096,177	\$991,807	\$47,959,234	\$3,418,106	14.32	\$19,514,282	3.33	\$45,532,935
2020	17,585,629	15,657,047	1,928,582	57,460,685	3,422,000	17.36	19,079,047	3.93	55,967,267
2021	16,833,488	15,047,298	1,786,190	58,260,176	3,421,200	17.55	18,468,498	4.07	56,625,166
2022	16,181,538	14,358,429	1,823,108	59,223,231	3,418,700	17.86	17,777,129	4.24	57,627,639
2023	15,447,787	13,543,379	1,904,407	59,155,986	3,417,700	17.87	16,961,079	4.40	57,642,693
2024	14,653,737	12,675,635	1,978,101	59,361,707	3,417,950	17.95	16,093,585	4.60	57,921,858
2025	13,808,356	11,537,236	2,271,120	59,691,450	3,419,200	18.12	14,956,436	4.91	58,543,371
2026	12,904,064	10,357,013	2,547,050	60,305,147	3,421,200	18.37	13,778,213	5.31	59,430,998
2027	11,953,498	9,272,759	2,680,739	61,188,210	3,418,700	18.68	12,691,459	5.76	60,450,248
2028	10,942,200	7,199,979	3,742,221	58,553,004	3,421,700	18.21	10,621,679	6.54	58,873,525
2029	10,027,074	4,785,842	5,241,232	52,921,208	3,419,700	17.01	8,205,542	7.67	54,742,740
2030	9,246,002	4,103,866	5,142,136	50,928,014	3,417,700	16.41	7,521,566	8.00	52,652,450
2031	8,466,330	2,468,221	5,998,109	46,806,559	3,420,450	15.44	5,888,671	9.39	49,384,218
2032	7,747,747	1,411,575	6,336,172	45,338,739	3,422,450	15.10	4,834,025	10.98	48,252,461
2033	7,013,769	810,755	6,203,014	46,193,109	3,418,450	15.33	4,229,205	12.58	48,977,673
2034	6,241,663	682,739	5,558,924	42,669,803	3,418,450	14.11	4,101,189	11.93	44,810,277
2035	5,528,545	-	5,528,545	40,428,756	3,421,950	13.43	3,421,950	13.43	42,535,351
2036	4,904,822	-	4,904,822	33,198,079	3,422,150	11.13	3,422,150	11.13	34,680,751
2037	4,339,338	-	4,339,338	28,837,460	3,417,750	9.71	3,417,750	9.71	29,759,047
2038	3,790,471	-	3,790,471	27,158,774	3,417,750	9.06	3,417,750	9.06	27,531,495
2039	3,283,357	-	3,283,357	23,323,690	-	-	-	-	26,607,047
2040	2,860,957	-	2,860,957	21,159,460	-	-	-	-	24,020,417
2041	2,448,736	-	2,448,736	19,218,682	-	-	-	-	21,667,419
2042	2,054,490	-	2,054,490	19,522,915	-	-	-	-	21,577,405
2043	1,648,609	-	1,648,609	19,290,713	-	-	-	-	20,939,322
2044	1,264,404	-	1,264,404	17,654,373	-	-	-	-	18,918,777
2045	905,218	-	905,218	17,219,481	-	-	-	-	18,124,698
2046	555,792	-	555,792	13,663,433	-	-	-	-	14,219,226
2047	314,154	-	314,154	9,553,033	-	-	-	-	9,867,187
2048	127,996	-	127,996	7,724,858	-	-	-	-	7,852,854
2049	21,003	-	21,003	1,980,000	-	-	-	-	2,001,003
2050	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-
	\$230,188,756	\$140,007,951	\$90,180,805	\$1,165,949,969	\$68,393,256		\$208,401,206		\$1,187,737,518

- (1) This cash flow coverage provides a presentation of only the DWSRF, and identifies the portion of outstanding debt designated for state match that is to be repaid only from interest earnings, as required by the EPA. This is distinct from and not reflective of the pledge portrayed in the cash flow coverage provided under SRF Revenue Bond offering documents.
- (2) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
- (3) Represents debt service fund balances designated for state match repayments, pledged loan interest repayments received from July 1st through August 31st from the previous fiscal year, and pledged loan interest repayments from September 1st through June 30th.
- (4) Represents debt service requirements on GO State Match Bonds, and the portion of SRF Revenue Bonds designated for state match.
- (5) Represents debt service fund balances not designated for state match repayments, pledged loan principal repayments and non-pledged principal and interest repayments received from July 1st through August 31st from the previous fiscal year, pledged loan principal and non-pledged principal and interest repayments from September 1st through June 30th.
- (6) Represents debt service requirements on SRF Revenue Bonds not designated for state match.
- (7) Represents debt service coverage ratio for SRF Revenue Bonds not designated for state match.
- (8) Total revenue to debt ratio. Total revenue includes beginning debt service fund balances, and loan repayments for the 12 month period ending on June 30th of the Fiscal Year noted.

**Texas Water Development Board
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**PROJECTED SOURCES OF REVENUES
AS OF AUGUST 31, 2018**

Fiscal Year (1)	Loan Receipts	Loan Receipts	Loan Receipts	Loan Receipts	Total Non-Pledged	Total Projected Income to Pay Debt Service (4)
	Principal From 7/1 - 8/31 (2)	Interest From 7/1 - 8/31 (2)	Principal 9/1 - 6/30 (2)	Interest 9/1 - 6/30 (2)	Annual Loan Receipts 7/1 - 6/30 (3)	
2019	\$7,842,000	\$3,245,680	\$44,280,000	\$14,430,808	\$2,443,295	\$61,154,103
2020	7,987,000	2,985,567	46,761,000	14,339,949	2,857,685	75,046,314
2021	8,382,000	2,897,861	47,384,000	13,847,921	2,889,176	75,093,664
2022	8,423,000	2,796,683	47,707,000	13,283,677	3,134,231	75,404,768
2023	9,074,000	2,683,012	47,610,000	12,651,104	3,122,986	74,603,773
2024	9,218,000	2,555,711	47,124,000	11,970,725	3,163,707	74,015,444
2025	9,685,000	2,421,577	47,147,000	11,252,645	3,326,450	73,499,806
2026	9,866,000	2,276,325	47,295,000	10,482,487	3,325,147	73,209,211
2027	10,167,000	2,120,379	47,998,000	9,677,173	3,324,210	73,141,708
2028	9,829,000	1,956,130	45,011,000	8,821,821	3,375,004	69,495,204
2029	10,222,000	1,818,009	39,620,000	8,070,945	3,472,208	62,948,282
2030	10,344,000	1,671,092	37,652,000	7,427,993	3,054,014	60,174,016
2031	10,662,000	1,554,910	34,253,000	6,795,238	2,209,559	55,272,889
2032	11,176,000	1,432,010	32,623,000	6,192,837	2,053,739	53,086,486
2033	11,395,000	1,298,889	33,030,000	5,581,759	1,987,109	53,206,878
2034	11,321,000	1,167,403	29,417,000	4,942,774	1,857,803	48,911,466
2035	11,067,000	1,034,407	26,702,000	4,361,142	2,405,756	45,957,301
2036	8,974,000	899,824	21,185,000	3,870,415	946,079	38,102,901
2037	8,269,000	766,909	19,031,000	3,439,514	832,460	33,176,797
2038	6,414,000	637,865	18,062,000	3,023,562	827,774	30,949,245
2039	4,740,000	537,541	16,250,000	2,645,492	659,690	26,607,047
2040	4,750,000	455,328	15,798,000	2,323,416	621,460	24,020,417
2041	4,850,000	386,384	13,939,000	1,993,409	529,682	21,667,419
2042	4,960,000	314,970	14,139,000	1,668,106	533,915	21,577,405
2043	4,785,000	241,388	13,898,000	1,333,639	432,713	20,939,322
2044	4,540,000	173,935	12,493,000	1,023,016	376,373	18,918,777
2045	4,635,000	113,638	12,384,000	731,282	295,481	18,124,698
2046	1,495,000	51,948	8,732,000	442,154	296,433	14,219,226
2047	1,525,000	28,043	7,761,000	262,206	297,033	9,867,187
2048	530,000	6,625	6,055,000	99,954	144,858	7,852,854
2049			1,450,000	14,379		2,001,003
2050						
2051						
2052						
2053						
	\$227,127,000	\$40,530,042	\$882,791,000	\$187,001,539	\$54,796,030	\$1,392,245,610

- (1) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
- (2) Represents scheduled repayments on \$1,109,918,000 of outstanding pledged Political Subdivision Bonds as of August 31, 2018.
- (3) Represents scheduled repayments on \$47,122,386 of outstanding non-pledged Political Subdivision Bonds as of August 31, 2018.
- (4) Reflects that for projecting revenue available to pay debt service due within a fiscal year, revenues received for the period ending 6/30 in the same fiscal year are used.

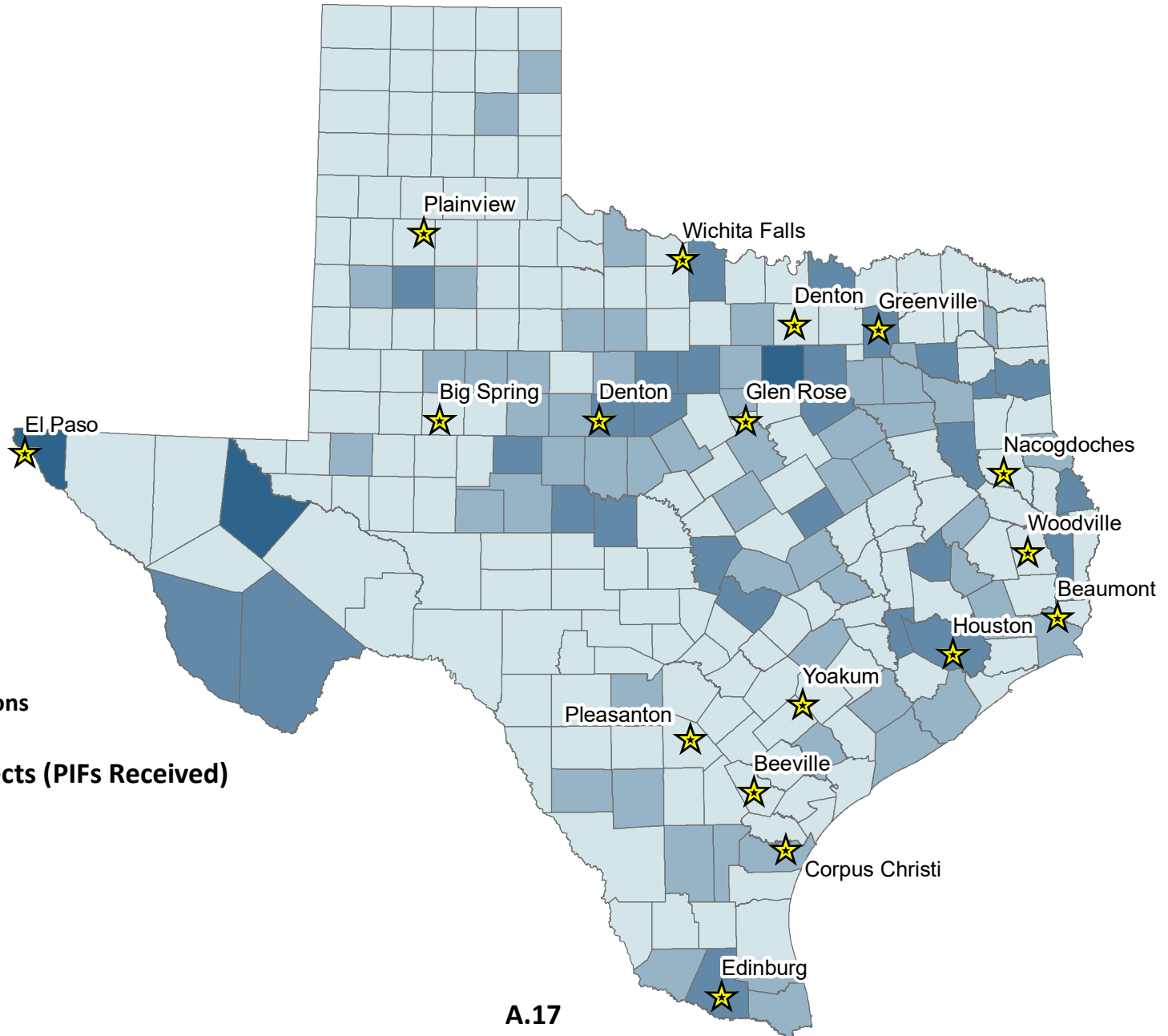
**Texas Water Development Board
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**DEBT SERVICE ON OUTSTANDING BONDS
AS OF AUGUST 31, 2018**

Fiscal Year (1)	Revenue Bonds			Revenue Bonds (Match Portion)			State Match Fixed Rate Bonds (2)			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2019	\$815,000	\$2,603,106	\$3,418,106	\$1,280,000	\$1,127,389	\$2,407,389	\$9,916,813	\$3,771,975	\$13,688,788	\$19,514,282
2020	1,395,000	2,027,000	3,422,000	1,570,000	840,800	2,410,800	9,850,792	3,395,455	13,246,247	19,079,047
2021	1,450,000	1,971,200	3,421,200	1,630,000	778,000	2,408,000	9,623,536	3,015,762	12,639,298	18,468,498
2022	1,520,000	1,898,700	3,418,700	1,710,000	696,500	2,406,500	9,308,009	2,643,921	11,951,929	17,777,129
2023	1,595,000	1,822,700	3,417,700	1,795,000	611,000	2,406,000	8,861,140	2,276,240	11,137,379	16,961,079
2024	1,675,000	1,742,950	3,417,950	1,885,000	521,250	2,406,250	8,353,406	1,915,979	10,269,385	16,093,585
2025	1,760,000	1,659,200	3,419,200	1,980,000	427,000	2,407,000	7,565,373	1,564,863	9,130,236	14,956,436
2026	1,850,000	1,571,200	3,421,200	2,080,000	328,000	2,408,000	6,673,812	1,275,201	7,949,013	13,778,213
2027	1,940,000	1,478,700	3,418,700	2,185,000	224,000	2,409,000	5,841,908	1,021,851	6,863,759	12,691,459
2028	2,040,000	1,381,700	3,421,700	2,295,000	114,750	2,409,750	4,015,564	774,665	4,790,229	10,621,679
2029	2,140,000	1,279,700	3,419,700	-	-	-	4,196,943	588,900	4,785,842	8,205,542
2030	2,245,000	1,172,700	3,417,700	-	-	-	3,712,324	391,542	4,103,866	7,521,566
2031	2,360,000	1,060,450	3,420,450	-	-	-	2,249,716	218,505	2,468,221	5,888,671
2032	2,480,000	942,450	3,422,450	-	-	-	1,299,143	112,432	1,411,575	4,834,025
2033	2,600,000	818,450	3,418,450	-	-	-	755,423	55,332	810,755	4,229,205
2034	2,730,000	688,450	3,418,450	-	-	-	657,169	25,570	682,739	4,101,189
2035	2,870,000	551,950	3,421,950	-	-	-	-	-	-	3,421,950
2036	2,985,000	437,150	3,422,150	-	-	-	-	-	-	3,422,150
2037	3,100,000	317,750	3,417,750	-	-	-	-	-	-	3,417,750
2038	3,255,000	162,750	3,417,750	-	-	-	-	-	-	3,417,750
2039	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-
	\$42,805,000	\$25,588,256	\$68,393,256	\$18,410,000	\$5,668,689	\$24,078,689	\$92,881,069	\$23,048,193	\$115,929,262	\$208,401,206

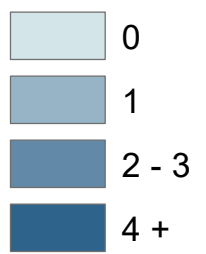
(1) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
(2) GO State Match Bonds and SRF Revenue Bonds designated for state match are paid only from interest repayments.

**Texas Water Development Board
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Map of Workshops Conducted in SFY 2018**



 Workshop Locations

Number of DW Projects (PIFs Received)



Appendix B: DWSRF SFY 2018 Projects

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Commitments Closed										
Map ID	Entity	Commitment #	Loan Amount	Principal Forgiven	Total Closed	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community
1	Arlington	L1000640	\$ 11,445,000	\$ -	\$ 11,445,000	06/01/2019	06/01/2037	0.927%	2017	
1	Arlington	LF1000642	-	450,777	450,777				2017	
2	Barton WSC	LF1000712	-	300,000	300,000				2018	Yes
3	Blanco	L1000633	3,150,000	-	3,150,000	08/15/2019	08/15/2047	1.155%	2017	Yes
4	Booker	L1000651	455,000	-	455,000	08/15/2018	08/15/2037	1.540%	2017	Yes
5	Bracken Christian School of Bulverde	LF1000592	-	32,072	32,072				2017	Yes
6	Buckholts	LF1000623	-	200,000	200,000				2017	Yes
7	Central Washington Co WSC	L1000627	2,815,000	-	2,815,000	10/01/2019	10/01/2046	2.952%	2017	Yes
8	Chandler	L1000654	750,000	-	750,000	10/15/2019	10/15/2042	1.749%	2017	Yes
9	Cisco	L1000713	4,565,000	-	4,565,000	02/15/2020	02/15/2049	0.000%	2018	Yes
9	Cisco	LF1000714	-	6,464,900	6,464,900				2018	Yes
10	Craft-Turney WSC	L1000733	1,625,000	-	1,625,000	02/15/2019	02/15/2042	2.817%	2018	Yes
11	Crystal Clear SUD	L1000615	15,000,000	-	15,000,000	12/01/2018	12/01/2042	1.651%	2017	
12	Cypress Creek UD	L1000679	2,035,000	-	2,035,000	09/01/2019	09/01/2047	2.192%	2017	Yes
13	D & M WSC	L1000655	1,900,000	-	1,900,000	08/15/2018	08/15/2037	2.656%	2017	Yes
14	Dallas	LM17066	44,000,000	-	44,000,000	10/01/2019	10/01/2047	1.326%	2017	
15	Devine	L1000684	2,755,000	-	2,755,000	02/01/2019	02/01/2048	2.012%	2018	Yes
15	Devine	L1000743	6,645,000	-	6,645,000	02/01/2019	02/01/2048	0.000%	2018	Yes
15	Devine	LF1000744	-	500,000	500,000				2018	Yes
16	Dickens	L1000755	460,000	-	460,000	08/15/2019	08/15/2048	2.055%	2018	Yes
16	Dickens	LF1000784	-	300,000	300,000				2018	Yes
17	Eagle Pass	LM17100561	11,900,000	-	11,900,000	12/01/2020	12/01/2047	1.868%	2016	
18	Eldorado	L1000754	1,200,000	-	1,200,000	08/01/2019	08/01/2038	1.861%	2018	Yes
19	Elmendorf	L1000789	10,770,000	-	10,770,000	08/01/2021	08/01/2048	2.094%	2018	Yes
20	Gladewater	L1000630	1,600,000	-	1,600,000	08/15/2018	08/15/2037	0.971%	2017	Yes
21	G-M WSC	L1000777	2,775,000	-	2,775,000	03/01/2019	03/01/2048	3.242%	2018	
21	G-M WSC	LF1000778	-	2,715,900	2,715,900				2018	
22	Gordon	L1000583	460,000	-	460,000	03/01/2019	03/01/2048	2.850%	2017	Yes
22	Gordon	LF1000658	-	728,072	728,072				2017	Yes

**Texas Water Development Board
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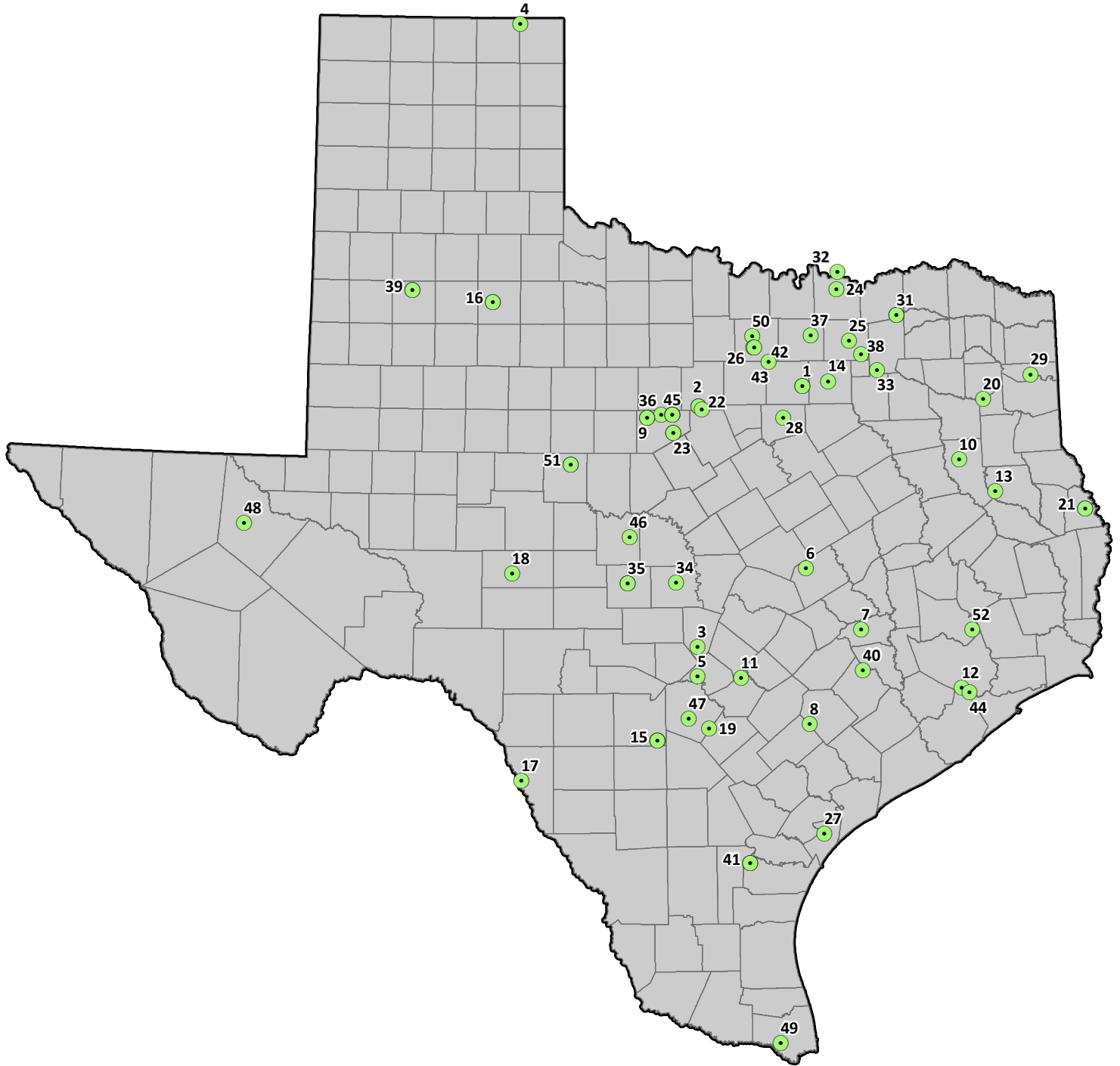
Commitments Closed										
Map ID	Entity	Commitment #	Loan Amount	Principal Forgiven	Total Closed	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community
23	Gorman	L1000649	1,000,000	-	1,000,000	03/01/2019	03/01/2048	2.236%	2017	Yes
23	Gorman	LF1000650	-	1,000,000	1,000,000				2017	Yes
24	Greater Texoma UA	L1000639	1,225,000	-	1,225,000	08/15/2018	08/15/2037	1.385%	2017	Yes
25	Greater Texoma UA	L1000674	15,200,000	-	15,200,000	09/01/2019	09/01/2048	2.255%	2018	Yes
26	Greater Texoma UA	L1000783	935,000	-	935,000	10/01/2019	10/01/2048	2.100%	2018	Yes
27	Holiday Beach WSC	LF1000701	-	700,000	700,000				2018	Yes
28	Johnson County SUD	L1000790	22,000,000	-	22,000,000	08/15/2019	08/15/2038	1.321%	2018	
29	Kellyville-Berea WSC	L1000577	635,000	-	635,000	02/15/2019	02/15/2038	2.892%	2017	Yes
30	Kirbyville	L1000741	1,805,000	-	1,805,000	08/15/2019	08/15/2038	1.873%	2018	Yes
30	Kirbyville	LF1000742	-	194,600	194,600				2018	Yes
31	Ladonia	L1000707	2,810,000	-	2,810,000	08/15/2019	08/15/2047	2.214%	2018	Yes
31	Ladonia	LF1000722	-	300,000	300,000				2018	Yes
32	Lake Texoma VFW Post 7873	LF1000724	-	200,000	200,000				2018	Yes
33	Lil Countryside WSC	LF1000723	-	250,000	250,000				2018	Yes
34	Llano	L1000683	890,000	-	890,000	09/15/2019	09/15/2038	1.534%	2018	Yes
35	Mason	L1000725	990,000	-	990,000	03/01/2020	03/01/2049	0.000%	2018	Yes
35	Mason	LF1000726	-	1,669,200	1,669,200				2018	Yes
36	Morton Valley WSC	LF1000705	-	200,000	200,000				2018	Yes
37	Mustang SUD	L1000637	3,555,000	-	3,555,000	09/01/2018	09/01/2047	1.764%	2017	
38	Nevada SUD	L1000762	1,490,000	-	1,490,000	05/15/2019	05/15/2038	1.961%	2018	Yes
39	New Deal	L1000634	935,000	-	935,000	03/01/2019	03/01/2048	1.858%	2017	Yes
39	New Deal	LF1000644	-	98,800	98,800				2017	Yes
40	New Ulm WSC	LF1000797	-	97,060	97,060				2018	Yes
41	Nueces County	L1000569	70,000	-	70,000	09/12/2018	09/12/2018	0.000%	2017	Yes
41	Nueces County	LF1000661	-	830,000	830,000				2017	Yes
42	Paradise	LF1000711	-	300,000	300,000				2018	Yes
43	Patterson Water Supply LLC	LF1000761	-	138,780	138,780				2018	Yes
44	Pearland	LM18100563	8,650,000	-	8,650,000	09/01/2019	09/01/2048	1.371%	2016	

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Commitments Closed										
Map ID	Entity	Commitment #	Loan Amount	Principal Forgiven	Total Closed	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community
45	Ranger	L1000626	420,000	-	420,000	02/15/2020	02/15/2049	0.000%	2017	Yes
45	Ranger	L1000677	570,000	-	570,000	02/15/2020	02/15/2049	2.248%	2017	Yes
45	Ranger	LF1000646	-	739,300	739,300				2017	Yes
46	Rochelle WSC	LF1000721	-	300,000	300,000				2018	Yes
47	San Antonio Water System	L1000652	10,500,000	-	10,500,000	05/15/2019	05/15/2048	1.453%	2017	
48	Toyah	LF1000586	-	200,000	200,000				2017	Yes
49	Valley MUD # 2	L1000695	1,495,000	-	1,495,000	02/15/2021	02/15/2048	1.856%	2018	Yes
50	West Wise SUD	L1000579	13,430,000	-	13,430,000	08/15/2019	08/15/2047	1.983%	2017	Yes
51	Winters	L1000590	580,000	-	580,000	04/01/2019	04/01/2038	2.937%	2017	Yes
51	Winters	LF1000659	-	242,054	242,054				2017	Yes
52	Woodbranch Village	L1000616	1,500,000	-	1,500,000	08/01/2019	08/01/2037	1.680%	2017	Yes
Totals		68	\$ 216,990,000	\$ 19,151,515	\$ 236,141,515					

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Map of Project Locations of Closings



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Descriptions of Closed Projects

Arlington			
Electrical System Improvements			
Project # 62750			
Commitment Amount	\$11,895,777	Closing Date	12/21/2017
Commitment Code(s)	L1000640, LF1000642	Map Location	1
<p>Project Need: The John F. Kubala WTP (JKWTP) in Arlington needs electrical upgrades due to aging infrastructure past its useful life and safety allowances. There is also not sufficient back-up power supply to all components of the system with the current generators.</p> <p>Project Description: At the John F. Kubala WTP (JKWTP), much of the electrical equipment is original to when it was built in 1989. For this project, the electrical services will be consolidated into two incoming lines serving a single 4160V switchgear, located in a new electrical building. The building will be located near the high service pump station near the largest concentration of electrical load. The switchgear would consist of Main-tie-tie-main configuration, which allows for each piece of equipment to be isolated and de-energized without requiring the rest of the system to be shut down. Each of the incoming feeders, transformers, and switchgear will be sized to accommodate the electrical equipment needed for the required minimum WTP production capacity.</p>			
Barton WSC			
Water System Improvements			
Project # 62792			
Commitment Amount	\$300,000	Closing Date	05/15/2018
Commitment Code(s)	LF1000712	Map Location	2
<p>Barton Water Supply Corporation (Corporation) has had issues maintaining pressure and disinfection residuals within its distribution system. Aged electrical and control systems at existing pump stations have added to the difficulty in maintaining the distribution system. To help address pressure and capacity issues, the Corporation needs to reactivate Pump Station 5.</p> <p>The Corporation is proposing to rehabilitate Pump Station No. 5, including replacing pumps, adding a 30,000-gallon storage tank, electrical upgrades, Supervisory Control and Data Acquisition (SCADA) improvements, and upgrades to the chloramine disinfection system to address the pressure, capacity, and disinfection residual issues in the area near the pump station.</p>			
Blanco			
Rehabilitation of Water Treatment Plant Facility			
Project # 62748			
Commitment Amount	\$3,150,000	Closing Date	10/24/2017
Commitment Code(s)	L1000633	Map Location	3
<p>Project Need: The City of Blanco (City) water treatment plant facilities were originally constructed in 1955 with subsequent piecemeal upgrades. Many components of the water treatment process are aging, unreliable, and in some cases a potential safety hazard for employees. The facilities are located along the Blanco River and are susceptible to flooding. During a May 2015 flood event, the raw water pumps, transfer pumps, and clearwell were submerged by about four feet of water. Recently, issues with trihalomethane (THM) have been detected in the potable water and require resolution by the City. In addition, some facilities have inadequate access and are difficult for employees to maintain.</p> <p>Project Description: The City proposes to rehabilitate and, in some cases, replace old components, elevate facilities out of the 100-year floodplain, and demolish abandoned components, including a clear well, transfer pump building, filters, 3 small buildings, and a recycle pumping station. These modifications will not only address the reliability issues, but also improve access to facilities. The City will also</p>			

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obtain a new TCEQ permit to discharge some of the processed water to the Blanco River. The permit expired in 2008 and needs to be renewed. The proposed work will require the City to shut-down the plant for up to nine months. The City has an agreement to purchase water from Canyon Lake Water Supply Corporation during this period. The cost of this purchased water is included in the project budget.

Booker

Water Main Replacement

Project # 62754

Commitment Amount	\$455,000	Closing Date	11/06/2017
Commitment Code(s)	L000651	Map Location	4

The City of Booker's (City) existing cast iron water lines are approximately 30 years old and breaks are increasingly common, contributing to a recurring need for emergency repairs. In the past two years, the water lines have had a minimum of five breaks within a two-block location. Frequently, additional breaks further down the line have occurred during repairs. By installing new water mains, the City can improve its infrastructure and mitigate real water loss.

The City proposes to replace approximately 4,337 feet of 4-,6-, and 8-inch water line throughout the existing service area.

Bracken Christian School of Bulverde

Connection to CCN 10692

Project # 62722

Commitment Amount	\$32,072	Closing Date	09/11/2017
Commitment Code(s)	LF1000592	Map Location	5

Project Need: Bracken Christian School of Bulverde (School) is currently under a Texas Commission on Environmental Quality (TCEQ) Agreed Order for several violations related to both delinquent reporting and inadequate maintenance of the water system.

Project Description: The School proposes to connect to Canyon Lake Water Service Company (Company) and become a potable water customer. The School intends to utilize the proposed funding to pay the fee to connect with the Company and utilize local funding to tap into the Company's existing water main, to set a meter, and to construct a waterline from the School to the water main. The School plans to convert the existing well into an irrigation well.

Buckholts

Water Meter Replacement

Project # 62738

Commitment Amount	\$200,000	Closing Date	09/07/2017
Commitment Code(s)	LF1000623	Map Location	6

Project Need: The Town has water meters in service that are past their useful life and fail to measure accurately. The replacement of meters will address inaccurate water usage measurements. Existing meters do not read automatically, resulting in staff and billing inefficiency.

Project Description: The project will install meters and meter boxes located within the Town service area, as well as purchase of an office computer to install meter reading software and a data collection tablet for field staff to read meters.

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Central Washington Co WSC Water Supply, Storage, and Distribution Project # 62743			
Commitment Amount	\$2,815,000	Closing Date	09/28/2017
Commitment Code(s)	L000627	Map Location	7
<p>Project Need: The proposed Central Washington County Water Supply Corporation (Corporation) water system improvements project would address Texas Commission on Environmental Quality (TCEQ) minimum capacity requirements for water supply, storage and distribution capacity. The Corporation was noted by TCEQ in 2016 for violation of maximum contaminant level for total trihalomethane (TTHM).</p> <p>Project Description: Project would construct new water supply well with iron filtration facilities, a new standpipe, install generator quick connections at each of the Corporation's two existing water treatment locations, install an in-tank aeration system at the Corporation's existing standpipe to reduce TTHM, construct a new raw water transmission line, and upgrade existing water distribution system.</p>			
Chandler Existing Water Well Improvements Project # 62752			
Commitment Amount	\$750,000	Closing Date	03/13/2018
Commitment Code(s)	L000654	Map Location	8
<p>The City of Chandler (City) needs to replace an existing ground storage tank that was constructed in the 1970s and is nearing the end of its useful life. The existing ground storage tank is located at Water Well No. 2 on Martin St. near the heart of the city. The City decided to construct a new ground storage tank at Water Well No. 4 which is east of the city on State Highway 31 and has a much larger pumping capacity, 500 gpm. To install the ground storage tank at Well No. 4, a high service pump station and disinfection system to serve the existing well are also needed.</p> <p>This project proposes to replace the existing bolted-steel ground storage tank at Water Well No. 2, which will remain in use for now, but be demolished at a later date, with a new welded-steel ground storage tank at Water Well No. 4. Two high service pumps, disinfection facilities, electrical components and controls, yard piping and valves, and an access drive to the well site will also be constructed.</p>			
Cisco Cisco Emergency WTP Replacement Urgent Need Project Project # 62717			
Commitment Amount	\$11,029,900	Closing Date	06/27/2018
Commitment Code(s)	L000713, LF1000714	Map Location	9
<p>Project Need: The City of Cisco (City) needs to finalize design and construct a new surface water treatment plant to replace their existing plant, which was destroyed by flooding in June 2016. The City is currently using a portable, temporary microfiltration plant to provide potable water to their residents.</p> <p>Project Description: The City proposes to finalize planning and design and construct a new 2.0 million gallons per day surface water treatment plant to replace the plant destroyed in June 2016. The replacement plant will be relocated to a site adjacent to the existing plant and will employ treatment techniques similar to the destroyed plant.</p>			

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Craft-Turney WSC
New Water Plant, New Well and Infrastructure
Project # 62755

Commitment Amount	\$1,625,000	Closing Date	08/22/2018
Commitment Code(s)	L000733	Map Location	10

Project Need: The Craft-Turney Water Supply Corporation's (Corporation) water system suffers from low pressure in the southern part of its service area. The Corporation is located in the fastest growing area of Cherokee County and increased demands on the system will exacerbate the low-pressure problem.

Project Description: The Corporation is requesting financial assistance for planning, acquisition, design, and construction of water system improvements including a new 90 to 250 gallons per minute water well, two high service pumps at a new pump station, a new aerator, and a new 100,000-gallon ground storage tank to address low pressure and increased demand in the system.

Crystal Clear SUD
Crystal Clear (CCSUD) Water System Improvements
Project # 62742

Commitment Amount	\$15,000,000	Closing Date	11/03/2017
Commitment Code(s)	L000615	Map Location	11

Project Need: Crystal Clear Special Utility District (District) has aging infrastructure and system inefficiencies and has received several enforcement actions from the Texas Commission on Environmental Quality (TCEQ) to address the condition of some of its facilities. The District needs to combine existing pressure zones, develop redundancy within the system, upgrade transmission lines to meet adequate system capacities, fix pressure deficiencies, and reduce overall operations and maintenance costs of the system.

Project Description: The District proposes eleven projects that include rehabilitation of several elevated and ground storage tanks, water treatment plant improvements, distribution system improvements, installation of new transfer pumps, construction of ground and elevated storage tanks, and the installation of relief valves to reduce pressure within the distribution system. In addition, the proposed project will construct a water well, associated water lines, and water treatment facilities to remove solids from the water well. The project also includes improvements to a portion of the City of San Marcos' infrastructure that will be transferred to the District. The District also requests a waiver from the requirement to include funds to mitigate water loss as part of the project. The District request indicates they have conducted recent studies of the system's water loss and have started a program to replace all meters in the system within four years.

Cypress Creek UD
2017 Waterline Replacements
Project # 62760

Commitment Amount	\$2,035,000	Closing Date	05/16/2018
Commitment Code(s)	L000679	Map Location	12

Water lines within Cypress Creek Utility District (District) were constructed around 1970. Most of the existing pipe material appears to be asbestos concrete and has reached the end of its service life. The project is necessary to prevent water main breaks and potential damage to surrounding infrastructure.

The project includes planning, design, and construction of water line replacements along Jones Road (a major thoroughfare) and Balcrest Drive (a minor arterial street). In addition, water lines along the easterly portions of two streets will be replaced. Approximately 80% of the proposed water lines will be constructed by auger construction to avoid driveways, trees, and re-paving.

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D & M WSC			
Eden Water Plant Rehab			
Project # 62753			
Commitment Amount	\$1,900,000	Closing Date	01/12/2018
Commitment Code(s)	L000655	Map Location	13
<p>Need: The D & M Water Supply Corporation's (WSC) Eden Water Plant is currently not functioning and needs to be rehabilitated. The WSC needs to correct insufficient water production, insufficient water storage capacity, insufficient pump and pressure capacity at their Eden Water Plant, and the lack of an Asset Management Plan.</p> <p>Project Description: The proposed project will include: drilling a new water well; demolition of the existing 47,000-gallon standpipe; rehabilitating or replacing the 150,000-gallon ground storage tank; rehabilitating or replacing the two 5,000 gallon each hydropneumatic tanks; rehabilitating or replacing the pump building and high service pumps; and rehabilitating or replacing the chemical feed. The WSC will also create and implement an Asset Management Plan.</p>			
Dallas			
Water Distribution System Improvements (5 Year)			
Project # 62741			
Commitment Amount	\$44,000,000	Closing Date	05/14/2018
Commitment Code(s)	LM17066	Map Location	14
<p>Dallas Water Utilities' small diameter water main replacement program provides for the rehabilitation or replacement of approximately 40 miles of small diameter water main every year. The purpose of the program is to maintain integrity of the water distribution system, thereby reducing main breaks, maintenance costs, water losses and impacts to the public.</p> <p>The City of Dallas will utilize DWSRF funds to construct multiple segments of small diameter water main (less than 20-inch) replacements totaling nearly 40 miles/year.</p>			
Devine			
Drinking Water System Improvements			
Project # 62777			
Commitment Amount	\$9,900,000	Closing Date	08/14/2018
Commitment Code(s)	L000684, L000743, LF1000744	Map Location	15
<p>Project Need: The City of Devine's (City) water distribution system includes asbestos cement lines, cast iron lines, and undersized lines. The City is currently under a Texas Commission on Environmental Quality agreed order for failure to comply with the maximum contaminant level for asbestos in the water distribution system. The system poses a potential threat to public health and safety and may lead to diminished water pressure and adversely affect the overall water quality distributed to consumers. The City needs to bring the distribution system into compliance by replacing the asbestos cement water and transmission lines, cast iron waterlines, and increase waterline sizes.</p> <p>Project Description: To comply with the demands and correct inefficiencies in the water distribution and transmission lines, the City is proposing to install approximately 13,400 linear feet (LF) of new 12-inch polyvinyl chloride (PVC) transmission main and replace 31,100 LF of existing water lines with 12-inch PVC transmission main and 93,900 LF of 6 and 8-inch PVC waterline. The project will also include installation of a lab, SCADA facility, gate valves, fire hydrants, fittings, testing and disinfection, and other appurtenances.</p>			

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Dickens
Standpipe Replacement Project
Project # 62757

Commitment Amount	\$760,000	Closing Date	08/09/2018
Commitment Code(s)	L000755, LF1000784	Map Location	16

The City of Dickens (City) has identified that the standpipe in its water distribution system needs replacement due to deterioration. The City has determined that rehabilitation of the standpipe is not economically feasible, as it would require a complete removal and replacement of the top portion. Additionally, the standpipe foundation is cracked, causing the structure to lean. The standpipe requires immediate action to ensure continued potable water supply to the citizens of Dickens.

The City proposes to replace its existing 80,000-gallon standpipe with two, new, 40,000-gallon ground storage tanks. The use of two smaller storage tanks allows for flexible operation and continuous storage during routine maintenance, while satisfying current community water system storage requirements.

Eagle Pass
Upgrade and Expansion of the Water Treatment and Distribution System
Project # 62556

Commitment Amount	\$11,900,000	Closing Date	07/12/2018
Commitment Code(s)	LM17100561	Map Location	17

Need: The City of Eagle Pass (City) needs to replace deteriorated and undersized pipe, rehabilitate aging water storage tanks, add water storage capacity, replace old and inaccurate water meters, and replace water plant filters' membranes that are reaching their expected service life. In addition, the City must expand its water treatment plant because, per the Texas Commission of Environmental Quality (TCEQ) rules, it has exceeded 85% of its permitted capacity.

Project Description: The proposed project consists of planning, design, and construction of improvements to and expansion of the existing membrane surface water treatment plant (WTP) from 15 million gallons per day (mgd) to 18 mgd; replacement of deteriorated cast iron water lines; replacement of the water distribution system in Las Quintas, and Jardines Verdes subdivisions; water tank rehabilitation; and construction of a new ground storage tank at College Hills. In addition, the project includes a leak detection study, a water audit, water modeling, and a GIS-based asset management plan.

Eldorado
New Elevated Storage Tank and Water Distribution System Improvements
Project # 62785

Commitment Amount	\$1,200,000	Closing Date	04/12/2018
Commitment Code(s)	L000754	Map Location	18

The City of Eldorado (City) currently has two 50,000-gallon water towers, one of which (the City Hall Tower) is over 80 years old, deteriorated, and in need of replacement. The City is also nearing 1,000 connections and additional overhead storage will be required to meet Texas Commission on Environmental Quality overhead storage requirements of 100 gallons per connection. Additionally, low pressure points exist in dead-end lines within the distribution system causing increased detention time and requiring more frequent flushing of lines.

The City proposes to design and construct a new 100,000-gallon elevated storage tank on property owned by the City to replace the City Hall elevated storage tank. Additionally, the City proposes to install approximately 3,200 linear feet of new 6-inch water line and related appurtenances to complete a loop and better connect the proposed elevated storage tank to the City's water system. Finally, the City will also incorporate a new Supervisory Control and Data Acquisition (SCADA) system to monitor and control wells, pumps, and storage tanks.

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The proposed water system upgrades will improve circulation and service pressure for existing City customers and improve operation of the overall system.

Elmendorf

Water Supply Project

Project # 21773

Commitment Amount	\$10,770,000	Closing Date	08/08/2018
Commitment Code(s)	L000789	Map Location	19

Project Need: The City of Elmendorf (City) purchases treated wholesale water under an agreement with the San Antonio Water System (SAWS). The City intends to create its own water system in its effort to control costs. The city owns its water distribution system but does not own any storage or pumping facilities.

Project Description: The City requests funds for planning, acquisition, design, and construction of four water wells, a raw water tank, a clearwell, a reverse osmosis system, an elevated storage tank, raw and potable water lines, SCADA controls, emergency generators, a high service pump station to serve the City, and replacement of AMR/AMI water meters. The state and regional water plans identify the City's water source as the Edwards Aquifer. The proposed project would change the City's water source to the Carrizo-Wilcox Aquifer. The City is requesting a waiver from the requirement that the project be addressed in a manner that is consistent with the state and regional water plans.

Gladewater

Intake Structure and Water Storage Tank

Project # 62745

Commitment Amount	\$1,600,000	Closing Date	09/29/2017
Commitment Code(s)	L000630	Map Location	20

Project Need: The City of Gladewater has an existing deteriorated WTP intake structure located in Lake Gladewater. The gates and screens on the intake structure are always submerged and over decades of use have become corroded and inoperable. The elevated storage tank is in urgent need of rehabilitation. Waterline upgrades are needed to repair aged, undersized, and failing waterlines and to create looping at critical points within the system. The city also plans to create and implement an Asset Management Plan.

Project Description: Project will rehabilitate the existing raw water intake structure, rehabilitate an elevated storage tank, upgrade access to the existing Water Treatment Plant, replace existing failing waterlines, and prepare and implement an Asset Management Plan.

G-M WSC

Water System Improvements

Project # 62771

Commitment Amount	\$5,490,900	Closing Date	08/24/2018
Commitment Code(s)	L000777, LF1000778	Map Location	21

Need: The G-M Water Supply Corporation (Corporation) has a large service area with limited production facilities. The Corporation intends to cease purchasing water from the City of Hemphill in accordance with the 2016 East Texas Regional Water Plan.

Description: The proposed project will provide improvements to infrastructure needed to provide quality water service throughout the Corporation's widespread system. Improvements include: 1. The rehabilitation of a recently purchased existing ground water well plant which the Corporation purchased from the City of Pineland. Major work items at the existing water plant will included rehabilitation of the existing 400 gpm water well and pump, 200,000 gallon ground storage tank, two 25 horsepower high service pumps, and electrical and control equipment; furnishing and installation of new ozone treatment equipment and building enclosure, chlorination disinfection equipment, yard piping, site paving, yard lights, and site grading; and installation of approximately 1.5 miles of 6-inch water line. 2. At the

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FM 83 Distribution Plant, a new 100,000-gallon elevated storage tank and installation of four miles of 8- to 10-inch water lines are proposed. Also, possible rehabilitation of the existing 70,000-gallon stand pipe will be considered. 3. At the existing Kings Cemetery Plant site, a new 60,000-gallon ground storage tank along with system and site modifications. 4. Installation of approximately two miles of 3- to 4-inch water lines along North Hwy 87. 5. Improvements to the Midlake Plant controls and electrical system as well as installation of approximately 5,300 linear feet of 6-inch water line. 6. Rehabilitation of the existing 75,000-gallon standpipes at the CL&M and Redhill plants. 7. Replacement of the existing 6-inch aerial water line on the TxDOT bridge across Toledo Bend Reservoir with 4,000 ft of 6-inch directional drilled crossing. 8. Update the Corporation's existing Water Conservation Plan which will expire in 2019.

Gordon

WTP and Water Lines

Project # 62724

Commitment Amount	\$1,188,072	Closing Date	10/26/2017
Commitment Code(s)	L000583, LF1000658	Map Location	22

The City of Gordon needs to address significant water loss issues caused by deteriorated 40-year-old transmission and distribution lines, and inaccurate water meters. The City also needs to address filtration issues at its surface water treatment plant, which has occasionally exceeded primary drinking water standards for disinfection by-products. Lastly, the plant has reached 85 percent of its production capacity and is required by Texas Commission on Environmental Quality (TCEQ) to increase capacity to serve city customers and wholesale contract customers.

The City is proposing to replace approximately 8,300 linear feet of 40-year-old deteriorated 8-inch cast iron raw water piping and approximately 2,400 linear feet of 50-year-old 8-inch cast iron distribution line to address frequent line breaks and deteriorated pipe condition. The City is also proposing to replace inaccurate water meters within its service area. Both proposed replacements will address water loss issues. To address the capacity and disinfection by-products issues, the City is proposing to replace a conventional mixed media water filter with a 0.35 million gallon per day (mgd) microfiltration system. Replacing the conventional filter with the microfiltration unit will increase capacity to allow the City to continue to provide potable water supplies to the City of Mingus and Barton Water Supply Corporation and will address the problem with disinfection by-products.

Gorman

Water System Improvements

Project # 62660

Commitment Amount	\$2,000,000	Closing Date	03/22/2018
Commitment Code(s)	L000649, LF1000650	Map Location	23

Need: The City of Gorman (City) needs to address water loss within their distribution system. The City's distribution system consists mostly of 80-year old cast iron piping and is reaching the end of its useful life.

Project Description: The City of Gorman is proposing to replace approximately 25,000 linear feet of cast iron piping within their distribution system to address water loss and water quality issues. The City is also proposing to replace their existing water meters with electronic read meters to provide a more accurate accounting of water use.

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Greater Texoma UA			
City of Krum New Water Well and Appurtenances			
Project # 62749			
Commitment Amount	\$1,225,000	Closing Date	09/26/2017
Commitment Code(s)	L000639	Map Location	24
<p>Need: The City is currently under a TCEQ Agreed Order to address a 23% deficiency in its water supply capacity for the largest pressure plane of its water system.</p> <p>Project Description: Construction of one 250 - 300 GPM potable water well at the Masch Branch Water Delivery Site, including chloramine disinfection, potential corrosion inhibitor chemicals, connection to the existing ground storage tank at the site, and site access and fencing. The project site is already owned by the City, but some sanitary control easement procurement may be required.</p>			
Greater Texoma UA			
Greater Texoma Utility Authority/City of Princeton Water System Improvements Project			
Project # 62759			
Commitment Amount	\$15,200,000	Closing Date	03/27/2018
Commitment Code(s)	L000674	Map Location	25
<p>The City of Princeton (City) receives water from North Texas Municipal Water District (NTMWD) at their existing Forest Grove Pump Station. The Forest Grove Pump Station has a pump capacity of 0.72 MGD, and 100,000-gallon ground storage capacity. It is anticipated the Forrest Grove Pump Station will not meet TCEQ storage and pumping capacity standards by 2020, due to growth in the region. Furthermore, the existing site is too small to accommodate the necessary pump station and tank improvements.</p> <p>The City of Princeton will utilize DWSRF funds for Planning, Acquisition, Design, and Construction, for the development of a New 15 MGP Pump Station site. The New Pump Station site will include a new 15 MGD pump station with the capability to expand to 29 MGD, initiation of a 4 Million Gallon (MG) ground storage tank with the capability to add an additional 4.0 MG ground storage tank in the future, a NTMWD delivery point vault, yard piping, electrical building, discharge meter vault, disinfection facilities, onsite generator, SCADA control system, and other necessary improvements. In addition to the development of the new pump station, the city will extend the 24-inch NTMWD supply line approximately 1,000 linear feet to the new pump station site.</p>			
Greater Texoma UA			
GTUA/City of Paradise Water System Improvements Project			
Project # 62791			
Commitment Amount	\$935,000	Closing Date	08/02/2018
Commitment Code(s)	L000783	Map Location	26
<p>Project Need: The City of Paradise purchases water from a regional water supplier and the water supplied exceeds TCEQ Maximum Contaminant Level's (MCL) for Trihalomethanes and Haloacetic Acids. The City has been fined by TCEQ for exceeding MCL.</p> <p>Project Description: The City of Paradise proposes to extend water lines necessary to connect existing homes and businesses, and complete an existing project involving piping changes, including installation of new appurtenances to reduce short-circuiting, and provide aeration of the water supplied to the Elevated Tank followed by a new chlorination system.</p>			

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Holiday Beach WSC

Urgent Need Request: Hurricane Harvey Water System Repairs

Project # 62784

Commitment Amount	\$700,000	Closing Date	03/20/2018
Commitment Code(s)	LF1000701	Map Location	27

Need: The Holiday Beach Water Supply Corporation (Corporation) water system suffered considerable damage from Hurricane Harvey. The system lost power for nine days, damaging the reverse osmosis membranes because of water stagnation; the high service pumps in the water treatment plant were damaged due to flooding; and other water system facilities, such as security fences and the storage building, were damaged by high winds. During the recovery efforts, the asbestos-cement water lines were also damaged due to heavy equipment being used to restore electrical power and during clean-up.

Project Description: The project includes replacing the reverse osmosis membranes at the water treatment plant, two high service pumps, sections of asbestos-cement pipe damaged during recovery and cleanup efforts, the water system storage building, and security fences.

Johnson County SUD

Johnson County Special Utility District 2018 Capital improvements Project

Project # 62794

Commitment Amount	\$22,000,000	Closing Date	06/28/2018
Commitment Code(s)	L000790	Map Location	28

Project Need: The Johnson County Special Utility District (District) needs to complete a meter and waterline replacement program to address water losses of up to 18 percent. The District also needs improvements at two water treatment plants to rehabilitate existing facilities.

Project Description: The District is proposing a system wide meter replacement with advanced metering infrastructure and the installation of approximately 25 miles of water lines varying in size from 8-inch to 20-inches in diameter. The pump station at the no.11 water treatment plant would be upgraded. The project will include the acquisition of easements along the proposed routes.

Kellyville-Berea WSC

New Water Well and Infrastructure

Project # 62725

Commitment Amount	\$635,000	Closing Date	01/17/2018
Commitment Code(s)	L000577	Map Location	29

Project Need: The Kellyville-Berea Water Supply Corporation (Corporation) provides service to a small area consisting of approximately 372 service connections. The Corporation abandoned a malfunctioning well at the existing treatment plant and the sole water supply is currently an off-site well. Additionally, the system lacks an asset management plan.

Project Description: The Kellyville-Berea Water Supply Corporation (Corporation) is seeking construction funding for a new water well and to secure water production capability within its system. The well is anticipated to be an 8-inch cased well, 900 feet deep, with a target flow rate of 90-250 gallons per minute (GPM). The proposed well will be constructed at the existing water plant and will incorporate a new fiberglass chlorination building per Texas Commission on Environmental Quality (TCEQ) standards. In addition, the Corporation proposes to develop and implement an asset management plan as part of the proposed project.

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Kirbyville			
Water System Improvements			
Project # 62775			
Commitment Amount	\$1,999,600	Closing Date	06/21/2018
Commitment Code(s)	L000741, LF1000742	Map Location	30
<p>Project Need: The City of Kirbyville is experiencing several issues with their water distribution system including a severely deteriorated elevated storage tank, unreliable high service pumps, and water lines with excessive leaks.</p> <p>Project Description: The City is requesting financial assistance to replace an existing elevated storage tank, rehabilitate high service pumps, and replace deteriorated water lines.</p>			
Ladonia			
Distribution Lines & System Improvements			
Project # 62616			
Commitment Amount	\$3,110,000	Closing Date	03/13/2018
Commitment Code(s)	L000707, LF1000722	Map Location	31
<p>Project Need: The City of Ladonia (City)'s distribution system is comprised of aging cast iron and asbestos cement pipe that has frequent breaks and water loss of up to 40%. The City submitted a PIF for 2018 funding with disadvantaged status to plan replacement of distribution system piping. Planning and design of the replacement pipes has been completed. The City was under boil orders effective on July 8, 2017 due to the condition of the City's well sites and ground storage tanks. The elevated storage tank, well house at Well No. 1, ground storage tank at Well No. 2 and booster pumps are deteriorated and in need of repair or replacement.</p> <p>Project Description: The City proposes to perform construction activities that will lead to the replacement of water distribution lines and repair or replacement of various water system components.</p>			
Lake Texoma VFW Post 7873			
Radium Gross Alpha Compliance Project, Water Meters, and Distribution Lines			
Project # 62779			
Commitment Amount	\$200,000	Closing Date	04/26/2018
Commitment Code(s)	LF1000724	Map Location	32
<p>Project Need: The Lake Texoma VFW Post 7873 water system is currently under an EPA Administrative Order for exceedance of maximum contaminant levels for radium and gross alpha particles. Also, the distribution system lines are not sized per public water system requirements of 30 TAC 290, and the service connections are not metered.</p> <p>Project Description: Post will take the existing water wells and water plant facilities out of service and interconnect the system to the neighboring Ridgecrest water system. The post will also install meters on the service connections and enhance the line sizes to accommodate the interconnection with the Ridgecrest water system.</p>			

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Lil Countryside WSC			
System Improvements			
Project # 62768			
Commitment Amount	\$250,000	Closing Date	06/29/2018
Commitment Code(s)	LF1000723	Map Location	33
<p>Project Need: The Lil Countryside Water Supply Corporation (WSC) currently operates a water system for approximately 14 residential connections that is in poor condition not meeting State of Texas Safe Drinking Water Act requirements. The water system has multiple regulatory compliance deficiencies resulting in TCEQ enforcement actions and is currently operating under the oversight of the TCEQ through a Travis County District Court appointed Temporary manager.</p> <p>Project Description: The WSC proposes to replace or rehabilitate the non-compliant water assets involving a well, equipment building, electrical controls, disinfection system, and a ground storage tank. Other improvements include the replacement of the high service pump, including miscellaneous piping.</p>			
Llano			
Sandstone AC Line Replacement			
Project # 62766			
Commitment Amount	\$890,000	Closing Date	06/20/2018
Commitment Code(s)	L000683	Map Location	34
<p>Project Need: The City's water distribution system consists of asbestos cement (AC) lines that are over 50 years old. These water lines and their seals fail frequently, thereby requiring constant repairs. The City needs to replace the AC water lines in the water distribution system.</p> <p>Project Description: The City proposes to replace approximately 4,000 feet of 12-inch, 6-inch, 3-inch, and 2-inch AC and plastic pipe with approximately 4,000 feet of 12-inch and 8-inch polyvinyl chloride. The AC lines will not be removed but will be abandoned in place. The City plans to replace these water lines simultaneously with replacement of part of a sewer trunk line on Main Street.</p>			
Mason			
Radionuclide Treatment Project			
Project # 62764			
Commitment Amount	\$2,659,200	Closing Date	07/24/2018
Commitment Code(s)	L000725, LF1000726	Map Location	35
<p>The City of Mason (City) is addressing the need to improve its water system because of violations noted by the Texas Commission on Environmental Quality (TCEQ). The City's groundwater sources are above the TCEQ's Primary Drinking Water Standards maximum contaminant level (MCL) for combined radium [Radium-226 and -228] and gross alpha particles. The City has an agreed order with the TCEQ regarding its water quality violations.</p> <p>The City will plan, design, and construct a treatment project to bring its groundwater sources into compliance with the MCLs for combined radium. The proposed project will also include the development of an asset management plan.</p>			

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Morton Valley WSC Waterline Replacement Project # 62761			
Commitment Amount	\$200,000	Closing Date	05/30/2018
Commitment Code(s)	LF1000705	Map Location	36
<p>Need: The Morton Valley Water Supply Corporation (Corporation) needs to replace approximately 50-year old deteriorated, glued-joint polyvinyl chloride piping that has reached the end of its useful life to address water loss issues due to line breaks.</p> <p>Project Description: The Corporation is proposing to replace distribution piping in several areas to address leaks and water loss. The Corporation will replace piping in areas that have large numbers of documented line breaks and leaks.</p>			
Mustang SUD Riley Well Elevated Storage Tank Project # 62747			
Commitment Amount	\$3,555,000	Closing Date	10/25/2017
Commitment Code(s)	L000637	Map Location	37
<p>Project Need: Need: Do to projected population growth it has been determined that Mustang SUD will require additional elevated storage to maintain adequate system pressure within the west side of the Districts service area.</p> <p>Project Description: Mustang SUD will utilize DWSRF funds to construct a 1.0 Million Gallon Elevated Storage Tank including yard piping to connect the tank to the west side service area.</p>			
Nevada SUD Water System Improvements - 2017 Project # 62782			
Commitment Amount	\$1,490,000	Closing Date	05/24/2018
Commitment Code(s)	L000762	Map Location	38
<p>Project Need: The Nevada SUD is at 98% capacity of elevated tank volume. Back-up power supply is needed during power outages.</p> <p>Project Description: The Nevada Special Utility District (SUD) proposes to increase elevated and ground storage capacity, add back-up generators, and upgrade existing SCADA controls.</p>			
New Deal Transmission Line & Standpipe Project # 62570			
Commitment Amount	\$1,033,800	Closing Date	12/05/2017
Commitment Code(s)	L000634, LF1000644	Map Location	39
<p>Need: The City of New Deal's (City) water transmission line from its well field pump station to its elevated storage tank was installed in the 1960's and has deteriorated. During the last several years, it had real water loss of up to 4 million gallons per year. Also, the City's water distribution system cannot maintain adequate operational pressure in the southwest area of the City. This area of the water distribution system is connected by a 6-inch water line, which is over one-mile long. Friction loss in the water line reduces the dynamic pressure in this area to less than the required 35 pounds per square inch.</p> <p>Project Description: The City proposes to replace approximately 18,000 feet of water transmission line from its well field to its elevated storage tank with new 8-inch pipe and construct a new 138,000-gallon standpipe tank in the southwest area of the City.</p>			

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New Ulm WSC			
Water Meter Replacement			
Project # 62787			
Commitment Amount	\$97,060	Closing Date	07/19/2018
Commitment Code(s)	LF1000797	Map Location	40
<p>New Ulm WSC provides water to approximately 163 residential connections in a rural area of Austin County. Customers currently read their own water meters and report their usage for accounting and billing purposes. This process along with the significant age of the existing meters has led to the need for the replacement of water meters and the addition of a more efficient data gathering process. The Corporation is seeking financial assistance for new automated meter reading infrastructure consisting of new meters, transmitters, receivers, instrumentation, and billing software.</p>			
Nueces County			
Cyndie Park Water Improvements			
Project # 62622			
Commitment Amount	\$900,000	Closing Date	10/20/2017
Commitment Code(s)	L000569, LF1000661	Map Location	41
<p>The Cyndie Park 2 Water Supply Corporation (Corporation) provides drinking water to its residents from a well with arsenic levels that are above the maximum contaminant level allowed by the Environmental Protection Agency. An arsenic removal system was installed in 2014 to help control arsenic levels; however, the removal media must be replaced every 12 to 18 months and is not a viable long-term option for the residents.</p> <p>The project will build a waterline from the Cyndie Park area to connect to the Nueces Water Supply Corporation's (NWSC) existing water distribution system at the Indian Trails subdivision. This will allow customers of the Corporation and other nearby residents of the Ranch subdivision to become new customers of NWSC. The project also includes decommissioning the Corporation's existing water well and construction of a 100,000-gallon ground storage tank, two 400-gallon-per-minute pumps, a chlorination system, a 5,000-gallon hydropneumatic tank, and a backup power generator at the NWSC's facilities in Banquete, Texas, to improve the reliability and quality of the service to the Cyndie Park area.</p>			
Paradise			
THM Reduction (Urgent Need)			
Project # 62762			
Commitment Amount	\$300,000	Closing Date	03/21/2018
Commitment Code(s)	LF1000711	Map Location	42
<p>Project Need: The City of Paradise (City) operates a 150,000-gallon elevated storage tank facility that provides potable water to approximately 200 service connections. TCEQ has issued an Agreed Order citing violations for exceeding maximum contaminate levels for trihalomethanes (TTHM), and haloacetic acids (HAA5).</p> <p>Project Description: The City plans to utilize the Drinking Water State Revolving Fund for Planning, Design, and Construction of improvements at the elevated storage tank facilities, to address the water quality issues. The City plans to modify the intake piping for the elevated storage tank, to increase circulation and aeration within the tank. The City will also install a new chlorination system.</p>			

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Patterson Water Supply LLC			
Water Distribution Line Replacement			
Project # 62767			
Commitment Amount	\$138,780	Closing Date	07/19/2018
Commitment Code(s)	LF1000761	Map Location	43
<p>Project Need: The Patterson Water Supply, LLC (Company) water distribution system includes approximately 1,770 linear feet of deteriorated 2-inch lead pipe that continually ruptures due to oxidation. Additionally, the diameter of the distribution lines does not provide sufficient capacity to its customers. The water system has failed to meet Texas Commission on Environmental Quality (TCEQ) required water capacity of 0.6 gallons per minute per connection.</p> <p>Project Description: To address these issues, the Company will replace the deteriorated 2-inch lead pipe with 4-inch polyvinyl chloride piping.</p>			
Pearland			
10 MGD Surface Water Treatment Plant			
Project # 62712			
Commitment Amount	\$8,650,000	Closing Date	05/24/2018
Commitment Code(s)	LM18100563	Map Location	44
<p>NEED: Due to continued and sustained growth in residential, commercial and industrial sectors within the City of Pearland (City), the City requires additional potable water to meet the growing demand. The City currently receives potable water from the City of Houston's Southeast Water Purification Plant (SEWPP) and from ground water wells. As there is no additional source water available from the SEWPP, the new Plant will be beneficial in efforts to implement a diversification of source water.</p> <p>DESCRIPTION: TWDB funds will be used for Planning, Acquisition, Design and Construction with pilot testing, of a 10 MGD Surface Water Treatment Plant (Plant) including 36" diameter transmission lines to various points and the replacement of existing aging customer water meters. The Plant will treat raw water from the GCWA canal for distribution throughout the City's water system. The Plant will be located on City property on CR48 adjacent to the GCWA canal. The project activities are scheduled over a five-year period with new potable water capacity available by 2022. The City currently has agreements in place with Gulf Coast Water Authority (GCWA) to access 10 MGD of raw water from the American Canal</p>			
Ranger			
Urgent Need - Water Distribution Improvements			
Project # 62746			
Commitment Amount	\$1,729,300	Closing Date	06/13/2018
Commitment Code(s)	L000626, L000677, LF1000646	Map Location	45
<p>Project Need: The City of Ranger (City) has been cited by the Texas Commission on Environmental Quality (TCEQ) for exceeding maximum contaminant levels (MCL) in lead, copper, and disinfection by-products. The city also needs to replace existing inaccurate water meters and deteriorated distribution piping within their system to address an average 29 percent water loss over the last few years.</p> <p>Project Description: The City is proposing to replace all water meters with an Automated Meter Reading (AMR) system and portions of their deteriorated distribution piping system to address water losses. The City is also proposing to add pH control and disinfection improvements at an existing ground storage tank to address non-compliance issues with lead and copper within their system.</p>			

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Rochelle WSC
Water Treatment Plant Improvements
Project # 62765

Commitment Amount	\$300,000	Closing Date	06/28/2018
Commitment Code(s)	LF1000721	Map Location	46

Rochelle Water Supply Corporation (Corporation) is currently under an active Texas Commission on Environmental Quality (TCEQ) enforcement order for exceeding the maximum contaminant levels (MCL) for combined radium (-226 and -228).

The Corporation proposes to install water treatment plant improvements at the existing main pump station to support a radium removal system which would treat the water prior to entering the main distribution system. Additionally, the Corporation will replace the primary well meter of the system and develop a plan of action for assessing other meters in the system to address apparent water loss. In addition to \$300,000 in principal forgiveness requested from the Texas Water Development Board, the Corporation has also received funding through a Community Development Block Grant from the Texas Department of Agriculture (TDA) in the amount of \$275,000. The TDA funding application was sponsored by McCulloch County in October 2017 and is intended for the installation of the radium removal system.

San Antonio Water System
Zarzamora Pump Station Upgrade
Project # 62756

Commitment Amount	\$10,500,000	Closing Date	06/14/2018
Commitment Code(s)	L000652	Map Location	47

Need: The San Antonio Water System (SAWS) has experienced problems with the Zarzamora Pump Station due to aging, obsolete, and unserviceable materials, equipment, and components. This pump station is the main source of water to a very densely populated neighborhood in South San Antonio. The pump station runs continuously to keep up with water demands in that area and SAWS work crews are required to deliver chlorine cylinders frequently due to the undersized chlorine gas disinfection. Improvements are needed to add pressure to the service area, to minimize maintenance at the pump station, and to address failing electrical systems.

Project Description: The San Antonio Water System (SAWS) is requesting construction funding to improve and upgrade the Zarzamora Pump Station. The pump station includes wells tanks, and a disinfection system. The project consists of replacing the existing electrical systems; installing a new sodium hypochlorite disinfection system; rehabilitating aging, obsolete, and unserviceable equipment and components, including the replacement of below ground piping and valves; and replacement of electrical switchgear and SCADA systems.

Toyah
Water System Improvements Project
Project # 62727

Commitment Amount	\$200,000	Closing Date	10/31/2017
Commitment Code(s)	LF1000586	Map Location	48

Need: The City of Toyah (City) experiences periodic low pressure and contaminants in its water system, such as trihalomethanes, that exceed the Maximum Contaminated Levels. The City's surface water transmission line is aged and suffers from periodic breakage. The City has received numerous water quality violations from Texas Commission Environmental Quality (TCEQ) due to the condition of its surface water treatment plant (WTP).

Project Description: The City proposes to plan, design, and construct monitoring improvements to its existing WTP. The improvements will bring the WTP into compliance with TCEQ rules for monitoring and provide for remote monitoring of the facility by the operator. The City will also evaluate the feasibility and cost effectiveness of a new groundwater supply to replace its current surface water supply and

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improvements to its existing surface water transmission line. Evaluating the surface water transmission line will primarily involve an aerial leak detection survey. Repair and improvement priorities will be developed from results of the survey.

Valley MUD # 2

Water Distribution Rehabilitation Project

Project # 62781

Commitment Amount	\$1,495,000	Closing Date	06/27/2018
Commitment Code(s)	L000695	Map Location	49

Need: The existing water distribution system, constructed in the early 1970s, has exceeded its useful lifetime. Sections of the system experience leaks with other sections subject to instances of low water pressure, contributing to low levels of residual chlorine in portions of the system.

Description: The project will replace approximately 9,600 linear feet of waterlines to reduce water losses and improve water distribution system efficiency. The project also includes creation of an asset management plan, which the District will be funding.

West Wise SUD

West Wise 2017 Water System Improvements

Project # 62730

Commitment Amount	\$13,430,000	Closing Date	01/10/2018
Commitment Code(s)	L000579	Map Location	50

Project Need: West Wise SUD operates the aging West Wise SUD Water Treatment Plant (WWSUDWTP), which services approximately 1,237 connections. Due to the age of the system, decreased raw water quality, and increased regulatory requirements, WWSUDWTP failed to meet Stage 2 Disinfection Byproduct requirements. West Wise SUD received a Notice of Violation from the Texas Commission on Environmental Quality (TCEQ) and has entered into an agreed order to address the deficiencies. Several issues related to the physical location of the water intake and the location of the treatment plant also cause problems: * Lake Bridgeport becomes eutrophic for three to four months of the year, * The water intake is at the bottom of the reservoir, in the eutrophication zone, * Tarrant Regional Water District (TRWD) has tried unsuccessfully over five years to improve the water quality in the lake, * The current capacity of the Water Treatment Plant (WTP) was not designed to handle the current raw water quality, * A severely eroding and failing hill above the current WTP, and security issues within the Dam Safety Act both create a need to relocate the WTP further away from the Dam, Several issues related to the original design and current age of the WTP, plus regional growth call for significant upgrades to the WTP: * The plant was not designed to handle existing water quality standards, or the poor current water quality of the raw water supply, * The State Regional Water Plan calls for this plant to serve as a regional facility to supply both Alvord and Chico, * The ability for this plant to serve as a regional system was a key benefit that attracted Weatherford College to build a new campus in the northeast portion of WWSUD service area, * The City of Bridgeport does not have enough excess capacity to supply this area, * Obtaining water from the Walnut Creek SUD was considered as an option, but since it would have increased costs by 155%, it was considered unaffordable, * Expansions in the mining industry around the City of Chico may impact the City's current water wells, creating a greater reliance on WWSUD.

Project Description: West Wise SUD is proposing to use funding from a DWSRF loan to rebuild the WWSUDWTP to current legal standards that will also manage the poor raw water quality from Lake Bridgeport. * This project will allow the City to reliably meet Stage 2 Disinfection Byproduct requirements, and allow West Wise SUD to fulfill the agreed order with TCEQ, * The Regional Water Plan requirements to serve the region including the City of Chico and Alvord could more easily be met, * Since the City of Bridgeport does not currently have excess capacity, this replacement of the aging WWSUDWTP could serve current growth and support excess capacity if needed, * In case of a drought, or negative mining related impacts to City of Chico water wells, an improved WWSUDWTP could server the region more reliably.

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Winters			
Water System Improvements			
Project # 62623			
Commitment Amount	\$822,054	Closing Date	09/07/2017
Commitment Code(s)	L000590, LF1000659	Map Location	51
<p>Need: The City of Winters (City) planned to acquire a groundwater supply due to uncertainty with respect to its existing surface water supply in times of drought. However, the City could not find a viable groundwater supply option. In addition, conditions of their surface water supply have improved. Therefore, the City shifted its focus to reducing water loss, improving efficiency, and replacing aged components at both its existing water treatment plant (WTP) and raw water supply line.</p> <p>Project Description: The City proposes to construct improvements at its WTP including replacement of an existing clearwell with a new 0.4 million-gallon clearwell, updating the disinfection injection equipment, installing a new sampling tap, and installing an emergency power generator. The proposed improvements on its raw water transmission line include replacement of a raw water control valve and replacement of air relief valves to reduce water loss.</p>			
Woodbranch Village			
Ground Storage and Pump Station			
Project # 62740			
Commitment Amount	\$1,500,000	Closing Date	09/14/2017
Commitment Code(s)	L000616	Map Location	52
<p>The project is needed to increase total storage capacity. The City's water system is currently operating under an alternate capacity requirement for total storage, 150 gallons per connection, approved by the Texas Commission on Environmental Quality (TCEQ) which is less capacity than the TCEQ's standard minimum storage requirement of 200 gallons per connection. The project will increase the total storage capacity to meet and exceed the TCEQ's minimum requirement. The City's water system currently consists of two water wells (700 gpm total pumping rate, one elevated storage tank (100,000 gal.), and the distribution system with pipes ranging in size from 2 inches to 8 inches in diameter.</p> <p>The proposed project includes: a ground storage tank (approximately 150,000 gals.), a pump station to pump water from the new ground storage tank into the system which will include site work, yard piping, electrical equipment and controls, fencing and related items, and modifications to the two existing well pumps to be able to handle decreased pumping head as required to pump water from the two existing wells into the ground storage tank and then directly into the distribution system along with the with existing elevated tank that is currently in operation.</p>			

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DWSRF Project Starts					
Entity	Project #	Commitment #	Closing Date	Start Date	Net Amount
Arlington	62750	L1000640	12/21/2017	06/12/2018	\$ 11,445,000
Arlington	62750	LF1000642	12/21/2017	06/12/2018	450,777
Bluegrove WSC	62700	LF1000535	08/25/2018	09/02/2017	90,000
Bracken Christian School of Bulverde	62722	LF1000592	09/11/2017	10/05/2017	32,072
Cisco	62717	L1000713	06/27/2018	11/06/2017	4,565,000
Cisco	62717	LF1000714	06/27/2018	11/06/2017	6,464,900
Commodore Cove ID	62718	L1000597	03/15/2017	08/23/2018	200,000
Gordon	62724	L1000583	10/26/2017	07/02/2018	460,000
Gordon	62724	LF1000658	10/26/2017	07/02/2018	728,072
Ladonia	62616	L1000707	03/13/2018	04/30/2018	2,810,000
Ladonia	62616	LF1000722	03/13/2018	04/30/2018	300,000
Mustang SUD	62747	L1000637	10/25/2017	10/09/2017	3,555,000
Nueces County	62622	L1000569	10/20/2017	04/15/2018	70,000
Nueces County	62622	LF1000661	10/20/2017	04/15/2018	830,000
River Oaks	62731	L1000574	05/04/2017	10/02/2017	8,000,000
San Antonio Water System	62756	L1000652	06/14/2018	02/12/2018	10,500,000
Seymour	62693	L1000514	02/23/2017	01/18/2018	2,115,000
Seymour	62693	LF1000530	02/23/2017	01/18/2018	885,476
Sol Y Mar WS	62629	LF1000272	06/17/2015	04/11/2018	200,000
Stamford	62685	L1000474	06/14/2016	01/08/2018	9,530,000
Stamford	62685	LF1000478	06/14/2016	01/08/2018	10,235,708
Strawn	62677	LF1000500	05/06/2016	09/16/2017	700,000
Tioga	62692	L1000501	06/16/2016	03/16/2018	1,050,000
Tioga	62692	LF1000515	06/16/2016	03/16/2018	200,000
West Tawakoni	62698	L1000541	03/21/2017	09/05/2017	1,125,000
Totals	17	unique projects			\$ 76,542,005

DWSRF Project Completions					
Entity	Project #	Commitment #	Closing Date	Completion Date	Net Amount
Bluegrove WSC	62700	LF1000535	08/25/2018	02/23/2018	\$ 90,000
Bracken Christian School of Bulverde	62722	LF1000592	09/11/2017	10/05/2017	32,072
Cisco	62717	L1000564	01/18/2017	09/12/2017	500,000
Eules	62647	L1000338	08/05/2015	09/07/2017	4,685,000
Eules	62647	LF1000353	08/05/2015	09/07/2017	808,050
Honey Grove	62531	L1000441	04/29/2016	05/15/2018	2,700,000
Marion J Smith dba Smith Mgmt Svcs	62578	LF1000192	01/16/2014	03/14/2018	148,000
Marion J Smith dba Smith Mgmt Svcs	62580	LF1000191	01/16/2014	05/03/2018	128,000
Marion J Smith dba Smith Mgmt Svcs	62581	LF1000193	01/16/2014	03/14/2018	200,000
Nueces County	62622	LF1000340	05/27/2015	12/19/2017	200,000
Red River Co WSC	61515	L090066	06/17/2011	09/27/2017	1,250,000
San Antonio Water System	62593	L1000196	12/05/2013	10/06/2017	26,370,000
Strawn	62677	LF1000500	05/06/2016	05/15/2018	700,000
Union WSC	62539	L1000072	12/20/2013	10/30/2017	1,665,000
Union WSC	62539	LF1000086	12/20/2013	10/30/2017	1,330,875
Vista Verde Water Systems, Inc.	62624	LF1000300	12/15/2014	11/29/2017	200,000
Westphalia WSC	62661	LF1000377	05/21/2015	09/15/2017	96,961
Willow Park	62588	L1000134	04/29/2014	03/07/2018	685,000
Willow Park	62682	L1000468	04/14/2016	03/07/2018	995,000
Willow Park	62682	LF1000490	04/14/2016	03/07/2018	44,350
Totals	17	unique projects			\$ 42,828,308

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**Drinking Water SRF Reporting
Assistance Provided for Texas**

Report Generated: 11/8/2018 -- Data Last Modified: 11/8/2018 2:14:00 PM

Tracking Number	Recipient	1st Agreement Date in Selected Period	Assistance Amount	Grant Amount	Negative Interest Amount	Principal Forgiveness Amount	Recipient Could Afford Project without Subsidy?	Population Served	GPR Amount
21773 - L10007	Elmendorf	8/8/2018	10,770,000	0	0	0	<input type="checkbox"/>	3,276	0
62556 - LM171	Eagle Pass	7/12/2018	11,900,000	0	0	0	<input type="checkbox"/>	53,683	0
62570 - L10006	New Deal	12/5/2017	1,033,800	0	0	98,800	<input type="checkbox"/>	796	658,709
62616 - L10007	Ladonia	3/13/2018	3,110,000	0	0	300,000	<input type="checkbox"/>	621	0
62622 - L10005	Nueces County	10/20/2017	900,000	0	0	830,000	<input type="checkbox"/>	281	0
62623 - L10005	Winters	9/7/2017	822,054	0	0	242,054	<input type="checkbox"/>	5,526	0
62660 - L10006	Gorman	3/22/2018	2,000,000	0	0	1,000,000	<input type="checkbox"/>	1,083	0
62712 - LM181	Pearland	5/24/2018	8,650,000	0	0	0	<input type="checkbox"/>	115,000	0
62717 - L10007	Cisco	6/27/2018	11,029,900	0	0	6,464,900	<input type="checkbox"/>	3,899	0
62722 - LF1000	Bracken Christian School of Bulverde	9/11/2017	32,072	0	0	32,072	<input type="checkbox"/>	400	0
62724 - L10005	Gordon	10/26/2017	1,188,072	0	0	728,072	<input type="checkbox"/>	470	1,166,157
62725 - L10005	Kellyville-Berea WSC	1/17/2018	635,000	0	0	0	<input type="checkbox"/>	1,116	0
62727 - LF1000	Toyah	10/31/2017	200,000	0	0	200,000	<input type="checkbox"/>	100	0
62730 - L10005	West Wise SUD	1/10/2018	13,430,000	0	0	0	<input type="checkbox"/>	3,710	0
62738 - LF1000	Buckholts	9/7/2017	200,000	0	0	200,000	<input type="checkbox"/>	515	0
62740 - L10006	Woodbranch Village	9/14/2017	1,500,000	0	0	0	<input type="checkbox"/>	1,345	0
62741 - LM170	Dallas	5/14/2018	44,000,000	0	0	0	<input type="checkbox"/>	1,275,730	0
62742 - L10006	Crystal Clear WSC	11/3/2017	15,000,000	0	0	0	<input type="checkbox"/>	16,192	0
62743 - L10006	Central Washington Co WSC	9/28/2017	2,815,000	0	0	0	<input type="checkbox"/>	2,502	0
62745 - L10006	Gladewater	9/29/2017	1,600,000	0	0	0	<input type="checkbox"/>	6,851	0
62746 - L10006	Ranger	6/13/2018	1,729,300	0	0	739,300	<input type="checkbox"/>	2,921	1,595,031
62747 - L10006	Mustang SUD	10/25/2017	3,555,000	0	0	0	<input type="checkbox"/>	168,735	0
62748 - L10006	Blanco	10/24/2017	3,150,000	0	0	0	<input type="checkbox"/>	2,558	0
62749 - L10006	Greater Texoma UA	9/26/2017	1,225,000	0	0	0	<input type="checkbox"/>	4,157	0
62750 - L10006	Arlington	12/21/2017	11,895,777	0	0	450,777	<input type="checkbox"/>	378,652	11,445,000
62752 - L10006	Chandler	3/13/2018	750,000	0	0	0	<input type="checkbox"/>	2,979	0
62753 - L10006	D & M WSC	1/12/2018	1,900,000	0	0	0	<input type="checkbox"/>	6,075	0
62754 - L10006	Booker	11/6/2017	455,000	0	0	0	<input type="checkbox"/>	222	0
62755 - L10007	Craft-Turney WSC	8/22/2018	1,625,000	0	0	0	<input type="checkbox"/>	5,241	0
62756 - L10006	San Antonio	6/14/2018	10,500,000	0	0	0	<input type="checkbox"/>	2,228,458	0
62759 - L10006	Greater Texoma UA	3/27/2018	15,200,000	0	0	0	<input type="checkbox"/>	9,503	0

All Dates from 9/1/2017 thru 8/31/2018

Texas Water Development Board
SFY 2018 Drinking Water State Revolving Fund
Annual Report

Drinking Water SRF Reporting
Assistance Provided for Texas

Report Generated: 11/8/2018 -- Data Last Modified: 11/8/2018 2:14:00 PM

Tracking Number	Recipient	1st Agreement Date in Selected Period	Assistance Amount	Grant Amount	Negative Interest Amount	Principal Forgiveness Amount	Recipient Could Afford Project without Subsidy?	Population Served	GPR Amount
62760 - L10006	Cypress Creek UD	5/16/2018	2,035,000	0	0	0	<input type="checkbox"/>	2,707	0
62761 - LF1000	Morton Valley WSC	5/30/2018	200,000	0	0	200,000	<input type="checkbox"/>	616	0
62762 - LF1000	Paradise	3/21/2018	300,000	0	0	300,000	<input type="checkbox"/>	468	0
62764 - L10007	Mason	7/24/2018	2,659,200	0	0	1,669,200	<input type="checkbox"/>	2,147	0
62765 - LF1000	Rochelle WSC	6/28/2018	300,000	0	0	300,000	<input type="checkbox"/>	267	0
62766 - L10006	Llano	6/20/2018	890,000	0	0	0	<input type="checkbox"/>	3,313	0
62767 - LF1000	Patterson Water Supply LLC	7/19/2018	138,780	0	0	138,780	<input type="checkbox"/>	156	0
62768 - LF1000	West Oaks Phoenix Water Supply	6/29/2018	250,000	0	0	250,000	<input type="checkbox"/>	57	0
62775 - L10007	Kirbyville	6/21/2018	1,999,600	0	0	194,600	<input type="checkbox"/>	2,409	1,296,976
62779 - LF1000	Lake Texoma VFW Post 7873	4/26/2018	200,000	0	0	200,000	<input type="checkbox"/>	2,306	0
62781 - L10006	Valley MUD # 2	6/27/2018	1,495,000	0	0	0	<input type="checkbox"/>	2,626	0
62782 - L10007	Nevada SUD	5/24/2018	1,490,000	0	0	0	<input type="checkbox"/>	2,994	0
62784 - LF1000	Holiday Beach WSC	3/20/2018	700,000	0	0	700,000	<input type="checkbox"/>	1,323	0
62785 - L10007	Eldorado	4/12/2018	1,200,000	0	0	0	<input type="checkbox"/>	1,952	0
62787 - LF1000	New Ulm WSC	7/19/2018	97,060	0	0	97,060	<input type="checkbox"/>	355	97,060
62792 - LF1000	Barton WSC	5/15/2018	300,000	0	0	300,000	<input type="checkbox"/>	766	0
62794 - L10007	Johnson County SUD	6/28/2018	22,000,000	0	0	0	<input type="checkbox"/>	43,239	0
All Dates from 9/1/2017 thru 8/31/2018		Total for all 48 Agreements	219,055,615	0	0	15,635,615		4,370,298	16,258,933

**Texas Water Development Board
SFY 2018 Drinking Water State Revolving Fund
Annual Report**

Special Appropriations Act Program

The Special Appropriations Act Program (SAAP) provides funding for water and wastewater projects. Financial Assistance funds are distributed directly to the recipients by the EPA with construction management and program oversight being performed by the TWDB. The TWDB receives 3% of the project's total costs to monitor construction and provide construction/administration assistance for the Texas projects.

The TWDB has assisted the EPA with 37 projects under this program. A few of the SAAP projects have received additional funding from TWDB Financial Assistance Programs. As of August 31, 2018, 34 projects have been completed.

The TWDB's duties include; attendance and participation in pre-construction conferences; comparing completion percentages and milestones with the approved project schedule; conducting interim inspections; reviewing bid documents, change orders and reimbursement requests; and providing recommendations and construction progress reports to EPA Region 6.

Below is a list of the current Texas SAAP projects:

Project Name	Project #	Estimated Completion Date
Fort Bend Co FWSD 1 CWSRF-GR-SAAP	21524	01/19/2021
Joshua Mountain Valley/Village Creek Drainage Improvements	80036	03/17/2020
Temple SAAP Little Elm Trunk Sewer	80035	03/01/2019

Attachment A: Briefing on a pilot initiative to offer assistance to smaller water and wastewater systems

TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Jessica Zuba, Deputy Executive Administrator
Todd Chenoweth, General Counsel
Rebecca Trevino, Chief Financial Officer
David Carter, Director, Support Services & Contract Administration

FROM: Mark Wyatt, Director, Program Administration & Reporting

DATE: June 14, 2017

SUBJECT: Briefing on a pilot initiative to offer assistance to smaller water and wastewater systems.

ACTION REQUESTED

Briefing on a pilot initiative to offer assistance to smaller water and wastewater systems.

BACKGROUND

Under a pilot initiative, the Texas Water Development Board (TWDB) proposes to assist smaller water and wastewater utilities by providing funding for the entity to create a comprehensive plan for managing their systems in a financially and technically sustainable manner. To develop the program, the agency will solicit qualified contractors to evaluate smaller systems and create asset management plans, along with other management tools, in accordance with the guidelines created by the Texas Commission on Environmental Quality's (TCEQ) Small Business and Governmental Assistance Section. The asset management plans that the TWDB-procured contractors develop are intended to become the planning basis for system sustainability by identifying replacement dates and estimated costs, developing best practices for operation and maintenance, and developing associated financial plans for obtaining funding for future needs.

The water and wastewater systems selected for this pilot initiative will receive the following tangible assistance:

- a. Asset Management Plans
- b. Sustainability Plan
- c. System Operations and Maintenance Manual
- d. Training for system management and staff

Our Mission : **Board Members**

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas :
: Bech Bruun, Chairman | Kathleen Jackson, Board Member | Peter Lake, Board Member
:
: Jeff Walker, Executive Administrator

- e. Compliance Manuals
- f. Installation of all tools that were developed on the entity's computer system

SUMMARY OF PROPOSED PROGRAM

Funding – Administrative Costs

The Executive Administrator is recommending a total of \$450,000 be made available for the pilot initiative. The funds to cover the contracted services for these smaller systems would come from origination fees from the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF). The services offered are considered administrative costs of the respective programs. The benefit to wastewater systems would be covered through CWSRF origination fees while projects that benefit water systems would be covered through DWSRF origination fees. (For systems providing both water and wastewater, each program would cover 50 percent of the costs.) The Chief Financial Officer has verified that the funds are available for this initiative.

- a. The TWDB funding will not exceed more than \$75,000 per project for systems that have not had an inventory of assets conducted within the previous five years, nor exceed \$50,000 per project for systems that have had an inventory of assets conducted within the previous five years. The maximum amounts were established based on consultation with TCEQ's Small Business and Governmental Assistance Section. The total TWDB expenditures for this initiative will not exceed \$450,000, which is based on \$75,000 for six projects. The total amount TWDB pays under this initiative could be less if one or more of the systems already had an acceptable inventory of assets or the size of the system warrants a lower amount.
- b. Match - There is no match requirement for the program; however, the system will be required to contribute 80 hours of staff time to participate in the development of the plan. (TWDB may reduce or waive the contribution requirement if the TWDB determines it would constitute a serious hardship on the operations of a system with only a few or no full-time staff.)

System Eligibility

Eligible systems are defined for the purpose of this program as (a) having 5,000 service connections or less or (b) an entity that has a population equal to or less than 10,000 and one that is not located within the boundaries of any municipality with a population over 10,000 or its extra-territorial jurisdiction.

Selection of Contractors

The TWDB may select multiple contractors according to qualifications that are specified in the Request for Qualifications (RFQ). The procurement process will follow all applicable procurement laws and requirements.

Selection of Systems to Receive Assistance:

For the pilot phase, the TWDB will request recommendations from TCEQ of potential candidates in each of the six project implementation team regions that would benefit from

this assistance. As part of the request, TCEQ will include candidates that are in full compliance with TCEQ regulations. If the program proceeds in the future, TWDB anticipates developing an application process.

- a. WSI-Program Administration staff will score the water and wastewater systems using the following prioritization criteria.
 - Size - number of service connections for the system; with smaller systems receiving more points.
 - Rural area - whether the systems serves only rural areas. TWDB will use the U.S. Census definition of an urban area to establish rural areas. All areas not in an urban area (urbanized areas and urban clusters) will be considered rural.
 - Income of the service area - Annual Median Household Income; with systems serving residents with lower incomes receiving more points
 - Operations - Texas Commission on Environmental Quality (TCEQ) violations; awarding points only if the small system has had no TCEQ violations in the previous three years as of the date of that application being submitted to the TWDB.
- b. TWDB will rank systems and then select the highest scoring system in each of the six Regional Water Project Development team regions with the following provision: once the TWDB has selected three water or wastewater systems, the remaining selections must be from the other system-type. For example, once three water applications have been selected, any remaining applications to be selected must be wastewater systems. This process is to ensure that a mixture of both water and wastewater systems are selected for the pilot phase.
- c. The selected small systems in each of the six regions will make their own selection from the TWDB pre-qualified contractor list, in rank order based on the number of service connections, with the system with fewest number of service connections selecting first. Depending on the number of pre-qualified contractors and the number of systems that select a particular contractor, TWDB may, in its discretion, limit the total number of projects per contractor.

Scope of Work to be Performed by Contractors for Selected Systems

The work must meet the following requirements:

- a. Asset Management
 - Conduct a system evaluation (asset identification, location, and date of service or approximate age), as needed, resulting in an inventory of the system and prioritization of assets,
 - develop a comprehensive plan for managing system assets,
 - develop a budget for managing system assets,
 - develop an implementation plan, including a time schedule, for implementing and updating the asset management plan, and
 - determine whether a rate study is necessary.

The resulting asset management plan must fulfill the general requirements of a Fiscal Sustainability Plan as outlined in the Federal Water Pollution Control Act.

Further, in the section of the asset management plan that discusses funding sources, it must identify current TWDB financial assistance programs, including the CWSRF and DWSRF programs as applicable, that may be utilized to meet the system's needs. The asset management plan must include an analysis of whether current utility rates would provide adequate revenue to meet future system needs but it does not have to include a full rate study that establishes a new rate structure.

- b. For Water Systems: Source Assessment and Planning - Identify the utility's drinking water source, develop any appropriate best management practices for sustaining the source (at a minimum develop or update the system's conservation and drought contingency plans), and, if needed, identify options for alternative sources. It will discuss plans for water conservation and detecting and minimizing water loss.

For Wastewater Systems: Sustainable Systems - Create a plan to manage the system more efficiently by conducting an energy assessment of the system and including recommendations for energy-efficiency improvements, and potential public-participation programs.

- c. Operations and Maintenance - Create an operations and maintenance manual for the utility that includes a plan for scheduling and performing preventative and general maintenance. The plan may identify other resources available to the system such as TCEQ's financial, managerial, and technical assistance.
- d. Compliance - Train the utility's management and staff on monitoring, reporting, and record-keeping requirements, the TCEQ's investigation and enforcement process (including an enforcement scenario), and develop a compliance manual that includes copies of all required reports, compliance checklists and tables for keeping track of State and/or Federal requirements. The compliance manual may be incorporated into the Operations and Maintenance manual.
- e. Other Requirements - As part of the project, all tools that are developed, such as spreadsheets and manuals, shall be nonproprietary and will be installed on the system's computer system and key staff members will be trained sufficiently to implement the plan. The TWDB-procured contractor must coordinate development activities, including the training of key system staff members, with the utility's management. The utility's management and the TWDB must be kept informed quarterly of the status of the project while it is under development and be provided an opportunity to provide ample input on the development of plans.

The project activities conducted by the TWDB-procured contractor must include at least one presentation to the system's governing body or owner that provides an overview of the

developed plans, the benefits to the system of implementing the plans, and any recommendations.

The TWDB-procured contractor must return to the system between 12 months and 18 months after delivery of the final plans to assess the system's implementation progress and provide TWDB and the system's governing body or owner a written analysis of the system's implementation of the plans.

Proposed Timeline

TWDB staff is planning to issue a RFQ for contractors as soon as possible.

Incentives

The TWDB is considering proposing in future CWSRF and DWSRF Intended Use Plans an increase in the percentage weight that asset management will have in the prioritization scoring. This will increase their overall ranking in the CWSRF and DWSRF programs and therefore, if eligible for any principal forgiveness funding option, it could increase the probability of receiving the subsidy.

Measuring Long-term Success

TWDB will assess the long-term benefits of this assistance through:

- TWDB Site visits - The TWDB's Regional Water Project Development team associated with the entity will perform at least one site visit to confirm that the entity has continued to maintain and use the plans. The TWDB's Outreach team may assist as warranted in conducting the site visits. This will be the best indicator of the success of the initiative. The TWDB site visits could be coordinated to coincide with the contractor's visit or be conducted separately.
- TWDB Survey form – the system can provide feedback on the benefits of the developed plans. This feedback will assist TWDB in refining the initiative.
- TCEQ Small Business and Local Government Assistance staff can visit the site to offer assistance and assess the services provided, if invited by the system. The TCEQ staff would be encouraged to share the information and make suggestions to the TWDB.
- Another measure of success is the system submitting a request for financial assistance from one of the TWDB's programs, including the CWSRF or DWSRF, based on the forecasted needs included in the asset management plan.

RECOMMENDATION

The Executive Administrator requests feedback on the proposed pilot program to assist smaller water and wastewater systems. The Executive Administrator proposes to modify the proposal as necessary with respect to the Board's comments and publish an RFQ for

Board Members
June 14, 2017
Page 6

qualified contractors. The results of the RFQ will be presented to the Board at a later date for approval to execute the contracts.

Attachment: 1.) Prioritization Criteria for Selection of Systems to Receive Assistance

Prioritization Criteria for Selection of Systems to Receive Assistance

Prioritization Criteria

TWDB will use the following prioritization criteria to establish the score.

Size - Number of Service Connections for System	Points
Number of Service Connections less than or equal to 500	5
Number of Service Connections is greater than 500 but not more than 1,000	4
Number of Service Connections is greater than 1,000 but not more than 2,000	3
Number of Service Connections is greater than 2,000 but not more than 3,000	2
Number of Service Connections is greater than 3,000 but not more than 4,000	1
Number of Service Connections is greater than 4,000	0

Rural area - provides service only to rural areas	Points
The system serves only rural areas. (TWDB will use the U.S. Census definition of an urban area to establish rural areas. All areas not in an urban area, whether urbanized areas or urban clusters, will be considered rural.)	4

Income - Annual Median Household Income (AMHI) of the service area compared to the State of Texas AMHI	Points
Service Area AMHI is less than or equal to 63% of State AMHI	4
Service Area AMHI is greater than 63% but not more than 75% of State AMHI	3
Service Area AMHI is greater than 75% but not more than 90% of State AMHI	2
Service Area AMHI is greater than 90% but not more than 117% of State AMHI	1
Service Area AMHI is greater than 117% of State AMHI	0

Operations - Texas Commission on Environmental Quality (TCEQ) violations	Points
System has had no TCEQ violations in the previous 36 months as of the date the TWDB considers the system.	2

Maximum of 15 points

Tiebreaker - (1 point) - the system with the fewest number of service connections

Attachment B: SFY 2018 Annual Financial
Report – DWSRF Financial Statements

Texas Water Development Board

DRINKING WATER STATE REVOLVING FUND

Annual Financial Report

For the Year Ended
August 31, 2018

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General Purpose Financial Statements:

- Exhibit I – Combined Statement of Net Position
- Exhibit II – Combined Statement of Revenues, Expenses, and Changes in Net Position
- Exhibit III – Combined Statement of Cash Flows

Notes to the Financial Statements

Combining Statements:

- Exhibit F-1 – Combining Statement of Net Position
- Exhibit F-2 – Combining Statement of Revenues, Expenses, and Changes in Net Position
- Exhibit SA-2 – Combining Statement of Expenses –Set Aside Programs

Schedule 1 – Loans and Contracts

General Purpose Financial Statements

UNAUDITED

Drinking Water State Revolving Fund
Exhibit I - Combined Statement of Net Position - Proprietary Funds
 August 31, 2018

	<u>Total Enterprise Funds (Exhibit F-1)</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash in Bank (Note 3)	\$ -
Cash Equivalents	93,862,299.48
Short Term Investments	167,295,138.15
Receivables from:	
Federal	2,127,596.35
Interest and Dividends	18,232,610.53
Loans and Contracts	68,490,149.87
Total Current Assets	<u>350,007,794.38</u>
Non-Current Assets:	
Loans and Contracts	1,088,550,235.75
Total Non-Current Assets	<u>1,088,550,235.75</u>
Total Assets	<u>1,438,558,030.13</u>
LIABILITIES	
Current Liabilities:	
Payables from:	
Interest Payable	1,024,861.11
Interfund Payables	9,916,812.88
Due to Other Agencies	2,127,596.35
Revenue Bonds Payable	2,645,522.74
Total Current Liabilities	<u>15,714,793.08</u>
Non-Current Liabilities:	
Interfund Payables	82,964,256.37
Revenue Bonds Payable	67,140,575.97
Total Non-Current Liabilities	<u>150,104,832.34</u>
Total Liabilities	<u>165,819,625.42</u>
NET POSITION	
Restricted for:	
Other	1,272,738,404.71
Total Net Position	<u>\$ 1,272,738,404.71</u>

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

Drinking Water State Revolving Funds
Exhibit II - Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position - Proprietary Funds
For the Fiscal Year Ended August 31, 2018

	Total Enterprise Funds (Exhibit F-2)
OPERATING REVENUES:	
Interest and Investment Income	\$ 23,154,583.11
Net Increase (Decrease) Fair Market Value	16,229.74
Other Operating Revenue	4,689,948.00
Total Operating Revenues	27,860,760.85
OPERATING EXPENSES:	
Salaries and Wages	5,896,767.15
Payroll Related Costs	1,770,823.24
Professional Fees and Services	401,587.93
Travel	178,072.52
Materials and Supplies	86,735.01
Communication and Utilities	9,732.36
Repairs and Maintenance	219.59
Rentals and Leases	23,789.98
Printing and Reproduction	307.89
Interest	4,683,422.47
Other Operating Expenses	3,851,590.16
Total Operating Expenses	16,903,048.30
Operating Income (Loss)	10,957,712.55
NONOPERATING REVENUE (EXPENSES):	
Federal Revenue	55,863,547.46
Federal Grant Pass-Through Revenue (Expense)	697,276.33
Other Benefit Payments	(175,878.57)
Other Intergovernmental Payments	(18,919,005.46)
Total Nonoperating Revenue (Expenses)	37,465,939.76
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	48,423,652.31
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:	
Change in Net Position	50,759,823.31
Total Net Position - Beginning	1,221,978,581.40
Total Net Position, August 31, 2018	\$ 1,272,738,404.71

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

Drinking Water State Revolving Fund
Exhibit III - Combining Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended August 31, 2018

	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to Suppliers for Goods and Services	(98,182.20)
Payments to Employees	(2,364,522.93)
Net Cash Provided by Operating Activities	(2,462,705.13)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	70,134,224.58
Proceeds from Transfers from Other Funds	676,405,981.38
Proceeds from Grant Receipts	63,154,389.79
Proceeds from Interfund Payables	2,336,171.00
Payments of Principal on Debt Issuance	(10,059,465.88)
Payments of Interest	(4,105,684.10)
Payments of Other Costs of Debt Issuance	(137,794.67)
Payments for Transfers to Other Funds	(666,824,153.06)
Payments for Grant Disbursements	(27,545,947.57)
Payments for Other Uses	(8,307.75)
Net Cash Provided by Noncapital Financing Activities	103,349,413.72
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Interest and Investment Income	25,539,574.25
Proceeds from Principal Payments on Non-Program Loans	64,584,997.66
Payments to Acquire Investments	52,916,474.53
Payments for Non-program Loans Provided	(217,496,000.00)
Net Cash Provided by Investing Activities	(74,454,953.56)
Net (Decrease) in Cash and Cash Equivalents	26,431,755.03
Cash and Cash Equivalents--September 1, 2017	67,430,544.45
Cash and Cash Equivalents--August 31, 2018	\$ 93,862,299.48

The accompanying notes to the financial statements are an integral part of this statement.

Drinking Water State Revolving Fund
Exhibit III - Combining Statement of Cash Flows - Proprietary Funds (cont.)
For the Fiscal Year Ended August 31, 2018

	Total Enterprise Fund
	<hr/>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 20,366,133.70
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Amortization and Depreciation	
Bad Debt Expense	
Operating Income and Cash Flow Categories: Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	4,991,396.47
(Increase) Decrease in Loans & Contracts	152,807,602.34
Increase (Decrease) in Payables	(70,802,652.07)
Increase (Decrease) in Deposits	(110,562,903.73)
Increase (Decrease) in Other Liabilities	737,718.16
Total Adjustments	(22,828,838.83)
Net Cash Provided by Operating Activities	\$ (2,462,705.13)
Non-Cash Transactions	
Net Increase (Decrease) in Fair Value of Investments	\$ 16,229.74

Notes
to the
Financial
Statements

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

Entity

The accompanying financial statements reflect the financial position of the Texas Water Development Board (TWDB). TWDB is an agency of the state of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements of State Agencies and Universities.

The TWDB was created as an agency of the state in 1957, when the voters of the state approved an amendment adding Section 49-c to Article 3 of the Texas Constitution. The TWDB is primarily responsible for administering state and federally funded financing programs for water-related projects, water resource planning, data collection, and studies relative to the surface and ground water resources of Texas.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Proprietary Fund Type

Proprietary funds focus on determining operating income, changes in financial position and cash flows. Generally accepted accounting principles similar to those used by private sector businesses are applied in accounting for these funds. Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. TWDB reports the following enterprise funds.

- State Revolving Funds (Appropriated Fund 9999) – funds held outside the treasury for purposes of the following federally supported programs
 - Drinking Water State Revolving Fund (Account 0951)

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds

Texas Water Development Board (580)

include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Net Position and Fund Balances

When both restricted and unrestricted resources are available for use, restricted resources are used first, then unrestricted resources are used as they are needed.

Assets, Liabilities, and Fund Balances / Net Position

Assets

Cash and Cash Equivalents

Cash held in the state treasury and any short-term highly liquid investments with an original maturity of three months or less.

Investments

Amounts invested related to programs of the TWDB. Investments are reported at fair value. See Note 3 for more information on investments.

Interest and Dividends Receivable

Accrued interest receivable on loans and contracts as of the balance sheet date is included in the proprietary funds. For the governmental funds, interest due as of the balance sheet date is only accrued if it is expected to be received within the next 60 days.

Notes / Loans and Contracts Receivable

Although collateralized by bonds of the receiving entity, loans made to political subdivisions are presented as Notes/Loans and Contracts Receivable at par. The portion due within the next year is shown separately as a current asset with the remainder as noncurrent. See Schedule 6 for a detailed listing of all outstanding loans and contracts receivable by program.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Bonds Payable – Revenue Bonds

Revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Bonds Payable are reported separately as either current – the amount due within the next year – or noncurrent in the statement of net position.

Texas Water Development Board (580)**Fund Balance / Net Position**

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary, and fiduciary fund statements.

Fund Balance Components

Fund balances for proprietary funds are classified as restricted in the fund financial statements.

- Restricted fund balance includes those resources that have constraints placed on their use through external parties — such as creditors, grantors, contributors, laws or regulations of other governments — or by law through constitutional provisions or enabling legislation.

Net Position Components

The potential categories for net position include

- Restricted net position – restricted assets reduced by liabilities and deferred inflows or resources related to those assets. Assets are restricted when constraints placed on net resources are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Interfund Activities and Balances

The agency has the following types of transactions among funds:

- (1) Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- (2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- (3) Interfund receivables and payables: Interfund loans are reported as Interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current".

See Note 4 for details of the TWDB's interfund activity and transactions.

Texas Water Development Board (580)

Statement of Cash Flows

Cash Flows from Investing Activities

Non-program Loans

The loans that the TWDB makes to entities such as cities, counties, and other political subdivisions do not meet the criteria for inclusion as Cash Flows from Operating Activities on the Statement of Cash Flows. The loans made by the TWDB are referred to on the Statement of Cash Flows as “non-program” loans to distinguish them from loans made to individuals, and their cash flows are included as Cash Flows from Investing Activities.

Classification Differences

Although the primary operation of the TWDB’s enterprise funds is the borrowing and lending of money for water related projects, the major components of the Operating Income or Loss on the Statement of Revenues, Expenses, and Changes in Fund Net Position are classified on the Statement of Cash Flows as either Cash Flows from Investing Activities (Interest and Investment Income) or Cash Flows from Noncapital Financing Activities (Interest Expense).

NOTE 2: Deposits, Investments and Repurchase Agreements

The agency is authorized by statute to make investments, and does so in accordance with Chapter 365 of the Texas Water Development Board rules. There were no violations of legal provisions during the period.

Investments

As of August 31, 2018, the fair value of investments is as presented below.

Government and Business-Type Activities	Fair Value Hierarchy			Total
	Level 1	Level 2	Level 3	
INVESTMENTS AT FAIR VALUE				
Commercial Paper (Texas Treasury Safekeeping Trust Co)	\$ 76,770,617.07	\$ -	\$ -	\$ 76,770,617.07
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	51,423,397.34			51,423,397.34
Total Investment at Fair Value	\$ 128,194,014.41	\$ -	\$ -	\$ 128,194,014.41
INVESTMENTS AT AMORTIZED COST				
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)				\$ 132,963,423.22
Total Investment at Amortize Cost				\$ 132,963,423.22
Total Investments-Gov't & Business Type				\$ 261,157,437.63

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Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The agency will only make payment for and accept delivery of securities on a delivery versus payment basis, and securities are held in the name of the agency. As of August 31, 2018, investments were not exposed to custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As required by the agency’s investment policy, investments purchased must be rated as to investment quality by a nationally recognized investment rating firm with a minimum of an ‘A’ rating. Furthermore, our investment policy requires that repurchase agreements be collateralized by obligations of the U.S. Government or U.S. Government Agencies. As of August 31, 2018, the agency’s credit quality distribution of securities and repurchase agreements with credit risk exposure was as follows.

Standard and Poor’s

Fund Type	GAAP Fund	Investment Type	Amount	Rating
05	3050	Commercial Paper (Texas Treasury Safekeeping Trust Co)	\$ 76,770,617.07	A1, A1+
05	3050	Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	\$ 132,963,423.22	Not Rated
05	3050	U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	\$ 51,423,397.34	Not Rated

NOTE 3: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2018, the following changes occurred in long-term liabilities:

Business-Type Activities	Balance 09-01-17	Additions/(Reductions)	Balance 08-31-18	Amounts Due Within One Year	Amounts Due Thereafter
Notes & Loans Payable (Interfund)	\$93,358,706.13	(\$477,636.88)	\$92,881,069.25	\$9,916,812.88	\$82,964,256.37
Revenue Bonds Payable	-	\$69,786,098.71	\$69,786,098.71	\$2,645,522.74	\$67,140,575.97
Total Business-Type Activities	\$93,358,706.13	\$69,308,461.83	\$162,667,167.96	\$12,562,335.62	\$150,104,832.34

NOTE 4: Interfund Activity and Transactions

Interfund activity refers to financial interactions between funds and/or blended component units and is restricted to internal events. Interfund transactions refer to financial interactions between TWDB and another agency of the state of Texas.

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Interfund Activity

Interfund transfers represent the flow of assets (cash or goods) without equivalent flow of assets in return or a requirement for repayment. In governmental funds, transfers are reported as other financing uses or sources. Transfers are reported in proprietary funds after nonoperating revenues and expenses in the statement of revenues, expenses and changes in fund net position. Amounts not transferred at fiscal year-end are accrued as due to/due from other funds.

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are interfund loans. Individual interfund receivables and payables balances as of August 31, 2018, were as follows:

	Interfund Receivables	Interfund Payables	Current	Noncurrent	Purpose
Enterprise (05)	DFUND (FT05) Appd Fund 0371, D23 Fund 0371	DWSRF (FT05) Appd Fund 9999 D23 Fund 0951	\$9,916,812.88	\$82,964,256.37	State Match Loan
Total Interfund Receivable/Payable			\$9,916,812.48	\$ 82,964,256.37	

Interfund Transactions

Federal and State Pass-Throughs are recorded for activity between TWDB and other state agencies related to federal or state grant awards. Amounts not transferred at fiscal year-end are accrued as due to/due from other agencies.

NOTE 5: Contingencies and Commitments

Disclosure of Contingent Liabilities

Federal Costs

As a prime contractor with a federal granting agency, the TWDB is contingently liable to refund any disallowed costs to the granting agency. As of August 31, 2018, there were no disallowed costs.

Outstanding Loan and Grant Commitments

As of August 31, 2018, the TWDB had made commitments to provide political subdivisions and non-profit entities financing from the proceeds remaining from current bond issues, and from the proceeds of future bond issues, from federal draw downs, or from appropriations as follows:

	For Loans	For Grants	Total
Clean Water State Revolving Fund (DWSRF)*	371,512,000.00	7,808,074.00	379,320,074.00
Total Commitments	\$371,512,000.00	\$7,808,074.00	\$379,320,074.00

* DWSRF and CWSRF Grants refer to Loan Forgiveness

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NOTE 6: Bonded Indebtedness

As discussed more fully in the sections that follow, the TWDB is authorized through various statutory and constitutional provisions to issue general obligation and revenue bonds and private activity bonds.

Miscellaneous Bond Information (Amounts in Thousands)							
Description of Issue	Bonds Issued to Date	Date Issued	Range of Interest Rates		Maturities		
					First Year	Last Year	First Call Date
STATE REVOLVING FUND							
State Revolving Fund Rev Bds New Ser'18	288,395,000	4/26/2018	4.000%	5.000%	2019	2038	08/01/2027

Revenue Bonds

The Texas Constitution and Water Code authorize the TWDB to issue revenue bonds backed by pledged revenue sources and restricted funds. The TWDB had one revenue bond series outstanding at August 31, 2018 in the State Revolving Fund.

The TWDB has authority to sell revenue bonds for the following purposes:

- (1) To finance the construction of water and wastewater projects of political subdivisions and non-profit water supply corporations;
- (2) To provide interim financing to political subdivisions that are also receiving long-term financing from the TWDB;
- (3) To provide the state matching funds for federal grants under the Federal Water Pollution Control and the Safe Drinking Water Acts.

State Revolving Fund

Subchapter J, Chapter 15 and Subchapter I, Chapter 17, Texas Water Code, as amended, authorize the TWDB to issue an unlimited amount of revenue bonds to fund certain eligible projects. TWDB's revenue bonds do not constitute a debt of the State and neither the full faith nor credit, nor the taxing authority of the State is in any manner pledged, given, or loaned for the payment of the revenue bonds. Further, the TWDB's revenue bonds issued pursuant to these provisions are not secured by or payable from money in DFUND II, but are secured by the repayments of political subdivision loans and certain assets in the State Water Pollution Control Revolving Fund and the Safe Drinking Water State Revolving Fund, commonly referred to as the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF), respectively.

In March 2018, the TWDB adopted a new Master Resolution governing the issuance of revenue bonds to augment the CWSRF and DWSRF under a combined security, and pursuant to that Master Resolution, in April 2018 the TWDB issued State Revolving Fund Revenue Bonds, New Series 2018, in a par amount of \$288,395,000 with a premium of \$43,211,959.25. The bonds

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were issued to finance the acquisition of political subdivision bonds, including state match requirements, and to pay issuance costs of \$635,242.75 and underwriter's discount of \$971,716.50. As of the issuance of the New Series 2018 bonds, there were two distinct Master Resolutions with revenue bonds outstanding pertaining to State Revolving Funds, however the New Series 2018 bonds were the first series of bonds issued by the TWDB providing funds for the DWSRF.

In July 2018 the TWDB used program funds held within the previously adopted Master Resolution to defease the full principal balance of \$153,510,000 of State Revolving Fund Subordinate Lien Revenue Bonds, Series 2009A, after which point that original Master Resolution was closed.

Pledged Future Revenues

Pledged revenues are those specific revenues that are formally committed to directly secure the payment of bond debt service. The table below provides information on pledged revenue and pledged future revenue of the TWDB's revenue bonds.

	SRF Revenue Bonds
Pledged Revenue Required for Future Principal and Interest on Existing Bonds	\$450,375,423.62
Term of Commitment Year Ending Aug. 31	2038
Percentage of Revenue Pledged	100%
Current Year Pledged Revenue	\$219,866,801.94
Current Year Principal and Interest Paid	\$0.00

Early Extinguishment of Debt

The source of funds used in extinguishments was primarily unrestricted program funds. A portion of the bonds extinguished (including those extinguished in prior fiscal years) remain in escrow, and the total par value of defeased bonds outstanding as of August 31, 2018, is \$181,880,000.

See Schedule 2F for additional detail on the individual bond series refunded using the net proceeds from the sale, and Schedule 2E for the individual bond series and par value of defeased bonds outstanding.

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NOTE 7: Loans and Contracts

The Board purchases bonds from political subdivisions (including private water supply corporations). As of August 31, 2018, the balance of these bonds owned by the Board was \$1,157,040,385.62. In general, the majority of these bonds pays interest semi-annually and principal annually and allow for early redemption ten years after the original date of issuance. All bonds are secured by either pledged revenue or taxes. Interest rates on the bonds range from 0.00% to 6.86% maturing through the year 2049. It is the opinion of management that all bonds are fully collectible; therefore, no provision for uncollectible amounts is included in these financial statements.

NOTE 8: Available Federal Funds

As of August 31, 2018, there was \$3,833,058.74 balance of Federal Funds available through the Automated Standard Application for Payments that remained undrawn for the State Revolving Fund.

NOTE 9: Status of Available Administrative Funding

Cost-recovery loan origination and servicing charges are imposed to cover administrative costs of operating the State Revolving Fund, but an interest rate subsidy is offered to offset the charges. Since the implementation of State Revolving Fund cost-recovery charges in October 1995, the Texas Water Development Board has collected \$36,400,940.00 in service charges from SRF loan recipients; \$4,689,948.00 was collected on loans made during the fiscal year ending August 31, 2018. The administrative account had expenses totaling \$7,431.09 in Fiscal Year 2018.

NOTE 10: State Match Requirement

Deferral of State match deposits was allowed by EPA for FY97 grant payments until September 30, 1999. Deposits of match funds have been made to the fund bringing the total match for federal reporting purposes to \$252,847,925.00.

Combining Statements

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Drinking Water State Revolving Fund

Exhibit F-1 - Combined Statement of Net Position - Proprietary Funds

August 31, 2018

	Drinking Water Loan Program	Administration (Federal)	Administration (Fees)	Set Asides (Exhibit SA-2)	Totals (Exhibit I)
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in Bank (Note 3)	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Equivalents	85,995,461.20	-	7,866,838.28	-	93,862,299.48
Short Term Investments	136,526,336.44	-	30,768,801.71	-	167,295,138.15
Receivables from:					
Federal	-	-	-	2,127,596.35	2,127,596.35
Interest and Dividends	18,225,793.25	-	6,817.28	-	18,232,610.53
Loans and Contracts	68,490,149.87	-	-	-	68,490,149.87
Total Current Assets	309,237,740.76	-	38,642,457.27	2,127,596.35	350,007,794.38
Non-Current Assets:					
Loans and Contracts	1,088,550,235.75	-	-	-	1,088,550,235.75
Total Non-Current Assets	1,088,550,235.75	-	-	-	1,088,550,235.75
Total Assets	1,397,787,976.51	-	38,642,457.27	2,127,596.35	1,438,558,030.13
LIABILITIES					
Current Liabilities:					
Payables from:					
Interest Payable	1,024,861.11	-	-	-	1,024,861.11
Interfund Payables	9,916,812.88	-	-	-	9,916,812.88
Due to Other Agencies	-	-	-	2,127,596.35	2,127,596.35
Revenue Bonds Payable	2,645,522.74	-	-	-	2,645,522.74
Total Current Liabilities	13,587,196.73	-	-	2,127,596.35	15,714,793.08
Non-Current Liabilities:					
Interfund Payables	82,964,256.37	-	-	-	82,964,256.37
Revenue Bonds Payable	67,140,575.97	-	-	-	67,140,575.97
Total Non-Current Liabilities	150,104,832.34	-	-	-	150,104,832.34
Total Liabilities	163,692,029.07	-	-	2,127,596.35	165,819,625.42
NET POSITION					
Restricted for:					
Other	1,234,095,947.44	-	38,642,457.27	-	1,272,738,404.71
Total Net Position	\$ 1,234,095,947.44	\$ -	\$ 38,642,457.27	\$ -	\$ 1,272,738,404.71

The accompanying notes to the financial statements are an integral part of this statement.

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Drinking Water State Revolving Funds
Exhibit F-2 - Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position - Proprietary Funds

For the Fiscal Year Ended August 31, 2018

	Drinking Water Loan Program	Administration (Federal)	Administration (Fees)	Set Asides (Exhibit SA-2)	Totals (Exhibit II)
OPERATING REVENUES:					
Interest and Investment Income	\$ 22,740,358.92	\$ -	\$ 414,224.19	\$ -	\$ 23,154,583.11
Net Increase (Decrease) Fair Market Value	13,244.12	-	2,985.62	-	16,229.74
Other Operating Revenue	-	-	4,689,948.00	-	4,689,948.00
Total Operating Revenues	22,753,603.04	-	5,107,157.81	-	27,860,760.85
OPERATING EXPENSES:					
Salaries and Wages	-	1,991,577.88	-	3,905,189.27	5,896,767.15
Payroll Related Costs	-	353,239.53	-	1,417,583.71	1,770,823.24
Professional Fees and Services	331,338.71	62,749.22	7,500.00	-	401,587.93
Travel	1,114.11	19,705.52	-	157,252.89	178,072.52
Materials and Supplies	-	1,622.14	-	85,112.87	86,735.01
Communication and Utilities	-	9,801.27	(68.91)	-	9,732.36
Repairs and Maintenance	-	219.59	-	-	219.59
Rentals and Leases	-	23,789.98	-	-	23,789.98
Printing and Reproduction	307.89	-	-	-	307.89
Interest	4,683,422.47	-	-	-	4,683,422.47
Other Operating Expenses	8,307.75	-	-	3,843,282.41	3,851,590.16
Total Operating Expenses	5,024,490.93	2,462,705.13	7,431.09	9,408,421.15	16,903,048.30
Operating Income (Loss)	17,729,112.11	(2,462,705.13)	5,099,726.72	(9,408,421.15)	10,957,712.55
NONOPERATING REVENUE (EXPENSES):					
Federal Revenue	43,992,421.18	2,462,705.13	-	9,408,421.15	55,863,547.46
Federal Grant Pass-Through Revenue (Expense)	697,276.33	-	-	-	697,276.33
Other Benefit Payments	(175,878.57)	-	-	-	(175,878.57)
Other Intergovernmental Payments	(18,919,005.46)	-	-	-	(18,919,005.46)
Other Nonoperating Revenue (Expenses)	-	-	-	-	-
Total Nonoperating Revenue (Expenses)	25,594,813.48	2,462,705.13	-	9,408,421.15	37,465,939.76
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	43,323,925.59	-	5,099,726.72	-	48,423,652.31
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:					
Transfers In	2,336,171.00	-	-	-	2,336,171.00
Total Other Revenue, Expenses, Gain/Losses and Transfers	2,336,171.00	-	-	-	2,336,171.00
Change in Net Position	45,660,096.59	-	5,099,726.72	-	50,759,823.31
Total Net Position - Beginning	1,188,435,850.85	-	33,542,730.55	-	1,221,978,581.40
Total Net Position, August 31, 2018	\$ 1,234,095,947.44	\$ -	\$ 38,642,457.27	\$ -	\$ 1,272,738,404.71

The accompanying notes to the financial statements are an integral part of this statement.

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Drinking Water State Revolving Fund
Exhibit SA-2 - Combining Statement of Expenses - Set Aside Programs
 For the Fiscal Year Ended August 31, 2018

	PWSS Program Administration	PWSS Enforcement	PWSS Homeland Security	Source Water Protection	Capacity Development	Inspection and Investigation	Technical Assistance	Laboratory Accrediation	Support Services	Totals (Exhibit F-2)
OPERATING EXPENSES:										
Salaries and Wages	\$ 42,012.11	\$ 116,298.42	\$ 27,559.67	\$ 63,496.10	\$ 1,995,058.73	\$ 1,534,012.51	\$ 22,978.35	\$ 103,773.38	\$ -	\$ 3,905,189.27
Payroll Related Costs	\$ 15,250.40	42,216.35	10,004.17	23,049.08	724,206.29	556,846.54	8,341.14	37,669.74	-	1,417,583.71
Travel	\$ 55,079.48	-	8,633.58	-	54,223.46	28,941.00	-	10,375.37	-	157,252.89
Materials and Supplies	\$ 44,869.06	-	-	-	8,023.97	31,803.84	-	416.00	-	85,112.87
Contracts	\$ -	-	-	229,824.56	323,809.00	13,845.00	266,463.00	4,724.00	-	838,665.56
Other Operating Expenses	\$ 470,864.79	-	15,499.00	-	1,289,699.86	41,784.16	-	3,655.00	77,945.49	1,899,448.30
Indirect	\$ 11,889.43	32,912.46	7,799.39	17,969.37	564,601.61	434,125.55	6,502.87	29,367.87	-	1,105,168.55
Total Operating Expenses	\$ 639,965.27	\$ 191,427.23	\$ 69,495.81	\$ 334,339.11	\$ 4,959,622.92	\$2,641,358.60	\$ 304,285.36	\$ 189,981.36	\$77,945.49	\$ 9,408,421.15

Schedules

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**Texas Water Development Board
Schedule 1 - Loans and Contracts**

For the Fiscal Year Ended August 31, 2018

Recipient	Original Amount	Outstanding Balance	Due From	Due To
Drinking Water State Revolving Fund				
Abilene	\$ 2,500,000.00	\$ 1,900,000.00	02/15/2014	02/15/2033
Agua SUD	3,967,000.00	2,935,000.00	08/01/2011	08/01/2040
Agua SUD	3,565,000.00	2,945,000.00	08/01/2015	08/01/2034
Aledo	5,765,000.00	-	08/15/2009	08/15/2028
Alpine	4,131,000.00	2,475,000.00	03/01/2007	03/01/2036
Altoga WSC	1,059,999.96	839,999.96	06/01/2013	06/01/2032
Alvord	360,000.00	130,000.00	10/01/2004	10/01/2023
Alvord	360,000.00	170,000.00	10/01/2006	10/01/2025
Amarillo	1,310,000.00	665,000.00	04/01/2014	04/01/2023
Amarillo	17,195,000.00	14,675,000.00	04/01/2016	04/01/2035
Amarillo	18,075,000.00	11,765,000.00	05/15/2012	05/15/2031
Anahuac	700,000.00	85,000.00	08/01/2006	08/01/2025
Anahuac	5,175,000.00	5,175,000.00	10/15/2018	10/15/2047
Anthony	980,000.00	955,000.00	02/15/2018	02/15/2046
Anthony	735,000.00	451,000.00	02/15/2015	02/15/2024
Arlington	38,000,000.00	19,000,000.00	06/01/2009	06/01/2028
Arlington	11,445,000.00	11,445,000.00	06/01/2019	06/01/2037
Ballinger	3,865,000.00	2,565,000.00	06/01/2009	06/01/2038
Ballinger	605,000.00	485,000.00	06/01/2017	06/01/2026
Bandera Co FWSD # 1	585,000.00	525,000.00	08/15/2016	08/15/2035
Bangs	231,000.00	100,000.00	02/15/2015	02/15/2021
Baytown Area WA	9,975,000.00	2,830,000.00	05/01/2007	05/01/2026
Beechwood WSC	1,369,000.00	940,000.00	07/01/2009	07/01/2038
Beeville	3,300,000.00	2,990,000.00	02/15/2017	02/15/2036
Benton City WSC	145,000.00	76,000.00	10/01/2001	10/01/2030
Bistone Municipal WSD	6,130,000.00	5,055,000.00	06/01/2015	06/01/2034
Blanco	3,150,000.00	3,150,000.00	08/15/2019	08/15/2047
Blossom	600,000.00	560,000.00	01/01/2011	01/01/2039
Bolivar Peninsula SUD	840,000.00	-	02/15/2010	02/15/2036
Bolivar Peninsula SUD	5,070,000.00	4,505,000.00	02/15/2010	02/15/2038
Bolivar Peninsula SUD	1,200,000.00	930,000.00	02/15/2010	02/15/2027
Bolivar Peninsula SUD	2,360,000.00	1,880,000.00	02/15/2010	02/15/2028
Bonham	7,355,000.00	4,410,000.00	02/15/2007	02/15/2036
Booker	455,000.00	435,000.00	08/15/2018	08/15/2037
Brady	6,115,000.00	2,730,000.00	05/01/2002	05/01/2031
Brady	350,000.00	245,000.00	09/01/2015	09/01/2024
Brazosport WA	15,500,000.00	13,335,000.00	09/01/2015	09/01/2034
Breckenridge	2,380,000.00	2,230,000.00	03/15/2016	03/15/2045
Breckenridge	1,680,000.00	1,500,000.00	03/15/2015	03/15/2044
Bright Star-Salem SUD	5,930,000.00	4,375,000.00	09/01/2011	09/01/2030
Brown Co WID # 1	20,490,000.00	11,515,000.00	02/01/2009	02/01/2028
Brownwood	6,335,000.00	2,705,000.00	03/15/2006	03/15/2025
Burleson Co MUD # 1	1,440,000.00	998,000.00	06/01/2005	06/01/2034
Burleson Co MUD # 1	120,000.00	76,000.00	06/01/2006	06/01/2035
Burnet	110,000.00	50,000.00	08/15/2013	08/15/2022
Cameron	9,305,000.00	8,645,000.00	03/01/2017	03/01/2042
Carbon	95,000.00	86,000.00	02/15/2016	02/15/2035
Castroville	350,000.00	175,000.00	02/01/2014	02/01/2023
Castroville	3,500,000.00	3,095,000.00	08/01/2016	08/01/2035
Central Texas WSC	22,340,000.00	13,159,526.00	03/15/2010	02/15/2030
Central Washington Co WSC	2,815,000.00	2,815,000.00	10/01/2019	10/01/2046
Chandler	750,000.00	750,000.00	10/15/2019	10/15/2042
Cisco	3,000,000.00	2,365,000.00	02/15/2010	02/15/2038
Cisco	2,200,000.00	1,500,000.00	02/15/2010	02/15/2038

UNAUDITED

**Texas Water Development Board
Schedule 1 - Loans and Contracts**

For the Fiscal Year Ended August 31, 2018

Recipient	Original Amount	Outstanding Balance	Due From	Due To
Cisco	4,565,000.00	4,565,000.00	02/15/2020	02/15/2049
Cockrell Hill	1,875,000.00	1,335,000.00	04/01/2012	04/01/2031
Coleman	5,025,000.00	3,495,000.00	04/01/2010	04/01/2039
Comanche	705,000.00	625,000.00	09/01/2014	09/01/2043
Commerce	2,274,000.00	1,788,000.00	02/15/2013	02/15/2040
Commerce	466,000.00	370,000.00	02/15/2013	02/15/2040
Corpus Christi	51,215,000.00	47,625,000.00	07/15/2017	07/15/2045
Coryell City WSD	2,000,000.00	2,000,000.00	10/01/2018	10/01/2037
Cottonwood Shores	1,395,000.00	1,345,000.00	05/01/2018	05/01/2037
Cotulla	3,920,000.00	3,920,000.00	02/01/2019	02/01/2047
Craft-Turney WSC	1,625,000.00	1,625,000.00	02/15/2019	02/15/2042
Crystal Clear SUD	15,000,000.00	15,000,000.00	12/01/2018	12/01/2042
Cypress Creek UD	2,035,000.00	2,035,000.00	09/01/2019	09/01/2047
D & M WSC	1,900,000.00	1,805,000.00	08/15/2018	08/15/2037
Dallas	44,000,000.00	44,000,000.00	10/01/2019	10/01/2047
Del Rio	6,220,000.00	-	06/01/2004	06/01/2022
Del Rio	9,645,000.00	7,100,000.00	06/01/2012	06/01/2040
Del Rio	5,845,000.00	305,000.00	06/01/2001	06/01/2020
Del Rio	5,400,000.00	810,000.00	06/01/2002	06/01/2021
DeLeon	80,000.00	50,000.00	02/15/2014	02/15/2023
DeLeon	520,000.00	465,000.00	02/15/2015	02/15/2043
Denton Co FWSD #1A	3,260,000.00	2,105,000.00	12/15/2011	12/15/2030
Deport	350,000.00	70,000.00	09/01/2001	09/01/2020
Devine	2,755,000.00	2,755,000.00	02/01/2019	02/01/2048
Devine	6,645,000.00	6,645,000.00	02/01/2019	02/01/2048
Dickens	460,000.00	460,000.00	08/15/2019	08/15/2048
Eagle Pass	7,455,000.00	140,000.00	12/01/2003	12/01/2032
Eagle Pass	17,090,000.00	17,090,000.00	12/01/2018	12/01/2046
Eagle Pass	11,900,000.00	11,900,000.00	12/01/2020	12/01/2047
Eagle Pass	11,545,000.00	6,540,000.00	12/01/2005	12/01/2034
Eagle Pass	5,400,000.00	4,165,000.00	12/01/2004	12/01/2033
Eagle Pass Water Works System	5,795,000.00	5,285,000.00	12/01/2013	12/01/2042
East Cedar Creek FWSD	730,000.00	395,000.00	07/01/2008	07/01/2027
East Rio Hondo WSC	1,379,000.00	1,176,400.00	10/01/2014	09/01/2034
East Tawakoni	1,215,000.00	770,000.00	01/01/2008	01/01/2027
East Tawakoni	1,000,000.00	800,000.00	01/01/2012	01/01/2030
Eastland	2,385,000.00	1,690,000.00	12/01/2009	12/01/2036
Eastland Co WSD	3,495,000.00	3,215,000.00	01/01/2015	01/01/2044
Edgewood	835,000.00	730,000.00	05/01/2011	05/01/2039
Edinburg	5,405,000.00	4,875,000.00	03/01/2017	03/01/2036
Edinburg	10,425,000.00	8,505,000.00	03/01/2015	03/01/2034
El Campo	375,000.00	226,000.00	02/01/2015	02/01/2024
El Jardin WSC	3,545,000.00	2,295,000.00	09/01/2004	09/01/2033
El Paso Co Tornillo WID	130,000.00	90,000.00	08/01/2011	08/01/2038
Eldorado	560,000.00	480,000.00	08/01/2015	08/01/2036
Eldorado	1,200,000.00	1,200,000.00	08/01/2019	08/01/2038
Elmendorf	10,770,000.00	10,770,000.00	08/01/2021	08/01/2048
Emory	720,000.00	567,000.00	07/01/2014	07/01/2033
Eules	4,685,000.00	4,025,000.00	07/15/2016	07/15/2035
Fayetteville	200,000.00	170,000.00	08/01/2016	08/01/2035
Flatonia	660,000.00	275,000.00	09/01/2007	09/01/2026
Fort Worth	49,585,000.00	26,740,000.00	03/01/2009	03/01/2027
Fort Worth	40,000,000.00	25,430,000.00	02/15/2011	02/15/2030
Fort Worth	16,145,000.00	9,660,000.00	02/15/2011	02/15/2030
Gladewater	1,600,000.00	1,560,000.00	08/15/2018	08/15/2037
G-M WSC	2,970,000.00	2,462,040.00	03/15/2010	02/15/2040

UNAUDITED

**Texas Water Development Board
Schedule 1 - Loans and Contracts**

For the Fiscal Year Ended August 31, 2018

Recipient	Original Amount	Outstanding Balance	Due From	Due To
G-M WSC	2,775,000.00	2,775,000.00	03/01/2019	03/01/2048
Goldthwaite	1,480,000.00	1,375,000.00	11/01/2015	11/01/2044
Gordon	460,000.00	460,000.00	03/01/2019	03/01/2048
Gorman	140,000.00	117,000.00	03/01/2016	03/01/2030
Gorman	1,000,000.00	1,000,000.00	03/01/2019	03/01/2048
Granbury	16,430,000.00	16,000,000.00	08/15/2017	08/15/2045
Granbury	2,720,000.00	2,450,000.00	08/15/2018	08/15/2027
Granbury	15,000,000.00	14,920,000.00	08/15/2018	08/15/2037
Grand Prairie	4,000,000.00	3,040,000.00	01/15/2015	01/15/2030
Greater Texoma UA	325,000.00	45,000.00	10/01/1999	10/01/2018
Greater Texoma UA	1,745,000.00	920,000.00	06/01/2008	06/01/2027
Greater Texoma UA	485,000.00	305,000.00	06/01/2015	06/01/2024
Greater Texoma UA	3,695,000.00	3,135,000.00	08/15/2015	08/15/2034
Greater Texoma UA	2,515,000.00	1,955,000.00	10/01/2016	10/01/2024
Greater Texoma UA	2,875,000.00	2,620,000.00	06/01/2016	06/01/2034
Greater Texoma UA	27,310,000.00	24,755,000.00	10/01/2016	10/01/2035
Greater Texoma UA	2,125,000.00	2,025,000.00	08/15/2017	08/15/2037
Greater Texoma UA	7,155,000.00	7,155,000.00	10/01/2018	10/01/2037
Greater Texoma UA	1,225,000.00	1,165,000.00	08/15/2018	08/15/2037
Greater Texoma UA	15,200,000.00	15,200,000.00	09/01/2019	09/01/2048
Greater Texoma UA	935,000.00	935,000.00	10/01/2019	10/01/2048
Greenville	305,000.00	185,000.00	02/15/2011	02/15/2029
Groesbeck	1,025,000.00	605,000.00	08/15/2007	08/15/2036
Groesbeck	2,150,000.00	1,574,000.00	02/15/2011	02/15/2040
Hamlin	5,500,000.00	2,470,000.00	03/01/2002	03/01/2031
Harris Co MUD #50	2,470,000.00	2,245,000.00	03/01/2017	03/01/2035
Harris Co MUD #148	2,710,000.00	1,990,000.00	04/01/2012	04/01/2031
Harris Co WCID #36	3,885,000.00	3,400,000.00	09/01/2015	09/01/2034
Harris Co WCID #36	5,000,000.00	2,925,000.00	09/15/2009	09/15/2027
Hico	1,520,000.00	1,305,000.00	08/15/2014	08/15/2042
Hidalgo Co MUD #1	5,605,000.00	3,980,000.00	02/15/2010	02/15/2039
Hondo	490,000.00	250,000.00	02/01/2014	02/01/2023
Hondo	5,470,000.00	5,045,000.00	08/01/2017	08/01/2036
Honey Grove	2,700,000.00	2,620,000.00	09/01/2017	09/01/2045
Honey Grove	200,000.00	102,000.00	03/01/2014	03/01/2023
Houston	48,040,000.00	41,245,000.00	11/15/2015	11/15/2034
Houston Co WCID #1	5,940,000.00	4,490,000.00	08/01/2009	08/01/2038
Hubbard	1,500,000.00	1,325,000.00	02/15/2014	02/15/2043
Jefferson	2,600,000.00	2,480,000.00	02/15/2018	02/15/2037
Johnson County SUD	22,000,000.00	22,000,000.00	08/15/2019	08/15/2038
Karnes City	3,600,000.00	2,960,000.00	06/01/2011	06/01/2037
Kellyville-Berea WSC	635,000.00	635,000.00	02/15/2019	02/15/2038
Kirbyville	1,805,000.00	1,805,000.00	08/15/2019	08/15/2038
Kountze	930,000.00	295,000.00	03/15/2000	03/15/2024
La Feria	880,000.00	695,000.00	09/15/2013	09/15/2032
Ladonia	200,000.00	120,000.00	02/15/2015	02/15/2024
Ladonia	2,810,000.00	2,810,000.00	08/15/2019	08/15/2047
Lake Livingston WSSSC	3,130,000.00	2,970,000.00	12/01/2015	12/01/2034
Lake Livingston WSSSC	17,500,000.00	15,855,000.00	12/01/2010	12/01/2039
Lake Palo Pinto Area WSC	130,000.00	90,000.00	04/01/2015	04/01/2024
Lake Palo Pinto Area WSC	1,480,000.00	1,380,000.00	04/01/2017	04/01/2036
Lamar Co WSD	3,170,000.00	2,255,000.00	07/10/2008	07/10/2027
Lamar Co WSD	1,380,000.00	1,205,000.00	07/10/2012	07/10/2039
Laredo	5,500,000.00	5,020,000.00	03/01/2016	03/01/2045
Laredo	4,600,000.00	4,180,000.00	03/01/2016	03/01/2045
Lee Co FWSD #1	525,000.00	495,000.00	03/01/2017	03/01/2046

UNAUDITED

**Texas Water Development Board
Schedule 1 - Loans and Contracts**

For the Fiscal Year Ended August 31, 2018

Recipient	Original Amount	Outstanding Balance	Due From	Due To
Liberty	915,000.00	735,000.00	03/01/2017	03/01/2026
Llano	890,000.00	890,000.00	09/15/2019	09/15/2038
Los Fresnos	1,000,000.00	850,000.00	02/01/2016	02/01/2025
Lower Neches Valley Authority	18,495,000.00	16,625,000.00	08/01/2009	08/01/2035
Lower Valley WD	9,880,000.00	-	09/15/2010	09/15/2029
Marlin	10,380,000.00	7,565,000.00	07/01/2007	07/01/2036
Marlin	1,680,000.00	1,610,000.00	07/01/2015	07/01/2042
Mason	990,000.00	990,000.00	03/01/2020	03/01/2049
Melvin	180,000.00	180,000.00	09/01/2018	09/01/2047
Menard	550,000.00	275,000.00	03/01/2014	03/01/2023
Mexia	560,000.00	-	08/15/2003	08/15/2022
Mexia	605,000.00	230,000.00	08/15/2005	08/15/2024
Mexia	2,780,000.00	1,880,000.00	08/15/2010	08/15/2038
Mexia	960,000.00	645,000.00	08/15/2010	08/15/2038
Midlothian	25,010,000.00	15,250,000.00	09/01/2009	09/01/2028
Millersview-Doole WSC	15,816,000.00	11,920,000.00	12/01/2005	12/01/2034
Mission	7,780,000.00	5,025,000.00	02/15/2011	02/15/2030
Montgomery	1,730,000.00	1,650,000.00	03/01/2018	03/01/2037
Moran	180,000.00	160,000.00	02/15/2015	02/15/2044
Mount Calm	331,000.00	124,000.00	03/01/2005	03/01/2024
Mount Pleasant	24,785,000.00	20,975,000.00	03/15/2009	03/15/2033
Mountain Peak SUD	995,000.00	595,000.00	12/01/2010	12/01/2029
Mustang SUD	3,555,000.00	3,555,000.00	09/01/2018	09/01/2047
Nacogdoches	7,770,000.00	3,300,000.00	03/01/2008	03/01/2027
Nevada SUD	1,490,000.00	1,490,000.00	05/15/2019	05/15/2038
New Deal	935,000.00	935,000.00	03/01/2019	03/01/2048
North Central Texas MWA	5,500,000.00	4,575,000.00	07/10/2014	07/10/2043
North San Saba WSC	310,000.00	118,219.66	02/01/2012	01/01/2022
North San Saba WSC	335,000.00	306,500.00	01/01/2014	01/01/2044
Nueces County	70,000.00	70,000.00	09/12/2018	09/12/2018
Palmer	1,405,000.00	-	07/01/2003	07/01/2022
Paris	2,900,000.00	2,150,000.00	06/15/2014	06/15/2032
Pearland	10,225,000.00	10,225,000.00	09/01/2018	09/01/2027
Pearland	12,025,000.00	12,025,000.00	09/01/2018	09/01/2047
Pearland	8,650,000.00	8,650,000.00	09/01/2019	09/01/2019
Pecos City	8,315,000.00	1,155,000.00	06/15/2001	06/15/2020
Pharr	13,310,000.00	9,500,000.00	09/01/2008	09/01/2027
Pharr	8,725,000.00	7,705,000.00	09/01/2014	09/01/2042
Port Arthur	2,080,000.00	1,465,000.00	02/15/2016	02/15/2025
Port Mansfield PUD	220,000.00	208,000.00	04/01/2017	04/01/2046
Porter SUD	1,590,000.00	890,000.00	06/01/2009	06/01/2028
Possum Kingdom WSC	1,625,000.00	1,120,000.00	12/15/2010	12/15/2029
Possum Kingdom WSC	4,700,000.00	1,590,000.00	12/15/2004	12/15/2023
Ranger	420,000.00	420,000.00	02/15/2020	02/15/2049
Ranger	570,000.00	570,000.00	02/15/2020	02/15/2049
Raymondville	2,145,000.00	1,920,000.00	04/01/2014	04/01/2033
Red River Co WSC	1,250,000.00	1,051,000.00	04/01/2014	04/01/2041
Reklaw	300,000.00	292,000.00	03/01/2018	03/01/2047
Reno	1,145,000.00	690,000.00	01/01/2005	01/01/2024
Reno	900,000.00	560,000.00	01/01/2006	01/01/2024
Rio Grande City	8,700,000.00	7,375,000.00	02/15/2011	02/15/2040
Rio Grande City	12,200,000.00	9,360,000.00	02/15/2011	02/15/2040
Rio Hondo	1,278,000.00	968,000.00	08/01/2014	08/01/2033
Rio Hondo	300,000.00	270,000.00	08/01/2017	08/01/2036
River Oaks	8,000,000.00	7,785,000.00	06/15/2018	06/15/2047
Robert Lee	758,000.00	653,000.00	12/01/2013	12/01/2042

UNAUDITED

**Texas Water Development Board
Schedule 1 - Loans and Contracts**

For the Fiscal Year Ended August 31, 2018

Recipient	Original Amount	Outstanding Balance	Due From	Due To
Robert Lee	67,000.00	57,000.00	12/01/2013	12/01/2042
Rogers	2,205,000.00	2,205,000.00	08/15/2019	08/15/2047
Roma	2,327,000.00	887,000.00	11/01/2000	11/01/2029
Round Rock	12,000,000.00	-	08/01/2008	08/01/2026
San Antonio Water System	26,370,000.00	20,300,000.00	05/15/2014	05/15/2033
San Antonio Water System	22,400,000.00	18,195,000.00	05/15/2015	05/15/2034
San Antonio Water System	75,920,000.00	69,380,000.00	05/15/2016	05/15/2045
San Antonio Water System	12,500,000.00	11,950,000.00	05/15/2017	05/15/2046
San Antonio Water System	10,500,000.00	10,500,000.00	05/15/2019	05/15/2048
San Juan	6,170,000.00	5,355,000.00	01/01/2015	01/01/2033
San Juan	1,400,000.00	1,140,000.00	01/01/2015	01/01/2033
San Saba	165,000.00	105,000.00	03/01/2015	03/01/2024
Santa Rosa	1,475,000.00	330,000.00	02/01/2007	02/01/2026
Seis Lagos UD	1,335,000.00	750,000.00	03/01/2008	03/01/2027
Seymour	2,115,000.00	2,115,000.00	03/01/2019	03/01/2048
Skyline Ranch Estates WSC	340,000.00	288,300.00	10/01/2014	09/01/2034
Smyer	135,000.00	115,000.00	02/15/2015	02/15/2034
Sonora	2,925,000.00	1,935,000.00	12/01/2010	12/01/2029
South Houston	2,010,000.00	1,345,000.00	03/01/2011	03/01/2030
Southmost Regional WA	3,795,000.00	2,625,000.00	09/01/2010	09/01/2029
Southmost Regional WA	9,295,000.00	6,815,000.00	09/01/2010	09/01/2039
Springs Hill WSC	1,100,000.00	890,000.00	11/01/2013	11/01/2032
Springs Hill WSC	3,130,000.00	2,038,000.00	11/01/2011	11/01/2030
Stamford	9,530,000.00	8,990,000.00	02/15/2017	02/15/2046
Stephens Regional SUD	1,740,000.00	1,530,000.00	08/15/2013	08/15/2042
Sunbelt FWSD	2,630,000.00	-	12/01/2002	12/01/2026
Surfside Beach	1,655,000.00	960,000.00	02/15/2009	02/15/2028
Sweetwater	1,935,000.00	1,555,000.00	08/15/2015	08/15/2033
Sweetwater	5,000,000.00	4,510,000.00	08/15/2017	08/15/2036
Tioga	580,000.00	395,000.00	04/01/2002	04/01/2031
Tioga	1,050,000.00	1,050,000.00	03/15/2019	03/15/2042
Trinidad	250,000.00	200,000.00	01/01/2009	01/01/2037
Troy	2,100,000.00	2,100,000.00	02/01/2019	02/01/2048
Tyler County SUD	1,250,000.00	850,000.00	09/01/2011	09/01/2040
Tyler County SUD	775,000.00	728,000.00	09/01/2011	09/01/2040
Union WSC	1,665,000.00	1,527,400.00	02/01/2014	02/01/2044
Upper Leon River MWD	775,000.00	485,000.00	05/01/2015	05/01/2024
Upper Leon River MWD	7,452,000.00	7,323,000.00	05/01/2018	05/01/2047
Upper Leon River MWD	1,863,000.00	1,839,000.00	05/01/2018	05/01/2047
Valley MUD #2	1,495,000.00	1,495,000.00	02/15/2021	02/15/2048
Victoria Co WCID # 1	2,515,000.00	2,150,000.00	03/01/2010	03/01/2029
Wellborn SUD	3,500,000.00	2,285,000.00	07/15/2008	07/15/2027
Wellman	140,000.00	130,000.00	02/15/2017	02/15/2036
West Tawakoni	1,125,000.00	1,095,000.00	02/01/2018	02/01/2047
White River MWD	1,055,000.00	935,000.00	06/01/2014	06/01/2043
Willis	3,150,000.00	2,810,000.00	08/01/2014	08/01/2043
West Wise SUD	13,430,000.00	13,430,000.00	08/15/2019	08/15/2047
Willow Park	685,000.00	595,000.00	02/15/2016	02/15/2035
Willow Park	995,000.00	950,000.00	02/15/2018	02/15/2037
Winters	1,645,000.00	1,120,000.00	10/01/2009	10/01/2038
Winters	425,000.00	305,000.00	10/01/2015	10/01/2024
Winters	580,000.00	580,000.00	04/01/2019	04/01/2038
Wolfe City	1,015,000.00	805,000.00	09/15/2012	09/15/2041
Woodbranch Village	1,500,000.00	1,500,000.00	08/01/2019	08/01/2037
Woodsboro	520,000.00	355,000.00	03/01/2009	03/01/2028
Wortham	280,000.00	217,000.00	08/15/2014	08/15/2033

UNAUDITED

Texas Water Development Board
Schedule 1 - Loans and Contracts

For the Fiscal Year Ended August 31, 2018

Recipient	Original Amount	Outstanding Balance	Due From	Due To
Zapata County	14,808,000.00	10,851,000.00	02/15/2011	02/15/2040
Zavala Co WCID #1	760,000.00	670,000.00	01/01/2014	01/01/2043
Total - Drinking Water State Revolving Fund	\$ 1,492,466,999.96	\$ 1,157,040,385.62		

Attachment C: TCEQ – Small Systems Technical Assistance Annual Report

**STATE FISCAL YEAR 2018
DRINKING WATER STATE REVOLVING FUND
SMALL SYSTEM TECHNICAL ASSISTANCE
(2%) TWO PERCENT SET-ASIDE ACTIVITIES
ANNUAL REPORT**

**EPA # FS-99679521
[TCEQ Grant# 990218]**

**Texas Commission on Environmental Quality
P.O. Box 13087, Austin, Texas 78711-3087**

**Source of Funding: Federal Fiscal Year 2017 DWSRF Two Percent Set-aside
and Remaining Unliquidated Obligations from Prior Years**

Submitted November 15, 2018

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INTRODUCTION

The Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements. The objectives of the DWSRF program include addressing public health priorities, achieving compliance with the Safe Drinking Water Act (SDWA), assisting systems to ensure affordable drinking water and maintaining the long-term viability of the Fund. The SDWA authorizes states to use a portion of the federal DWSRF Capitalization Grant to support various drinking water programs (Set-Asides). Through the use of Set-Asides, emphasis is also placed on the development of state programs, including Source Water Protection, and Capacity Development. The SDWA allows as much as 2% of a State's Federal Capitalization Grant to be used for Small Systems Technical Assistance.

The DWSRF grant program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The 2018 Drinking Water State Revolving Fund 2% Small Systems Technical Assistance Annual Report details the TCEQ's progress in meeting DWSRF grant program goals, objectives, and funding expenditures for September 1, 2017 through August 31, 2018 using the 2% Set-Aside funds for Source Water Protection, Capacity Development and Public Water System Supervision Program (PWSSP) Administration in support of small Public Water Systems (PWS). The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms and Expenditures and Program Elements, Tasks and Deliverables.

SUMMARY

The TCEQ, through the 2% Small Systems Technical Assistance Work Plan, identified activities to be performed between September 1, 2017 and August 31, 2018 that supported small PWS through the State's PWSSP. These activities addressed program requirements of the PWSSP outlined by the SDWA. Specifically, Source Water Protection, Capacity Development Strategy, and PWSSP Administration requirements of the SDWA were addressed.

The TCEQ expended approximately \$1,204,269 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$684,909 was requested for reimbursement from TWDB through the Capitalization Grant during the period of

September 1, 2017 through August 31, 2018 and the remainder, or approximately \$519,360, has been or is expected to be requested during the months of September 2018 through November 2018. No match is required; the 2% DWSRF set-aside does not require a match.

The total requested for reimbursement from TWDB between September 2017 and August 2018 was \$978,258. Of this amount, approximately \$293,349 was requested for reimbursement from TWDB between September 2017 and November 2017 under the SFY2017/FFY2016 DWSRF 2% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

EPA AND TCEQ GOALS AND OBJECTIVES

Federal and State programmatic goals and objectives are shown in Table 1: EPA and TCEQ Goals and Objectives below.

Table 1: EPA and TCEQ Goals and Objectives

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
<p>EPA Goal 2: Protecting America’s Waters</p> <p>Protect and restore waters to ensure that drinking water is safe and sustainably managed, and that aquatic ecosystems sustain fish, plants, wildlife, and other biota, as well as economic, recreational, and subsistence activities.</p> <p>EPA Objective 2.1: Protect Human Health</p> <p>Achieve and maintain standards and guidelines protective of human health in drinking water supplies, fish, shellfish, and recreational waters, and protect and sustainably manage drinking water resources.</p>	<p>TCEQ Goal 02: Drinking Water</p> <p>To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water conservation and reclamation districts; and by promoting regional water strategies.</p> <p>TCEQ Goal 02: Objective 01</p> <p>To supply 95 percent of Texans served by public drinking water systems with drinking water consistent with requirements in the Safe Drinking Water Act. To provide regulatory oversight of water conservation and reclamation districts and to promote regional water strategies.</p> <p>TCEQ Strategy 02-01-01: Safe Drinking Water</p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources</p>

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
	consistent with the requirements of the Safe Drinking Water Act.

WORK PROGRAM ORGANIZATIONAL STRUCTURE

Within the TCEQ, the Water Supply Division is responsible for completing all activities under the 2% DWSRF Set-Aside Grant. The WSD is in charge of the administration of the Source Water Protection program (Program Element 1 and associated Tasks), the Capacity Development program (Program Element 2 and associated Tasks) and PWSSP Administration outlined by the SDWA (Program Element 3 and associated Tasks).

EXPENDITURE BY PROGRAM ELEMENT

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2018 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$1,204,269 during the grant work plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$684,909 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder, or approximately \$519,360, has been or is expected to be requested during the months of September 2018 through November 2018. No match is required; the 2% DWSRF Set-Aside does not require a match. Work was performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2017 and August 2018 was \$978,258. Of this amount, approximately \$293,349 was requested for reimbursement from TWDB between September 2017 and November 2017 under the SFY2017/FFY2016 DWSRF 2% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2017 and August 2018 for the SFY18/FFY17 2% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: Source Water Protection Programs	Water Supply	\$28,031	\$257,855	21%
Program Element 2: Capacity Development	Water Supply	\$530,467	\$718,105	60%
Program Element 3: PWSSP Administration	Water Supply	\$126,411	\$228,309	19%
Total		\$684,909	\$1,204,269	100%

PROJECT SCHEDULE

The TCEQ conducted the activities in the DWSRF 2% Set-Aside Work Plans over a 12-month period, which began September 1, 2017 and ended August 31, 2018 (SFY 2018).

MEASURES OF SUCCESS

The following tables [Table 3: TCEQ Outcome/Output Measures and Table 4: EPA Program Activity Measures (PAMS)] provide the results of the activities implemented under the DWSRF 2% Work Plan. These measures were previously identified in the DWSRF 2% Work Plan under each Program Element and Task combination:

Table 3: TCEQ Outcome/Output Measures

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<u>02-01.01 Outcome Measure:</u> Percent of Texas population served by public drinking water systems	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities 	99% of Texas population served by public drinking water systems that meet drinking water standards.

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
which meet drinking water standards.	<ul style="list-style-type: none"> • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security • Program Element 3: Task 3.1 PWSSP Administration – PWSSP Activities 	
<p><u>02-01-01.01</u> <u>Output Measure:</u> Number of public drinking water systems that meet primary drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security • Program Element 3: Task 3.1 PWSSP Administration – PWSSP Activities 	<p>6,737 public drinking water systems that meet primary drinking water standards.</p>

Table 4: EPA Program Activity Measures (PAMS)

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
<p><u>SDW-211:</u></p> <p>Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and Source Water Protection.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security • Program Element 3: Task 3.1 PWSS Program Administration – PWSS Program Activities 	<p>98.5% of the population in Texas was served drinking water that meets the Safe Drinking Water Act (SDWA) regulations.</p>
<p><u>SDW-SP1.N11:</u></p> <p>Percent of community water systems that meet all applicable health-based standards through approaches that include effective treatment and Source Water Protection.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security 	<p>95.4% of community water systems in Texas provide drinking water that meets all applicable health-based standards through effective treatment and Source Water Protection.</p>

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
	<ul style="list-style-type: none"> • Program Element 3: Task 3.1 PWSSP Administration – PWSSP Activities 	
<p><u>SDW-SP2:</u></p> <p>Percent of "person months" (i.e. all persons served by community water systems times 12 months) during which community water systems provide drinking water that meets all applicable health-based drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security • Program Element 3: Task 3.1 PWSSP Administration – PWSS Program Activities 	<p>96.1% of "person months" during which community water systems provide drinking water that meets health-based standards.</p>
<p><u>SDW-SP4a:</u></p> <p>Percent of community water systems where risk to public health is minimized through Source Water Protection.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities 	<p>37.9% of community water systems where risk to public health is minimized through Source Water Protection</p>
<p><u>SDW-SP4b:</u></p> <p>Percent of the population served by community water systems where risk to public health is minimized through Source Water Protection.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities 	<p>62% of population served by community water systems where risk to public health is minimized</p>

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
		through Source Water Protection

PROGRAM ELEMENTS, TASKS, DELIVERABLES AND OUTPUTS

The following describes the Work Plan Deliverables and Outputs provided for the Program Elements and Tasks identified in the 2% DWSRF Work Plan for SFY 2018.

Program Element 1: Source Water Protection Programs

This Program Element and associated Task implemented Source Water Protection (which includes both surface and wellhead protection) programs within the State in order to provide ongoing assistance to small PWS through evaluation of sources with respect to vulnerability to contamination. An estimated total of \$257,855 was expended for activities conducted during the Work Plan period of September 1, 2017 through August 31, 2018. Of the total estimated amount expended, \$28,031 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder or approximately \$229,824 has been or is expected to be requested during the months of September 2018 through November 2018. All work was performed during the designated Work Plan period of September 1, 2017 through August 31, 2018.

Task 1.1 Source Water Protection Programs – Source Water Protection Activities

This Task provided for Source Water Protection (which includes both surface and wellhead protection) activities within the state in order to provide ongoing assistance to small PWS through evaluation of sources with respect to vulnerability to contamination. TCEQ staff and contractors were used to support this Task.

The key deliverables are completed Source Water Protection (SWP) reports provided to four (4) small PWS in order to assist in the implementation of programs designed to provide SWP within the State.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for	TCEQ completed 21 SWP Assessments under this grant. A total of 21 PWS were evaluated in four (4) counties under this grant.

Work Plan Deliverable	Output Provided
four (4) small PWS;	
2. Implemented SWP programs in various areas of the State for four (4) small PWS;	TCEQ completed 35 SWP Plans, 21 were conducted under this grant.
3. Best management practices developed to implement SWP for four (4) small PWS;	TCEQ implemented best management practices for 21 PWS under this grant.
4. Meetings and site visits in order to facilitate the creation of SWP programs with four (4) small PWS;	SWP participants attended 61 meetings and TCEQ conducted site visits in conjunction with development of the SWP Plans. Each of the 21 SWP Plans completed required water systems to attend an introduction meeting, education outreach event, site inventory and close out meeting.
5. Evaluation of potential contamination inventories for four (4) small PWS;	TCEQ inventoried 44 SWP Areas.
6. Identification of populations protected by a SWP program and served by vulnerable water sources for four (4) small PWS; and	TCEQ identified a population of 12,324 protected by a SWP Program and served by vulnerable water sources in 21 small PWS.
7. Other activities in support of the SWP program within the State of Texas.	TCEQ staff and contractors worked with Texas Rural Water Association (TRWA) to complete Source Water Protection technical assistance, including assisting water systems with best management practices and updating SWP plans. TCEQ staff gave presentations on SWP and best management practices at the TCEQ Public Drinking Water (PDW) Conference in Austin, Texas, Texas Water Utilities Association Annual Short School in Corpus Christi, Texas, Texas Water Utilities Association Regional School in Abilene, Texas, and Texas Water Utilities Association Bosque River District in Stephenville, Texas.

Program Element 2: Capacity Development

This Program Element provided assistance to small PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of small PWS through the identification of small PWS that need assistance in developing, enhancing, and maintaining their FMT abilities to meet state and federal requirements, as well as to provide assistance to PWS during significant weather events, natural disasters, and other emergency events. Additionally, the activities under this Program Element assisted small PWS to maintain or enhance their abilities to meet State requirements through developing, issuing and managing of assistance, including assistance from technical assistance contractors, in order to improve their FMT capability. The activities under this Program Element were performed by TCEQ staff and contractors.

An estimated total of \$718,105 was expended for activities conducted during the Work Plan period of September 1, 2017 through August 31, 2018. Of the total estimated amount expended \$530,467 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder or approximately \$187,638 has been or is expected to be requested during the months of September 2018 through November 2018. All work was performed during the designated Work Plan period of September 1, 2017 through August 31, 2018.

Task 2.1: Capacity Development – Capacity Development Activities

This Task implements the Capacity Development Strategy under the PWS Program in Texas. The activities under this Task provided assistance to reduce the risk of both long-term and short-term health effects. This was accomplished through the implementation of: portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, Intended Use Plan ranking and review and other specialized assistance to small PWS.

The key deliverable is the implementation of programs designed to meet the goal of 95% of the Texas population with drinking water that meets drinking water standards and enhances the sustainability of small PWS.

Work Plan Deliverable	Output Provided
<p>1. Developed presentations, training materials and other technical documents to support the technical capability and compliance of small PWS in Texas;</p>	<p>TCEQ provided presentations and workshop and training materials at the 2018 Annual Texas PDW Conference. Staff developed and made presentations to assist small PWS at workshops, conferences, and Texas Water Infrastructure Coordination Committee (TWICC) meetings with topics like drought management, regionalization and how to get assistance with operations and funding. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention.</p>
<p>2. Review, analysis, tracking and response to exception requests, emergency preparedness plans, engineering plans and other items submitted by PWS;</p>	<p>During the grant period, exceptions for small PWS were reviewed by TCEQ staff and contractors under this grant. TCEQ staff also assisted small PWS through engineering plan reviews for small PWS improvements.</p>
<p>3. Coordination of activities within the TCEQ and with the Attorney General of Texas for the restructuring of nonviable water systems;</p>	<p>TCEQ coordinated activities within the TCEQ and with the Attorney General of Texas for the restructuring of nonviable water systems.</p>
<p>4. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the Capacity Development Strategy;</p>	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, USDA, Communities Unlimited, TRWA, TWDB and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings. TWICC members attended the Drought Preparedness Council, a TRWA workshop and the TCEQ Annual PDW Conference. TWICC invited FEMA, TDEM and GLO to participate in informational meetings after Harvey to discuss disaster funding. TCEQ also worked with TWICC and the Environmental Finance Center Network and the Southwest Environmental Finance Center to put on an additional workshop in Lubbock called <i>Making Money, Saving Water: A Workshop on Water Loss & Rates</i>.</p>

Work Plan Deliverable	Output Provided
5. Provision of other assistance and support services to small PWS in support of the PWS Program and approved Capacity Development Strategy for the State of Texas.	TCEQ and contractors participated in the 2018 Annual Texas PDW Conference. This conference had a robust workshop section where water systems received specialized training. The conference also provided a technical assistance room for small PWS staff to receive one-on-one technical assistance.

Task 2.2: Capacity Development– Small System FMT Assistance

This Task provided assistance to small PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this task enhanced the FMT abilities of small PWS through the use of TCEQ staff and a FMT contractor, who provides assistance in developing, enhancing, and maintaining FMT abilities, and assisting small PWS to meet state and federal requirements.

The key deliverable was the implementation of programs designed to provide approximately 30 assistance visits in order to enhance the FMT abilities of small PWS to meet state and federal requirements.

Work Plan Deliverable	Output Provided
1. FMT training and assistance to small PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed;	<p>The TCEQ, through its FMT assistance contractor, completed 176 FMT Capacity Assessments, Consolidation Assessments, On-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for small PWS.</p> <p>TCEQ’s FMT Contractor completed 11 Directed Assistance Modules (DAM) to small PWS and completed at least 20 FMT Assistance assignments for the purpose of training and assisting small PWS on specific FMT weaknesses identified during FMT Capacity Assessments.</p>
2. Assessment and reporting on DWSRF applicants;	TCEQ’s FMT Contractor conducted nine (9) FMT capacity assessments for small PWS DWSRF applicants. The FMT Contractor provided DWSRF application assistance to one (1) small PWS.

Work Plan Deliverable	Output Provided
3. Provision of other assistance, training and services to small PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	TCEQ's FMT Contractor completed two (2) Consolidation Assessments for small Investor Owned Utilities and one (1) for small Water Supply Corporation for the purpose of ensuring service to the communities.

Task 2.3 Capacity Development – Water Security

This Task provided assistance to small PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task provided assistance to small PWS during significant weather events, natural disasters, and other emergency events. Activities were conducted to enhance abilities of small PWS to respond to emergencies through the use of a contractor and TCEQ staff that provide assistance.

The key deliverable is the provision of water security assistance and training to PWS in the state impacted by or who have the potential to be impacted by natural disasters including drought.

Work Plan Deliverable	Output Provided
1. Training events for PWS in relation to emergency response procedures;	<p>The Office of Water in conjunction with the Natural Disaster Operational Workgroup (NDOW) conducted several training sessions of Response Manager (RM) in FY2018. Both Drinking Water (DW) and Wastewater (WW) Modules used in RM were updated as a result of lessons learned from Hurricane Harvey. To test the new modules RM trainings were held at the following locations:</p> <ul style="list-style-type: none"> • April 9th-11th held a mock Hurricane Exercise in Galveston covered information in both modules, answered questions concerning the new modules, and tested the modules using information from DW Systems and WW systems. • As part of the Galveston Hurricane Exercise, TCEQ staff located in Houston, Dallas, Harlingen, and Water Supply Division (WSD) Offices participated via VTC in receiving information from the field and conducting their own DW Assessments. The WSD held a total of 4 training sessions in Austin via VTC from April 9th-April 13th.

Work Plan Deliverable	Output Provided
<p>2. Training events for PWS in relation to water security;</p>	<p>During the TCEQ's 2018 Annual PDW Conference approximately 800 attendees were provided with the 2018 Homeland Security Emergency Contact update form to provide an opportunity to water systems to update their emergency contact information with the TCEQ. During 2018, the TCEQ's Inventory Team updated the Emergency Contact information to 612 facilities.</p> <p>The Texas Department of Emergency Management provided an excellent presentation on the basics of Emergency Management in Texas and how the process works with water utilities at the TCEQ's 2018 Annual PDW Conference.</p> <p>This fiscal year the contract for Security Education was awarded to CDM Smith and the Mutual Aid portion was awarded to TXWARN.</p> <ul style="list-style-type: none"> • CDM Smith provided a presentation on Assessing your Infrastructure Before an Emergency and information promoting the training on conducting a Risk Vulnerability Assessment at the 2018 Annual Texas PDW Conference to DW and WW utility operators. • On August 14th and August 28th, 2018 CDM Smith provided two hours of a free webinar training on How to Conduct a Vulnerability Risk Assessment on your utility using the EPA's Vulnerability Self-Assessment Tool. The information gathered by participating utilities during the webinar will be used in a workshop in FY2019 to help water utilities develop their Emergency Response Plan (ERP) for their utility. The ERP is important to create and maintain for funding purposes, for disaster resilience, and for disaster preparedness. <p>TCEQ Promoted EPA's Flooding Resilience Training for Water and Wastewater Utilities held in Houston on April 10th, 2018. The workshop information was posted on TCEQ's Drinking Water Advisory Work Group (DWAAG) web page and EPA was provided with the contact information for water systems in the area. In 2018, TXWARN also contributed training opportunities for its members and included the</p>

Work Plan Deliverable	Output Provided
	<p>following:</p> <ul style="list-style-type: none"> • Disaster and Hurricane Preparedness Workshop held on August 10th, 2018 in Rosenberg Texas. • Hurricane Preparedness: What We Learned from Hurricane Harvey a webinar held on August 3, 2018. • Cybersecurity Guidance Tool User Workshop held in Waco on January 30, 2018.
<p>3. Post event analysis reports following emergency events;</p>	<p>As a result of exercise evaluation comments from staff using the new modules during the Galveston Hurricane Exercise more updates were conducted on the DW and WW modules.</p> <ul style="list-style-type: none"> • On June 7th, the newly updated modules were used for a RM training held at the TCEQ Regional Office in Fort Worth, field staff attended this training, and comments from this training indicated that the modules provided helpful information and the definitions page made the DW module more self-explanatory. • On June 13th, a training was held at the TCEQ Austin Office, staff attended from all the different divisions of the TCEQ, comments from this training indicated the modules were very helpful and easier to understand. • On June 24th, a training was held at the TCEQ Regional Office in Harlingen, field staff attended this training, and comments from this training indicated that the modules provided helpful information, the definitions page made the DW module more self-explanatory, and the completed example assessments for DW and WW were very helpful to all attendees.
<p>4. Support for natural disaster initiatives including updates to drought watch lists and technical assistance calls to impacted systems, as needed;</p>	<p>On August 25, 2017, Hurricane Harvey made landfall near Rockport in the Corpus Christi Region and thru September 1, 2017 proceeded to drop 20-64 inches of rain affecting water systems located in 58 counties located in the Houston, Beaumont, Austin and Waco Regions.</p> <ul style="list-style-type: none"> • The WSD and all affected Regions initiated RM to track the status of affected water systems until they returned to fully functional status. In the first week following the landfall of Harvey,

Work Plan Deliverable	Output Provided
	<p>the WSD with the assistance of the EPA contacted almost 2,070 water systems located in 50 of the 58 affected counties to determine the operational status of the water systems and to conduct an initial DW assessment on each facility. As of January 1, 2018, WSD completed tracking of the DW systems which were impacted by Hurricane Harvey.</p> <ul style="list-style-type: none"> • Supported AWWA in generating the 2018 Hurricane After Action Report by participating in a workshop with several of the impacted utilities, utilities that assisted impacted utilities, the EPA, and TXWARN to review lessons learned. The workshop was held in San Antonio, Texas the week of January 29, 2018. https://www.awwa.org/portals/0/files/resources/water%20knowledge/rc%20emergency%20rep/rc%20warn%20situation%20reports/harvey_irma_aar_final.pdf • The TCEQ's WSD also contributed to the TCEQ's After Action Review Report released on April 3, 2018, reviewing actions taken during Hurricane Harvey https://www.tceq.texas.gov/assets/public/response/hurricanes/hurricane-harvey-after-action-review-report.pdf • During the months of May-August 2018, the TCEQ's Response and Capacity Development Team reached out to 4,595 water systems in drought affected areas of Texas. The purpose of the outreach was to encourage water systems to review their drought plans, to review their usage restrictions and to request they contact the TCEQ if their utility becomes negatively impacted by the drought. • In FY2018, the TCEQ's Drinking Water Homeland Security Coordinator received two incidents of copper thefts at water utilities. The first incident occurred in October 2017, in the Tyler Region, an unidentified individual cut the copper wire from the phone company to the water tower sensors. The sensors work by calling out to the operator when low pressure or power loss is detected in the water system. The incident was reported to the local sheriff

Work Plan Deliverable	Output Provided
	<p>and the water system was not impacted by the incident. The second incident occurred in the Houston Region in May 2018, two separate WW lift stations were vandalized when copper was stolen from power lines and equipment located at the two sites. There were no reported unauthorized discharges, as a result of the vandalism, and the WW plant was not affected.</p> <ul style="list-style-type: none"> • Of the 78 Emergency Preparedness Plans reviewed, 15 were funded through this grant.
<p>5. Calls to PWS during emergency events, as needed;</p>	<p>On August 25, 2017, Hurricane Harvey made landfall near Rockport in the Corpus Christi Region and thru September 1, 2017 proceeded to drop 20-64 inches of rain affecting water systems located in 58 counties located in the Houston, Beaumont, Austin and Waco Regions.</p> <ul style="list-style-type: none"> • The WSD and all affected Regions initiated RM to track the status of affected water systems until they returned to fully functional status. In the first week following the landfall of Harvey, the WSD with the assistance of the EPA contacted almost 2,070 water systems located in 50 of the 58 affected counties to determine the operational status of the water systems and to conduct an initial DW assessment on each facility. As of January 1, 2018, WSD completed tracking of the DW systems which were impacted by Hurricane Harvey.
<p>6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of program administration staff in support of the Water Security Program;</p>	<p>Training attended in FY2018 to increase knowledge base and maintain competency of the Water Security Program included:</p> <ul style="list-style-type: none"> • FEMA, WMD/Terrorism Awareness for Emergency Responders, September 2017 • FEMA, ICS- 300 Intermediate ICS for Expanding Incidents, October 2017 • FEMA, ICS- 400 Advanced ICS for Command and General Staff, October 2017 • TEEX, Critical Infrastructure Security and Resilience Awareness, October 2017 • TEEX, Disaster Management for Water and Wastewater Utilities, November 2017

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • TEEX, Strategic Overview of Disaster Management for Water and Wastewater Utilities, December 2017 • TDEM Basic Emergency Management Workshop, December 2017 • TEEX, Jurisdictional Threat and Hazard Identification and Risk Assessment, February 2018 • 2018 National Hurricane Conference, March 2018 • 2018 Texas Emergency Management Conference, May 2018 <p>The TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, member of Homeland Security Information Network, maintains a membership with Water ISAC to stay abreast of security issues affecting water utilities in the country, and regularly checks Preparing Texas website for upcoming pertinent trainings.</p>
<p>7. Provision of other assistance and support services to PWS in support of the Water Security Program and the approved Capacity Development Strategy for the State of Texas.</p>	<p>TCEQ continues to be available for assistance and support services to PWSs on an as needed basis through phone calls, the TCEQ's Capacity Development Team, the TCEQ's Critical Infrastructure Division, and its partnership with TXWARN. Also available is the Texas Department of Emergency Management's Public Works Response Team (PWRT). The PWRT supports local jurisdictions in their response to a catastrophic event by providing critical public works services as needed to facilitate recovery.</p>

Program Element 3: PWSSP Administration

This Program Element implemented the PWS Program in Texas as described in the SDWA. The activities performed under this Program Element support the compliance, monitoring and enforcement of small PWS. An estimated total of \$228,309 was expended for activities conducted during the Work Plan period of September 1, 2017 through August 31, 2018. Of the total estimated amount expended \$126,411 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder or approximately \$101,898 has been or is expected to be requested during the months of September 2018 through November 2018. All work

was performed during the designated Work Plan period of September 1, 2017 through August 31, 2018.

Task 3.1: PWSSP Administration – PWSSP Activities

This task supported the primacy program of the State of Texas and includes but was not limited to: inventory data entry and processing, compliance activities; technical and regulatory assistance; Safe Drinking Water Information System (SDWIS) data support; evaluating and analyzing data (chemical and otherwise); quality assurance and control activities; and other activities in support of the PWSSP in Texas.

The key deliverable was the implementation of programs designed to meet the goal of 95% of the Texas population with drinking water that meets drinking water standards.

Work Plan Deliverable	Output Provided
1. Compliance, technical and regulatory assistance for small PWS;	TCEQ provided technical assistance to municipal water systems to facilitate compliance with the Revised Total Coliform Rule (RTCR), Lead and Copper Rule, Stage 2 Disinfection Byproducts Rule and drought-related concerns. Additionally, compliance and technical/regulatory assistance on: disinfectant residual levels, surface water treatment, microbial contaminants, inorganic contaminants, radionuclides, monitoring plans, Groundwater Rule, and the Consumer Confidence Report to PWS throughout Texas was provided to small PWS in the state. TCEQ provided assistance and training to systems and laboratories in on-going support of the Electronic Environmental (E2) Reporting System software and its maintenance.
2. Review of chemical data, monitoring information and other compliance program related information;	Monitoring for triggered samples for Groundwater Rule, review of chemical data and monitoring schedules on a daily basis and adjustment to chemical monitoring schedules were conducted as appropriate.

<p>3. SDWIS inventory and data maintenance;</p>	<p>Inventory data in SDWIS was updated from multiple data sources and reported to EPA on the following dates: Quarter 1 on March 28, 2018 Quarter 2 on June 18, 2018 Quarter 3 on September 24, 2018 Quarter 4 is expected to be reported by December 31, 2018.</p>
<p>4. Data and responses to the EPA, small PWS, consulting engineers, the TCEQ and other state agencies, as necessary;</p>	<p>Contractors and staff provided information on request to TCEQ, EPA, PWS, consulting engineers through the day-to-day assistance provided by TCEQ. TCEQ staff have sought new and innovative ways to share data across programs and with the public, including small PWS, by continuing to modify Drinking Water Watch (DWW) and implementing SharePoint software for internal project management and coordination. TCEQ has worked actively with EPA to identify data discrepancies between state and federal databases and worked to resolve the discrepancies.</p>
<p>5. Provision of other assistance and support services to small PWS in support of the Small System PWSS Program for the State of Texas.</p>	<p>TCEQ and contractors hosted and participated in the 2018 Annual Texas PDW Conference. This conference had a robust workshop section where PWS received specialized training. Also, the conference provided a technical assistance room for PWS staff to receive one-on-one technical assistance. TCEQ refers PWS, including small PWS, to its Financial, Managerial, and Technical (FMT) and Small Business Assistance functions to provide on-site, in-depth support services and assistance. Additionally, TCEQ WSD participated in the annual Environmental Trade Fair which provided technical training sessions to PWSs of all sizes.</p>

Attachment D: TCEQ – State Management Program Annual Report

**STATE FISCAL YEAR 2018
DRINKING WATER STATE REVOLVING FUND
STATE PROGRAM MANAGEMENT
(10%) TEN PERCENT SET-ASIDE ACTIVITIES
ANNUAL REPORT**

**EPA # FS-99679521
[TCEQ Grant# 991018]**

**Texas Commission on Environmental Quality
P.O. Box 13087, Austin, Texas 78711-3087**

**Source of Funding: Federal Fiscal Year 2017 DWSRF Ten Percent Set-Aside
and Remaining Unliquidated Obligations from Prior Years**

Submitted November 15, 2018

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INTRODUCTION

The Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements. The objectives of the DWSRF program include addressing public health priorities, achieving compliance with the Safe Drinking Water Act (SDWA), assisting systems to ensure affordable drinking water and maintaining the long-term viability of the Fund. The SDWA authorizes states to use a portion of the federal DWSRF Capitalization Grant to support various drinking water programs (Set-Asides). Through the use of Set-Asides, emphasis is also placed on the development of state programs, including Source Water Protection, and Capacity Development. The SDWA allows as much as 10% of a State's federal Capitalization Grant to be used for State Program Management.

The DWSRF grant program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The 2018 Drinking Water State Revolving Fund 10% State Program Management Annual Report details the TCEQ's progress in meeting DWSRF grant program goals, objectives, and funding expenditures for September 1, 2017 through August 31, 2018 using the 10% Set-Aside funds for Public Water System Supervision Program (PWSSP) Administration and Capacity Development. The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms, Expenditures, Program Elements, Tasks and Deliverables.

SUMMARY

The TCEQ, through the 10% State Program Management Work Plan, identified activities to be performed between September 1, 2017 and August 31, 2018 that supported Public Water Systems (PWS) through the PWSSP. These activities addressed program requirements of the PWSSP outlined by the SDWA. Specifically, the PWSSP Administration, and Capacity Development Strategy requirements of the SDWA were addressed.

The TCEQ expended approximately \$6,404,152 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$5,772,704 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder, or approximately

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\$631,448, has been or is expected to be requested during the months of September 2018 through November 2018.

After the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% DWSRF set-aside does not require a match after SFY2017/FFY2016. TCEQ provided from sources other than the DWSRF Capitalization Grant, funds equal to the amount provided for the activities under the SFY2017/FFY2016 DWSRF 10% Work Plan as match to the federal funds received as Unliquidated Obligations. The source of the match includes \$336,126 of credit from 1993 and \$336,126 of additional matching funds. The match requirement of the grant was met.

The total requested for reimbursement from TWDB between September 2017 and August 2018 was \$5,872,655. Of this amount, approximately \$99,951 was requested for reimbursement from TWDB between September 2017 and November 2017 under the SFY2017/FFY2016 DWSRF 10% Set-Aside Work Plan.

EPA AND TCEQ GOALS AND OBJECTIVES

Federal and State programmatic goals and objectives are shown in Table 1: EPA and TCEQ Goals and Objectives below.

Table 1: EPA and TCEQ Goals and Objectives

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
<p>EPA Goal 2: Protecting America’s Waters</p> <p>Protect and restore waters to ensure that drinking water is safe and sustainably managed, and that aquatic ecosystems sustain fish, plants, wildlife, and other biota, as well as economic, recreational, and subsistence activities.</p> <p>EPA Objective 2.1: Protect Human Health</p> <p>Achieve and maintain standards and guidelines protective of human health in drinking water supplies, fish, shellfish, and recreational waters, and protect and sustainably manage drinking water resources.</p>	<p>TCEQ Goal 02: Drinking Water</p> <p>To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water conservation and reclamation districts; and by promoting regional water strategies.</p> <p>TCEQ Goal 02: Objective 01</p> <p>To supply 95 percent of Texans served by public drinking water systems with drinking water consistent with requirements in the Safe Drinking Water Act. To provide regulatory oversight of water conservation and reclamation districts and to promote regional water strategies.</p> <p>TCEQ Strategy 02-01-01: Safe Drinking Water</p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p>

<p>EPA Goal 5: Protecting Human Health and the Environment by Enforcing Laws and Assuring Compliance</p> <p>Protect human health and the environment through vigorous and targeted civil and criminal enforcement. Use Next Generation Compliance strategies and tools to improve compliance with environmental laws.</p> <p>EPA Objective 5.1: Enforce Environmental Laws to Achieve Compliance</p> <p>Pursue vigorous civil and criminal enforcement that targets the most serious water, air, and chemical hazards in communities to achieve compliance. Assure strong, consistent, and effective enforcement of federal environmental laws nationwide. Use Next Generation Compliance strategies and tools to improve compliance and reduce pollution.</p>	<p>TCEQ Goal 03: Enforcement and Compliance Assistance</p> <p>To protect public health and the environment by administering enforcement and environmental assistance programs that promote compliance with environmental laws and regulations, voluntary efforts to prevent pollution, and offer incentives for demonstrated environmental performance while providing strict, sure, and just enforcement when environmental laws are violated.</p> <p>TCEQ Goal 03: Objective 01:</p> <p>Through fiscal 2018, maintain at least 95 percent of all regulated facilities in compliance with state environmental laws and regulations, to respond appropriately to citizen inquiries and complaints and to achieve pollution prevention, resource conservation, and enhanced compliance.</p> <p>TCEQ Strategy 03-01-01: Field Inspections and Complaint Response</p> <p>Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints.</p> <p>TCEQ Strategy 03-01-02: Enforcement and Compliance Support</p> <p>Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local governments; and assure compliance with environmental laws and regulations by taking swift, sure and just enforcement actions to address violation situations.</p>
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WORK PROGRAM ORGANIZATIONAL STRUCTURE

Within the TCEQ, the Water Supply Division (WSD) is the lead and is responsible for the overall administrative activities under the 10% DWSRF Set-Aside Grant. The WSD and Office of Compliance and Enforcement (OCE) participate in the administration of the PWSSP as outlined by the SDWA (Program Element 1 and associated Tasks). The WSD and Water Availability Division (WAD) participate in the implementation of the Capacity Development Strategy requirement of the SDWA (Program Element 2 and associated Tasks).

EXPENDITURE BY PROGRAM ELEMENT

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2018 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$6,404,152 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$5,772,704 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder, or approximately \$631,448, has been or is expected to be requested during the months of September 2018 through November 2018. Work was performed as described in the Work Plan unless otherwise noted in this report.

After the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% DWSRF set-aside does not require a match after SFY2017/FFY2016. TCEQ provided from sources other than the DWSRF Capitalization Grant, funds equal to the amount provided for the activities under the SFY2017/FFY2016 DWSRF 10% Work Plan as match to the federal funds received as Unliquidated Obligations. The source of the match includes \$336,126 of credit from 1993 and \$336,126 of additional matching funds. The match requirement of the grant was met.

The total requested for reimbursement from TWDB between September 2017 and August 2018 was \$5,872,655. Of this amount, approximately \$99,951 was requested for reimbursement from TWDB between September 2017 and November 2017 under the SFY2017/FFY2016 DWSRF 10% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2017 and August 2018 for the SFY18/FFY17 10% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: PWSSP Administration	Water Supply Division and Office of Compliance and Enforcement – Regional Areas	\$3,223,338	\$3,434,423	53.6%
Program Element 2: Capacity Development	Water Supply Division and Water Availability Division	\$2,549,366	\$2,969,728	46.4%
Total		\$5,772,704	\$6,404,152	100%

PROJECT SCHEDULE

The TCEQ conducted the activities in the DWSRF 10% Set-Aside Work Plans over a 12-month period, which began September 1, 2017 and ended August 31, 2018 (SFY 2018).

MEASURES OF SUCCESS

The following tables [Table 3: TCEQ Outcome/Output Measures and Table 4: EPA Program Activity Measures (PAMS)] provide the results of the activities implemented under the DWSRF 10% Work Plan. These measures were previously identified in the DWSRF 10% Work Plan under each Program Element and Task combination:

Table 3: TCEQ Outcome/Output Measures

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>02-01.01 Outcome Measure</u></p> <p>Percent of Texas population served by public drinking water systems that meet drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Administration Activities • Program Element 1: Task 1.2 Conduct Annual Public Drinking Water Conference • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Inspection and Investigation • Program Element 1: Task 1.4 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – Drought Plan Review • Program Element 2: Task 2.3 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.4 Capacity Development – Water Security • Program Element 2: Task 2.5 Capacity Development – FMT Assistance 	<p>99% of Texas population served by public drinking water systems that meet drinking water standards.</p>

<p><u>02-01-01.01 Output Measure:</u></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Administration Activities • Program Element 1: Task 1.2 Conduct Annual Public Drinking Water Conference • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Inspection and Investigation • Program Element 1: Task 1.4 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – Drought Plan Review • Program Element 2: Task 2.3 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.4 Capacity Development – Water Security • Program Element 2: Task 2.5 Capacity Development – FMT Assistance 	<p>6,737 public drinking water systems that meet primary drinking water standards.</p>
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TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>02-01-01.03 Output Measure:</u> Number of district applications processed.</p>	<ul style="list-style-type: none"> • Program Element 2: Task 2.1 Capacity Development – District Support 	<p>514 district applications processed</p>
<p><u>03.01.02 Outcome Measure:</u> Percent of inspected or investigated water sites and facilities in compliance.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Inspection and Investigation 	<p>99% of inspected or investigated water sites and facilities were in compliance.</p> <p><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of all water sites and facilities and is not specific to drinking water.</i></p>
<p><u>03-01-02.01 Output Measure:</u> Number of environmental laboratories accredited.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.4 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation 	<p>261 environmental laboratories were accredited.</p> <p><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of laboratories accredited is not specific to drinking water. There were 148 drinking water laboratories accredited at the end of State Fiscal Year 2018.</i></p>

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>03-01-01.03 Output Measure:</u></p> <p>Number of investigations of water sites and facilities.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Inspection and Investigation 	<p>12,545 investigations of water site and facilities that were conducted.</p> <p><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of all water sites and facilities and is not specific to drinking water.</i></p>
<p><u>03-01.04 Outcome Measure:</u></p> <p>Percent of identified noncompliant sites and facilities for which timely and appropriate enforcement action is taken.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.5 PWSSP Administration – Drinking Water Enforcement 	<p>77% of identified noncompliant sites and facilities had appropriate enforcement action taken.</p> <p><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of all media types and is not specific to drinking water.</i></p>

Table 4: EPA Program Activity Measures (PAMS)

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
<p><u>SDW-211:</u> Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and Source Water Protection.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Activities • Program Element 1: Task 1.2 Conduct Annual Public Drinking Water Conference • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Inspection and Investigation • Program Element 1: Task 1.4 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 1: Task 1.5 PWSSP Administration – Drinking Water Enforcement • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – Drought Plan Review • Program Element 2: Task 2.3 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.4 Capacity Development – 	<p>98.5% of the population in Texas was served drinking water that meets the Safe Drinking Water Act (SDWA) regulations.</p>

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
	Water Security <ul style="list-style-type: none"> • Program Element 2: Task 2.5 Capacity Development – FMT Assistance 	
<p><u>SDW-SP1.N11:</u> Percent of community water systems that meet all applicable health-based standards through approaches that include effective treatment and Source Water Protection.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Activities • Program Element 1: Task 1.2 Conduct Annual Public Drinking Water Conference • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Inspection and Investigation • Program Element 1: Task 1.4 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 1: Task 1.5 PWSSP Administration – Drinking Water Enforcement • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – Drought Plan Review • Program Element 2: Task 2.3 Capacity Development – 	<p>95.4% of community water systems in Texas provide drinking water that meets all applicable health-based standards through effective treatment and Source Water Protection.</p>

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
	Capacity Development Activities <ul style="list-style-type: none"> • Program Element 2: Task 2.4 Capacity Development – Water Security • Program Element 2: Task 2.5 Capacity Development – FMT Assistance 	
<p><u>SDW-SP2:</u></p> <p>Percent of "person months" (i.e. all persons served by community water systems times 12 months) during which community water systems provide drinking water that meets all applicable health-based drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Activities • Program Element 1: Task 1.2 PWSSP Administration – Conduct Annual Public Drinking Water Conference • Program Element 1: Task 1.3 Drinking Water Inspection and Investigation • Program Element 1: Task 1.4 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 1: Task 1.5 PWSSP Administration – Drinking Water Enforcement • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – 	<p>96.1% of "person months" during which community water systems provide drinking water that meets health-based standards.</p>

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
	<p>Drought Plan Review</p> <ul style="list-style-type: none"> • Program Element 2: Task 2.3 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.4 Capacity Development – Water Security • Program Element 2: Task 2.5 Capacity Development – FMT Assistance 	
<p><u>SDW-01a:</u></p> <p>Percent of community water systems (CWSs) that have undergone a sanitary survey within the past three years (five years for outstanding performers or those ground water systems approved by the primacy agency to provide 4-log treatment of viruses).</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Inspection and Investigation 	<p>95% of all community water systems in State fiscal year 2018, had a TCEQ conducted sanitary survey in the last three years (State fiscal years 2016, 2017, and 2018).</p> <p><i>Note: In prior years, the percentage was less than expected because the sanitary surveys where the primary source of water was groundwater were not included due to pending Ground Water Rule implementation. The new number reflects the inclusion of community water systems that have</i></p>

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
		<i>groundwater as the primary source.</i>

PROGRAM ELEMENTS, TASKS, DELIVERABLES and OUTPUTS

The following describes the Work Plan deliverables and outputs provided for the Program Elements and Tasks identified in the 10% DWSRF Work Plan for SFY 2018.

Program Element 1: PWSSP Administration

This Program Element and its associated Tasks implemented the PWSS Program in Texas as described in the SDWA. The activities performed under this Program Element support the compliance, monitoring and enforcement of PWS. An estimated total of \$3,434,423 was expended for activities conducted during the Work Plan period of September 1, 2017 through August 31, 2018. Of the total estimated amount expended \$3,223,338 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder or approximately \$211,085 has been or is expected to be requested during the months of September 2018 through November 2018. All work was performed during the designated Work Plan period of September 1, 2017 through August 31, 2018.

Task 1.1 PWSSP Administration Activities

The activities under this Task supported the primacy program of the State of Texas and included, but were not limited to: inventory data entry and processing, compliance activities; technical and regulatory assistance; Safe Drinking Water Information System (SDWIS) data support; evaluating and analyzing data (chemical and otherwise); quality assurance and control (QA/QC) activities; and other activities in support of the PWSS program in Texas. These activities were carried out by TCEQ staff and/or contractors.

The key deliverable is the implementation of programs designed to meet the goal of 95% of Texas' population with drinking water that meets drinking water standards.

Work Plan Deliverable	Output Provided
1. Compliance, technical and regulatory assistance for PWS;	TCEQ provided technical assistance to public water systems to facilitate compliance with the Revised Total Coliform Rule (RTCR), Lead and Copper Rule, Stage 2 Disinfection Byproducts Rule, the Surface Water Treatment Rule, and the Ground Water Rule. Additionally, compliance and

Work Plan Deliverable	Output Provided
	<p>technical/regulatory assistance is provided to public water systems throughout Texas on: disinfectant residual levels, surface water treatment, inorganic contaminants, radionuclides, monitoring plans, and the Consumer Confidence Report. TCEQ implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy criteria. During SFY 2018, TCEQ WSD:</p> <ul style="list-style-type: none"> • Completed 6,608 Inventory requests • Issued letters for Notice of Violation (NOV) to 2,820 PWS with a sum total of 12,549 violations • Issued 2,495 Public Notice (PN) Rule violations to 777 PWS • Referred 269 PWS with a Notice of Enforcement (NOE) on a sum total of 2,526 violations
<p>2. Review of chemical data, monitoring information and other compliance program-related information;</p>	<p>TCEQ reviews microbial and chemical compliance data to determine compliance with primary drinking water standards. On a daily basis, TCEQ ensures PWSs are monitored on appropriate schedules based on system information and sample results.</p>
<p>3. SDWIS inventory and data maintenance;</p>	<p>Inventory data in SDWIS was updated from multiple data sources and reported to EPA on the following dates:</p> <p>Quarter 1 on March 28, 2018 Quarter 2 on June 18, 2018 Quarter 3 on September 24, 2018 Quarter 4 is expected to be reported by December 31, 2018.</p>
<p>4. Data and responses to the EPA, PWS, consulting engineers, the TCEQ and other state agencies, as necessary;</p>	<p>Staff provided information on request to TCEQ, EPA, PWS, and consulting engineers through the day-to-day assistance. TCEQ has worked with EPA to identify data discrepancies between federal and state databases. TCEQ has actively worked to reduce these discrepancies.</p>
<p>5. Purchase of supplies, equipment and other items</p>	<p>Supplies and equipment deemed necessary to support the PWSS program in Texas were purchased.</p>

Work Plan Deliverable	Output Provided
necessary to support the PWSS Program in Texas;	
<p>6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of state program administration staff in support of the PWSS Program;</p>	<p>TCEQ staff traveled to participate in events both within Texas and nationally in order to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State program administration staff in support of the PWSSP. Examples include:</p> <ul style="list-style-type: none"> • ASDWA 2018 Annual Conference in Washington, D.C. • Texas A&M TEEEX Groundwater Distribution Training; • 2018 ESRI Water Conference in Austin, TX • 2018 Annual Public Drinking Water Conference in Austin TX • EPA PFAS National Summit in Washington D.C. • EPA Region 6 Five - State Conference in Dallas, TX.
<p>7. Coordination of and participation in state and/or national organizations including, but not limited to the Association of Safe Drinking Water Administrators, and other organizations in support of the PWSS Program; and</p>	<p>TCEQ participated in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), The Texas Chapter of the American Water Works Association (AWWA), and other organizations in support of the PWSSP. TCEQ participated in the ASDWA Data Management Users Conference (DMUC) in support of SDWIS, data concerns, and compliance determinations involved in the oversight of PWS.</p>
<p>8. Provision of other assistance and support services to PWS in support of the PWSS Program for the State of Texas.</p>	<p>TCEQ Staff and Contractors hosted and participated in the 2018 Annual Texas Public Drinking Water (PDW) Conference. This conference had numerous presentations on compliance and themes and/or concepts operators important to the successful operation of PWSs. In addition to these presentations, robust workshops were conducted to provide specialized training. Also, the conference</p>

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Work Plan Deliverable	Output Provided
	provided a technical assistance room for PWS staff to receive one-on-one technical assistance.

Task 1.2 Conduct Annual Public Drinking Water Conference

TCEQ's PDW Conference is held on an annual basis and provides a venue for training, rule updates, technical assistance, sharing of information on issues related to PWS compliance, facilitating PWS interaction with TCEQ staff and other support for PWS in the State.

The key deliverable is the provision of a PDW Conference, during SFY 2018 in accordance with all grant and other federal requirements. At the conference PWS received training, rule updates and one-on-one technical assistance from TCEQ staff.

Work Plan Deliverable	Output Provided
1. Detailed Conference agenda;	See attached PDW Conference Agenda
2. A count of people Continuing Education Units (CEU) were provided to;	There were 506 attendees that received CEU at the PDW Conference.
3. An estimated count of conference attendees;	There were 924 attendees at the PDW Conference.
4. An estimated count of PWS attending the conference;	There were approximately 351 PWS that attended the PDW Conference.
5. Conference Attendee list	See attached PDW Conference Attendee List

Task 1.3 Drinking Water Inspection and Investigation

The activities under this Task supported the PWSS program in Texas by the conducting of comprehensive compliance investigations (EPA termed sanitary surveys), complaint response and other inspection and investigative activities at PWS.

The key deliverables are comprehensive compliance investigations (EPA termed sanitary surveys) at PWS and timely response to complaints as appropriate.

Work Plan Deliverable	Output Provided
1. Completed comprehensive compliance investigations (EPA termed sanitary surveys) at PWS;	812 comprehensive compliance investigations (sanitary surveys) were funded by DWSRF
2. Completed complaint investigations on PWS;	647 PWS Investigation Complaints were funded by DWSRF

Work Plan Deliverable	Output Provided
3. Purchase of supplies, equipment and other necessary items to support the PWSS Program in Texas;	Supplies, equipment and other necessary items were purchased to support the PWSS Program in Texas
4. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State program administration staff in support of the PWSS Program; and	TCEQ staff attended the Texas Water Utilities Association School Basic Water classes and several classes offered by TEEX and Texas Rural Water Association (TRWA). Additionally, staff attended the 2018 Annual Texas PDW Conference in Austin, Texas and PWS Advanced Investigator Training in Tyler, TX.
5. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to inspections and investigations of PWS.	TCEQ staff traveled to several conferences and provided training at those conferences. TCEQ staff also provided outreach, training, complaint reviews, and technical assistance to support the regulated community, PWS customers, and TCEQ staff on a regular basis.
6. Provision of other assistance and support services to PWS in support of the PWSS Program for the State of Texas	TCEQ staff took calls from PWS and provided guidance documents as needed. Staff assisted with training and monitoring PWS personnel during testing activity. TCEQ staff administered tests for PWS operator licensing requirements.

Task 1.4 Drinking Water Laboratory Certification and Accreditation

The activities under this Task supported the PWSS Program by providing laboratory inspections and audits associated with the National Environmental Laboratory Accreditation Program (NELAP) accreditation of drinking water laboratories.

The key deliverable is the inspection of PWS laboratories statewide as required and controlled by Title 30 Texas Administrative Code Chapter 25.

Work Plan Deliverable	Output Provided
1. Conduct and complete laboratory inspections of PWS laboratories;	TCEQ completed 43 PWS (drinking water) laboratory inspections.
2. Conduct and complete laboratory audits of PWS laboratories;	TCEQ conducted 43 PWS (drinking water) laboratory audits and completed 31 PWS (drinking water) laboratory audits.
3. Provide assistance and support to other areas at the TCEQ related to the accreditation, certification, inspection and auditing of PWS laboratories;	Assistance and support was provided on topics related to the accreditation, inspection and auditing of PWS laboratories upon request. For example: answered questions regarding accreditation status and location of PWS laboratories, answered questions regarding details of analytical methods used at PWS laboratories, and provided technical interpretation of results from PWS laboratories.
4. Provide data and other information associated with the PWSS Program upon request and the accreditation, certification, inspection and auditing of PWS laboratories;	Data and other information associated with the PWSSP and the accreditation, inspection and auditing of PWS laboratories was provided upon request. For example: provided location of accredited PWS laboratories, provided information on collecting drinking water samples and selection of potential test methods, and referred callers to proper TCEQ Region for specific answers and assistance.
5. Purchase of supplies, equipment and other necessary items to support the PWSS Program in Texas;	Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas;

Work Plan Deliverable	Output Provided
6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State program administration staff in support of the PWSSP; and	Staff attended the following training: TNI Forums on Laboratory Accreditation in Albuquerque, New Mexico and New Orleans, Louisiana, EPA Drinking Water Certification Officer training in Cincinnati, Ohio.
7. Provision of other assistance and support services to PWS in support of the PWSS Program for the state of Texas.	Stakeholders were assisted with technical and/or administrative questions, which included but were not limited to, the following topics: laboratory accreditation, reference method interpretations, standards for accreditation (i.e., 2009 The NELAC Institute (TNI) Standard) concerns, laboratory assessments and subsequent corrective action responses, initial and amended applications for laboratory accreditation, proficiency testing issues, and technical manager designations.

Task 1.5 Drinking Water Enforcement

The activities under this Task supported the primacy program of the State of Texas through the development of enforcement cases to address significant noncompliance and significant deficiencies at PWS.

The key deliverable is the addressing of significant noncompliance and significant deficiencies by developing enforcement cases for PWS.

Work Plan Deliverable	Output Provided
1. Enforcement cases developed that address significant noncompliance and significant deficiencies at PWS in accordance with Texas statutes, rules and TCEQ's policies and procedures;	To address the Task of calculating penalties and determining technical corrective requirements, the Enforcement Division under the DWSRF developed and mailed out or directly referred to the Litigation Division 72 PWS enforcement cases. To address the Task of negotiating agreed enforcement order cases to settlement or pursue other appropriate legal remedies, such as referral to the Litigation Division or the Office of Attorney General, the Enforcement Division under the DWSRF has negotiated or prepared referral packages for 58 PWS enforcement cases.

Work Plan Deliverable	Output Provided
2. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to Enforcement Cases for PWS;	The TCEQ Enforcement Division conducted and/or prepared for the following in conjunction with the EPA: the annual PWSSP review, the state end-of-year questionnaire, enforcement order update presentations at the TWICC meetings, the RTCR implementation, and the Lead and Copper Rule enforcement.
3. Purchase of supplies, equipment and other necessary items to support the PWSS Program in Texas;	Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas.
4. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State program administration staff in support of the PWSS Program.	TCEQ Enforcement Division staff traveled to various conference and training events in order to share and enhance their skills and abilities. Examples include the 2018 Annual Texas PDW Conference, Texas A&M Engineering Extension Service Water System courses, and participation in the TWICC meetings.
5. Provision of other assistance and support services to PWS in support of the PWSS Program for the state of Texas	Participated in PWS meetings with WSD. Assisted the Texas Drinking Water Advisory Work Group (DWAAG) with answering PWS questions. Answered PWS questions on an individual basis as needed. Coordinators reached out to PWS to assist with Compliance Issues.

Program Element 2: Capacity Development

This Program Element provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA through the enhancement of the financial, managerial, and technical (FMT) abilities of PWS. This was accomplished through the implementation of: National Primary Drinking Water Regulations; the Texas Optimization Program (TOP); portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, review and approval of water district applications, review and approval of drought contingency plans, water security assistance and other specialized assistance to PWS.

An estimated total of \$2,969,729 was expended for activities conducted during the Work Plan period of September 1, 2017 through August 31, 2018 for this Program

Element. Of the total estimated amount expended \$2,549,366 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder, or approximately \$420,363 has been or is expected to be requested during the months of September 2018 through November 2018. All work was performed during the designated Work Plan period of September 1, 2017 through August 31, 2018.

Task 2.1 Capacity Development - District Support

The activities under this Task assisted certain PWS on a statewide basis through the review of water district applications including the issuance of bonds as part of the Capacity Development Strategy of Texas (SDWA 1420). Specifically, administrative support and data-entry in support of the review of these water district applications was provided.

The key deliverable is the review of water district applications, including administrative and data entry-support, and the implementation of programs that support water districts financial and managerial capability.

Work Plan Deliverable	Output Provided
1. Provide data entry, administrative support and other activities in support of the review of water district applications;	TCEQ contractors provided data entry and administrative support for the review of 41 water district applications under this grant.
2. Review applications, and engineering reports and plans in conjunction with the processing of water district applications; and	Under this grant, a total of 21 minor applications were reviewed by TCEQ contractors. Out of these, 19 minor water district applications were completed.
3. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to groundwater district reviews for PWS.	Coordination, assistance and support was provided on request and through the normal day to day activities conducted under this Task.
4. Purchase of supplies, equipment and other necessary items to support the Capacity Development Strategy;	Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas.

Work Plan Deliverable	Output Provided
5. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State program administration staff in support of the Capacity Development Strategy; and	TCEQ staff participated in training opportunities to maintain professional engineering certifications as well as the 15 th Annual Central Texas Infrastructure, Design and Construction Symposium, and the 2018 Austin Water Board of Directors Conference. Staff also participated in various professional development training opportunities.
6. Provision of other assistance and support services to PWS in support of the Capacity Development Strategy for the state of Texas	Other assistance was provided by taking phone inquiries and helping customers with the application process and adhering to requirements.

Task 2.2 Capacity Development - Drought Plan Review

The activities under this Task assisted PWS on a statewide basis in the development of water conservation and/or drought contingency programs to maintain or enhance abilities of PWS to meet state requirements as part of the Capacity Development Strategy of Texas (SDWA 1420).

The key deliverable is the implementation of programs designed to provide assistance to PWS in the development of water conservation and/or drought contingency programs to maintain or enhance abilities of PWS to meet state requirements.

Work Plan Deliverable	Output Provided
1. Participating in water conservation and/or drought contingency programs to maintain or enhance abilities of PWS to meet state requirements;	As a member of the Water Conservation Advisory Council (WCAC), Staff participated in seven (7) Council meetings during the Fiscal Year, as well as eight (8) meetings for WCAC workgroups. As a member of the Drought Preparedness Council, Staff attended three (3) meetings during SFY18 and presented the results of the Drought Activities Update Report at each meeting.

Work Plan Deliverable	Output Provided
2. Review and evaluation of water conservation and/or drought contingency plans of retail PWS to meet state requirements; and	Staff completed approximately 29 conservation reviews for water rights applications that were associated with retail PWS entities. Staff reviewed approximately 21 updated water conservation plans, updated drought contingency plans, and water conservation implementation reports associated with retail PWS entities. These reviews ensured the plans met the Texas Water Code and Texas Administrative Code requirements.
3. Provision of other assistance and services to PWS in support of the approved Capacity Development Strategy for the State of Texas.	In SFY18, Staff prepared documents to assist entities, including retail PWS, for the upcoming 2019 Submittal of updated Water Conservation Plans, updated Drought Contingency Plans, and water conservation implementation reports. Staff made presentations at the TCEQ Environmental Trade Fair and the 2018 Annual Texas PDW Conference providing information and assistance to entities, including retail PWS, regarding the 2019 Submittal of updated Water Conservation Plans, updated Drought Contingency Plans, and water conservation implementation reports.

Task 2.3: Capacity Development – Capacity Development Activities

This Task implemented the Capacity Development Strategy under the PWSS Program in Texas. The activities under this Task reduced the risk of both long-term and short-term health effects. This was accomplished through the implementation of: the Texas Optimization Program (TOP), portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, coordination and review of Drinking Water Infrastructure Needs Survey documents, Intended Use Plan ranking and review and other specialized assistance to PWS.

The key deliverable is the implementation of programs designed to meet the goal of 95% of Texas’ population with drinking water that meets drinking water standards.

Work Plan Deliverable	Output Provided
1. Development of presentations, training materials and other technical documents to support the technical capability and compliance of PWS in Texas;	TCEQ provided presentations and workshop and training materials at the 2018 Annual Texas PDW Conference. Staff developed and made presentations to assist PWS at workshops, conferences, and TWICC meetings with topics like drought management, regionalization and how to get assistance with operations and funding. Staff also prepared technical assistance documents

Work Plan Deliverable	Output Provided
	and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention.
2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of PWS in Texas;	TCEQ staff maintained an assistance activity website checklist as well as continued to answer incoming questions and requests for assistance from PWS on engineering related topics.
3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted by PWS;	During the grant period, exceptions for PWS were reviewed by TCEQ staff and contractors under this grant. TCEQ staff also assisted PWS through engineering plan reviews for PWS improvements.
4. Purchase of supplies and equipment necessary to support the Capacity Development Program in Texas;	Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.
5. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators, and other organizations in support of the Capacity Development Strategy;	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, USDA, Communities Unlimited, TRWA, TWDB and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings. TWICC members attended the Drought Preparedness Council, a TRWA workshop and the TCEQ Annual PDW Conference. TWICC invited FEMA, TDEM and GLO to participate in informational meetings after Harvey to discuss disaster funding. TCEQ also worked with TWICC and the Environmental Finance Center Network and the Southwest Environmental Finance Center to put on an additional workshop in Lubbock called <i>Making Money, Saving Water: A Workshop on Water Loss & Rates</i>.</p>
6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain	TCEQ Staff traveled to participate in events both within Texas and nationally in order to attend training, conferences and other events designed to share and enhance knowledge, skills and

Work Plan Deliverable	Output Provided
competency of state program administration staff in support of the Capacity Development Strategy; and	abilities in support of the Capacity Development Strategy.
7. Provision of other assistance and support services to PWS in support of the approved Capacity Development Strategy for the State of Texas.	TCEQ and Contractors participated in the 2018 Annual Texas PDW Conference. This conference had a robust workshop section where water systems received specialized training. Also, the conference provided a technical assistance room for water system staff to receive one-on-one technical assistance.

Task 2.4 Capacity Development – Water Security

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task provided assistance to PWS during significant weather events, natural disasters, and other emergency events. Activities conducted enhanced abilities of PWS to respond to emergencies through the use of TCEQ staff and a contractor.

The key deliverable is the provision of water security assistance, support and training to PWS in the state impacted by or who have the potential to be impacted by natural disasters.

Work Plan Deliverable	Output Provided
1. Training events for PWS in relation to water security and emergency response procedures;	<p>The Office of Water in conjunction with the Natural Disaster Operational Workgroup (NDOW) conducted several training sessions of Response Manager (RM) in FY2018. Both Drinking Water (DW) and Wastewater (WW) Modules used in RM were updated as a result, of lessons learned from Hurricane Harvey. To test the new modules RM trainings were held at the following locations:</p> <ul style="list-style-type: none"> • April 9th-11th held a mock Hurricane Exercise in Galveston covered information in both modules, answered questions concerning the new modules, and tested the modules using information from DW Systems and WW systems. • As part of the Galveston Hurricane Exercise, TCEQ staff located in Houston, Dallas, Harlingen, and Water Supply Division (WSD) Offices participated via VTC in receiving information from the field and conducting their own DW Assessments. The WSD held a total of

Work Plan Deliverable	Output Provided
	<p>4 training sessions in Austin via VTC from April 9th-April 13th.</p> <p>As a result, of exercise, evaluation comments from staff using the new modules during the Galveston Hurricane Exercise more updates were conducted on the DW and WW modules.</p> <ul style="list-style-type: none"> • On June 7th, the newly updated modules were used for a RM training held at the TCEQ Regional Office in Fort Worth, field staff attended this training, and comments from this training indicated that the modules provided helpful information and the definitions page made the DW module more self-explanatory. • On June 13th, a training was held at the TCEQ Austin Office, staff attended from all the different divisions of the TCEQ, comments from this training indicated the modules were very helpful and easier to understand. • On June 24th, a training was held at the TCEQ Regional Office in Harlingen, field staff attended this training, and comments from this training indicated that the modules provided helpful information, the definitions page made the DW module more self-explanatory, and the completed example assessments for DW and WW were very helpful to all attendees. <p>The updates to both modules will enable TCEQ and their contractors to improve assistance provided to utilities during a natural disaster.</p>
<p>2. Reviewing Emergency Response Plans and updating emergency contacts in SDWIS;</p>	<p>During the TCEQ's 2018 Annual PDW Conference approximately 924 attendees were provided with the 2018 Homeland Security Emergency Contact update form to provide an opportunity to water systems to update their emergency contact information with the TCEQ. During 2018, the TCEQ's Inventory Team updated the Emergency Contact information to 612 facilities.</p>
<p>3. Support for emergency events or water security events, as necessary;</p>	<p>On August 25, 2017, Hurricane Harvey made landfall near Rockport in the Corpus Christi Region and thru September 1, 2017 proceeded to drop 20-64 inches of rain affecting water systems located in 58 counties located in the Houston, Beaumont, Austin and Waco Regions.</p>

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • The WSD and all affected Regions initiated RM https://www.awwa.org/portals/0/files/resources/water%20knowledge/rc%20emergency%20prep/rc%20warn%20situation%20reports/harvey_irma_aar_final.pdf to track the status of affected water systems until they returned to fully functional status. In the first week following the landfall of Harvey, the WSD with the assistance of the EPA https://www.tceq.texas.gov/assets/public/response/hurricanes/hurricane-harvey-after-action-review-report.pdf contacted almost 2,070 water systems located in 50 of the 58 affected counties to determine the operational status of the water systems and to conduct an initial DW assessment on each facility. As of January 1, 2018, WSD completed tracking of the DW systems which were impacted by Hurricane Harvey. • Supported AWWA in generating the 2018 Hurricane After Action Report by participating in a workshop with several of the impacted utilities, utilities that assisted impacted utilities, the EPA, and TXWARN to review lessons learned. The workshop was held in San Antonio, Texas the week of January 29, 2018. TCEQ's WSD also contributed to the TCEQ's After Action Review Report released on April 3, 2018, reviewing actions taken during Hurricane Harvey. • During the months of May-August 2018, the TCEQ's Response and Capacity Development Team reached out to 4,595 water systems in drought affected areas of Texas. The purpose of the outreach was to encourage water systems to review their drought plans, to review their usage restrictions and to request they contact the TCEQ if their utility becomes negatively impacted by the drought. • In FY 2018, the TCEQ's Drinking Water Homeland Security Coordinator received two incidents of copper thefts at water utilities. The first incident occurred in October 2017, in the

Work Plan Deliverable	Output Provided
	<p>Tyler Region, an unidentified individual cut the copper wire from the phone company to the water tower sensors. The sensors work by calling out to the operator when low pressure or power loss is detected in the water system. The incident was reported to the local sheriff and the water system was not impacted by the incident. The second incident occurred in the Houston Region in May 2018, two separate WW lift stations were vandalized when copper was stolen from power lines and equipment located at the two sites. There were no reported unauthorized discharges, as a result of the vandalism, and the WW plant was not affected.</p> <ul style="list-style-type: none"> • Of the 78 Emergency Preparedness Plans reviewed, 63 were funded through this grant.
<p>4. Travel and training within Texas and nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of program administration staff in support of the Water Security Program;</p>	<ul style="list-style-type: none"> • Training attended in FY2018 to increase knowledge base and maintain competency of the Water Security Program included: • FEMA, WMD/Terrorism Awareness for Emergency Responders, September 2017 • FEMA, ICS- 300 Intermediate ICS for Expanding Incidents, October 2017 • FEMA, ICS- 400 Advanced ICS for Command and General Staff, October 2017 • TEEX, Critical Infrastructure Security and Resilience Awareness, October 2017 • TEEX, Disaster Management for Water and Wastewater Utilities, November 2017 • TEEX, Strategic Overview of Disaster Management for Water and Wastewater Utilities, December 2017 • TDEM Basic Emergency Management Workshop, December 2017 • TEEX, Jurisdictional Threat and Hazard Identification and Risk Assessment, February 2018 • 2018 National Hurricane Conference, March 2018 • 2018 Texas Emergency Management Conference, May 2018

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • 8HR Hazard Safety for Field Investigators, July 2018 <p>The TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, member of Homeland Security Information Network, maintains a membership with Water ISAC to stay abreast of security issues affecting water utilities in the country, and regularly checks Preparing Texas website for upcoming pertinent trainings.</p>
<p>5. Provision of other water security assistance and support services to PWS in the State of Texas.</p>	<p>Following the aftermath of Harvey, the TCEQ's Capacity Development Team responded to requests for technical assistance from City of Victoria, the City of Beaumont, and the City of Rose City by sending staff to help with the start-up of the water plants in each of these cities.</p> <p>TCEQ and TXWARN continue to be available for assistance and support services to PWSs on an as needed basis through phone calls and the TXWARN website.</p>

Task 2.5: Capacity Development - FMT Assistance

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task, enhanced the FMT abilities of PWS by providing assistance in developing, enhancing, and maintaining FMT abilities, and assisting PWS to meet state and federal requirements through the use of TCEQ staff or contractors.

The key deliverable is the implementation of programs designed to provide approximately 28 assistance visits in order to enhance the FMT abilities of PWS to meet state and federal requirements.

Work Plan Deliverable	Output Provided
1. FMT assistance to PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance and other special assistance and assessment projects as needed;	The TCEQ, through its FMT Assistance contractor, completed 148 FMT Capacity Assessments, Consolidation Assessments, on-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects.
2. FMT training and assistance on specific FMT weaknesses to PWS;	TCEQ's FMT Contractor completed 10 Directed Assistance Modules (DAMs) to PWS and completed over 10 FMT Assistance assignments for the purpose of training and assisting PWS on specific FMT weaknesses identified during FMT Capacity Assessments.
3. Assess and report on DWSRF applicants; and	TCEQ's FMT Contractor conducted eight (8) FMT Capacity Assessments for DWSRF applicants. The FMT Contractor provided DWSRF application assistance to one (1) PWS.
4. Provision of other assistance, training and services to PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	<p>TCEQ's FMT Contractor completed two (2) Consolidation Assessments for Investor Owned Utilities for the purpose of ensuring service to those communities.</p> <p>TCEQ's FMT Assistance contractor completed two (2) TCEQ-administered special assignments that ranged from presenting at the 2018 Annual Texas PDW Conference, to setting up community meetings for at-risk systems.</p>

Attachment E: TCEQ – Local Assistance Annual Report

**STATE FISCAL YEAR 2018
DRINKING WATER STATE REVOLVING FUND
LOCAL ASSISTANCE
(15%) FIFTEEN PERCENT SET-ASIDE ACTIVITIES
ANNUAL REPORT**

**EPA # FS-99679521
[TCEQ Grant# 991518]**

**Texas Commission on Environmental Quality
P.O. Box 13087, Austin, Texas 78711-3087**

**Source of Funding: Federal Fiscal Year 2017 DWSRF Fifteen Percent Set-
Aside**

Submitted November 15, 2018

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INTRODUCTION

The Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements. The objectives of the DWSRF program include addressing public health priorities, achieving compliance with the Safe Drinking Water Act (SDWA), assisting systems to ensure affordable drinking water and maintaining the long-term viability of the Fund. The SDWA authorizes states to use a portion of the federal DWSRF Capitalization Grant to support various drinking water programs (Set-Asides). Through the use of Set-Asides, emphasis is also placed on the development of state programs, including Source Water Protection, and Capacity Development. The SDWA allows as much as 15% of a State's federal Capitalization Grant to be used for Local Assistance.

The DWSRF grant program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The 2018 Drinking Water State Revolving Fund 15% Local Assistance Annual Report details the TCEQ's progress in meeting DWSRF grant program goals, objectives, and funding expenditures for September 1, 2017 through August 31, 2018 using the 15% Set-Aside funds for Source Water Protection and Capacity Development. The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms and Expenditures and Program Elements, Tasks and Deliverables.

SUMMARY

The TCEQ, through the 15% Local Assistance Work Plan identified activities to be performed between September 1, 2017 and August 31, 2018 that supported Public Water Systems (PWS) through the State's Public Water System Supervision Program (PWSSP). These activities addressed program requirements of the PWSSP outlined by the SDWA. Specifically, local technical assistance through Source Water Protection programs and assistance to water systems on a local basis in developing and implementing the Capacity Development Strategy requirement of the SDWA were addressed.

The TCEQ expended approximately \$1,800,000 during the grant Work Plan period for work performed during this period. It should be noted that \$1,572,229 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder, or

approximately \$227,771 has been or is expected to be requested during the months of September 2018 through November 2018. No match is required; the 15% DWSRF Set-Aside does not require a match.

The total requested for reimbursement from TWDB between September 2017 and August 2018 was \$1,650,671. Of this amount, approximately \$78,442 was requested for reimbursement from TWDB between September 2017 and November 2017 under the SFY2017/FFY2016 DWSRF 15% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

EPA AND TCEQ GOALS AND OBJECTIVES

Federal and State programmatic goals and objectives are shown in Table 1: EPA and TCEQ Goals and Objectives below.

Table 1: EPA and TCEQ Goals and Objectives

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
<p>EPA Goal 2: Protecting America’s Waters</p> <p>Protect and restore waters to ensure that drinking water is safe and sustainably managed, and that aquatic ecosystems sustain fish, plants, wildlife, and other biota, as well as economic, recreational, and subsistence activities.</p> <p>EPA Objective 2.1: Protect Human Health</p> <p>Achieve and maintain standards and guidelines protective of human health in drinking water supplies, fish, shellfish, and recreational waters, and protect and sustainably manage drinking water resources.</p>	<p>TCEQ Goal 02: Drinking Water</p> <p>To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water conservation and reclamation districts; and by promoting regional water strategies.</p> <p>TCEQ Goal 02: Objective 01</p> <p>To supply 95 percent of Texans served by public drinking water systems with drinking water consistent with requirements in the Safe Drinking Water Act. To provide regulatory oversight of water conservation and reclamation districts and to promote regional water strategies.</p> <p>TCEQ Strategy 02-01-01: Safe Drinking Water</p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p>

WORK PROGRAM ORGANIZATIONAL STRUCTURE

Within the TCEQ, the Water Supply Division (WSD) is responsible for the overall administrative activities under the 15% DWSRF Set-Aside Grant. The WSD is in charge of administration of the Source Water Protection program (Program Element 1 and associated Tasks), and the Capacity Development program (Program Element 2 and associated Tasks).

EXPENDITURE BY PROGRAM ELEMENT

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2018 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$1,800,000 during the grant Work Plan period for work performed during this period. It should be noted that \$1,572,229 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder, or approximately \$227,771 has been or is expected to be requested during the months of September 2018 through November 2018. No match is required; the 15% DWSRF Set-Aside does not require a match. Work was performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2017 and August 2018 was \$1,650,671. Of this amount, approximately \$78,442 was requested for reimbursement from TWDB between September 2017 and November 2017 under the SFY2017/FFY2016 DWSRF 15% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2017 and August 2018 for the SFY18/FFY17 15% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: Source Water Protection Programs	Water Supply Division	\$76,484	\$76,484	4.2%

Program Element 2: Capacity Development	Water Supply Division	\$1,495,745	\$1,723,516	95.8%
Total		\$1,572,229	\$1,800,000	100%

PROJECT SCHEDULE

The TCEQ conducted the activities in the DWSRF 15% Set-Aside Work Plans over a 12-month period, which began September 1, 2017 and ended August 31, 2018 (SFY 2018).

MEASURES OF SUCCESS

The following tables [Table 3: TCEQ Outcome/Output Measures and Table 4: EPA Program Activity Measures (PAMS)] provide the results of the activities implemented under the DWSRF 15% Work Plan. These measures were previously identified in the DWSRF 15% Work Plan under each Program Element and Task combination:

Table 3: TCEQ Outcome/Output Measures

TCEQ Outcome/Output Measure	Program Element/Task	Outcome/Output
<p><u>02-01.01 Outcome Measure</u></p> <p>Percent of Texas population served by public drinking water systems that meet drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security 	<p>99% of Texas population served by public drinking water systems that meet drinking water standards.</p>
<p><u>02-01-01.01 Output Measure:</u></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: 	<p>6,737 public drinking water systems that meet primary drinking water standards.</p>

TCEQ Outcome/Output Measure	Program Element/Task	Outcome/Output
	Task 2.2 Capacity Development – FMT Assistance <ul style="list-style-type: none"> • Program Element 2: Task 2.3 Capacity Development – Water Security 	

Table 4: EPA Program Activity Measures (PAMS)

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
<p><u>SDW-211:</u> Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and Source Water Protection.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security 	<p>98.5 % of the population in Texas was served drinking water that meets the Safe Drinking Water Act (SDWA) regulations.</p>
<p><u>SDW-SP1.N11:</u> Percent of community water systems that meet all applicable health-based standards through approaches that include effective treatment and Source Water Protection.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – FMT Assistance • Program Element 2: 	<p>95.4 % of community water systems in Texas provide drinking water that meets all applicable health-based standards through effective treatment and Source Water Protection.</p>

EPA Program Activity Measures (PAMS)	Program Element/Task	Outcome/Output
	Task 2.3 Capacity Development – Water Security	
<p><u>SDW-SP2:</u></p> <p>Percent of "person months" (i.e. all persons served by community water systems times 12 months) during which community water systems provide drinking water that meets all applicable health-based drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security 	<p>96.1 % of "person months" during which community water systems provide drinking water that meets health-based standards.</p>

PROGRAM ELEMENTS, TASKS, DELIVERABLES AND OUTPUTS

The following describes the Work Plan Deliverables and Outputs provided for the Program Elements and Tasks identified in the 15% DWSRF Work Plan for SFY 2018.

Program Element 1: Source Water Protection Programs

This Program Element and associated Task implemented Source Water Protection (which includes both surface and wellhead protection) programs within the State in order to provide ongoing direct local assistance through evaluation of sources with respect to vulnerability to contamination. An estimated total of \$76,484 was expended for activities conducted during the Work Plan period of September 1, 2017 through August 31, 2018. Of the total estimated amount expended, \$76,484 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder, or approximately zero dollars (\$0) has been or is expected to be requested during the months of September 2018 through November 2018. All work was performed during the designated Work Plan period of September 1, 2017 through August 31, 2018.

Task 1.1 Source Water Protection Activities

This Task provided for Source Water Protection (SWP) activities within the state in order to provide ongoing direct local assistance through evaluation of sources with respect to vulnerability to contamination. TCEQ staff were used to support this Task.

The key deliverables are completed SWP reports provided to four (4) PWS to assist in the implementation of programs designed to provide SWP within the State.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for four (4) PWS;	TCEQ completed two (2) SWP assessments under this grant. TCEQ Staff provided support toward other assessments. A total of 12 PWS were evaluated in three (3) counties under this grant.
2. Implemented SWP programs in various areas of the State for four (4) PWS;	TCEQ completed three (3) SWP Plans, two (2) were conducted under this grant. TCEQ Staff provided support toward other assessments.
3. Best management practices developed to implement SWP for four (4) PWS;	TCEQ implemented best management practices for two (2) PWS under this grant. TCEQ Staff provided support toward other assessments.
4. Meetings and site visits in order to facilitate the creation of SWP programs for four (4) PWS;	SWP participants attended six (6) meetings and TCEQ staff conducted site visits in conjunction with development of the Source Water Protection plans. Each of the two (2) SWP plans completed required water systems to attend an introduction meeting, education outreach event, site inventory and close out meeting. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential contamination inventories for four (4) PWS;	TCEQ inventoried 12 SWP Areas.
6. Identification of populations protected by a SWP program and served by vulnerable water sources for four (4) PWS; and	TCEQ identified a population of 15,321 protected by a SWP program and served by vulnerable water sources in two (2) PWS. TCEQ Staff provided support toward other assessments.

Work Plan Deliverable	Output Provided
7. Other activities in support of the SWP program within the State of Texas.	TCEQ staff and contractors worked with Texas Rural Water Association (TRWA) to complete Source Water Protection technical assistance, including assisting water systems with best management practices and updating Source Water Protection plans. TCEQ staff gave presentations on SWP and best management practices at the TCEQ PDW Conference in Austin, Texas, Texas Water Utilities Association Annual Short School in Corpus Christi, Texas, Texas Water Utilities Association Regional School in Abilene, Texas, and Texas Water Utilities Association Bosque River District in Stephenville, Texas.

Program Element 2: Capacity Development

This Program Element provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of PWS through the identification of PWS that needed assistance in developing, enhancing, and maintaining their FMT abilities to meet state and federal requirements. Additionally, the activities under this Program Element assisted PWS to maintain or enhance their abilities to meet State requirements through developing, issuing and managing of assistance, including assistance from technical assistance contractors, in order to improve their FMT capability.

An estimated total of \$1,723,516 was expended for activities conducted during the Work Plan period of September 1, 2017 through August 31, 2018. Of the total estimated amount expended \$1,495,745 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2017 through August 31, 2018 and the remainder, or approximately \$227,771 has been or is expected to be requested during the months of September 2018 through November 2018. All work was performed during the designated Work Plan period of September 1, 2017 through August 31, 2018.

Task 2.1: Capacity Development – Capacity Development Activities

This Task implemented the Capacity Development Strategy under the PWS Program in Texas. The activities under this Task provided local assistance to reduce the risk of both long-term and short-term health effects. This is accomplished through the implementation of: the Texas Optimization Program (TOP); portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, Intended Use Plan ranking and review and other specialized assistance to PWS.

The key deliverable is the implementation of programs designed to meet the goal of 95% of the Texas population with drinking water (DW) that meets DW standards by providing local assistance.

Work Plan Deliverable	Output Provided
<p>1. Development of presentations, training materials and other technical documents to support the technical capability and compliance of PWS in Texas;</p>	<p>TCEQ developed training and guidance materials under the TOP Support Contract to support the technical capability and compliance of PWS in Texas. Development neared completion on a new course for operators who run PWSs with groundwater sources that are under the influence of surface water. The course describes the operating and reporting requirements for this type of water source.</p>
<p>2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of PWS;</p>	<p>TOP provided training and technical assistance, as needed, to support the technical capability of PWS in Texas. Examples include technical assistance visits and other technical support to East Rio Hondo WSC, City of Rose City, Bridlewood Estates, Thunderbird Bay Subdivision, City of Beeville, City of Rockdale, Cassie WSC, Kempner WSC, Nueces County WCID 3, Central Texas WSC, and the City of Huxley.</p> <p>TOP provided training to TCEQ staff during the PWS Investigator Training Conference and delivery of training modules and customized presentations to TCEQ WSD staff and Regional Office staff. Topics included a Part 1 of the Disinfection Training Module, process management for chloramines, nitrification action plans, coagulation and flocculation, and monitoring requirements for bag and cartridge filters.</p> <p>TOP provided training to PWS operators during the Annual Public Drinking Water (PDW) Conference and meetings of various Texas Water Utility Association Districts throughout the state. Presentation and workshop topics included process control and monitoring, troubleshooting at surface water treatment plants, filter and backwash assessments, jar testing, chloramine management, free chlorine conversions, and nitrification action plans.</p>

Work Plan Deliverable	Output Provided
<p>3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted by PWS;</p>	<p>TCEQ reviewed exception and engineering plans for public water system improvements during the grant period in order to support systems.</p>
<p>4. Purchase of supplies and equipment necessary to support the Capacity Development Program in Texas;</p>	<p>Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.</p>
<p>5. Coordination of and participation in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee, the Association of Safe Drinking Water Administrators, Area Wide Optimization Program, and other organizations in support of the Capacity Development Strategy;</p>	<p>TCEQ coordinated activities with Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), Texas Department of Agriculture, Texas Rural Water Association (TRWA), U.S. Department of Agriculture, and Communities Unlimited (RCAP), Environmental Finance Centers, EPA, Texas Water Development Board and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings. TWICC members attended the Drought Preparedness Council, a TRWA workshop and the TCEQ Annual PDW Conference. TWICC invited FEMA, TDEM and GLO to participate in informational meetings after Harvey to discuss disaster funding. TCEQ also worked with TWICC and the Environmental Finance Center Network and the Southwest Environmental Finance Center to put on an additional workshop in Lubbock called <i>Making Money, Saving Water: A Workshop on Water Loss & Rates</i>.</p>
<p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State program administration staff in support of the</p>	<p>TCEQ staff traveled to participate in events both within Texas and nationally in order to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State program administration staff in support of TCEQ's efforts to provide local assistance to water systems.</p>

Work Plan Deliverable	Output Provided
Capacity Development Strategy; and	
7. Provision of other assistance and support services to PWS in support of the approved Capacity Development Strategy for the State of Texas.	<p>TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> • Staff assessment and assistance to PWSs experiencing operational problems. • Providing training to technical assistance providers and water systems directly. • Tracking and assisting nonviable “at-risk” PWS in restructuring. • Providing free on-site assistance through the FMT contract.

Task 2.2: Capacity Development - FMT Assistance

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task, conducted at the local level, enhanced the FMT abilities of PWS by providing assistance in developing, enhancing, and maintaining FMT abilities, and assisting PWS to meet state and federal requirements through the use of TCEQ staff or contractors.

The key deliverable was the implementation of programs designed to provide approximately 64 assistance visits in order to enhance the FMT abilities of PWS to meet state and federal requirements.

Work Plan Deliverable	Output Provided
1. FMT assistance to PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance and other special assistance and assessment projects as needed;	<p>The TCEQ, through its FMT Assistance contractor, completed 135 FMT Capacity Assessments, Consolidation Assessments, on-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects.</p>
2. FMT training and assistance on specific FMT weaknesses to PWS;	<p>TCEQ’s FMT Contractor completed nine (9) Directed Assistance Modules (DAMs) to PWS and completed 15 FMT Assistance assignments for the purpose of training and assisting PWS on specific FMT weaknesses identified during FMT Capacity Assessments.</p>

Work Plan Deliverable	Output Provided
3. Assess and report on DWSRF applicants; and	TCEQ's FMT Contractor conducted seven (7) FMT Capacity Assessments for DWSRF applicants. The FMT Contractor provided DWSRF application assistance to one (1) PWS.
4. Provision of other assistance, training and services to PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	<p>TCEQ's FMT Contractor completed one (1) Consolidation Assessments for Investor Owned Utilities for the purpose of ensuring service to that community.</p> <p>TCEQ's FMT Assistance contractor completed two (2) TCEQ-administered special assignments that ranged from setting up community meetings for at-risk systems and facilitating water utility staff training on water treatment optimization program topics.</p>

Task 2.3 Capacity Development – Water Security

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task provide local assistance to PWS during significant weather events, natural disasters, and other emergency events. Activities were conducted to enhance abilities of PWS to respond to emergencies.

The key deliverable is the provision of water security assistance and training to PWS in the state impacted by or who have the potential to be impacted by natural disasters.

Work Plan Deliverable	Output Provided
1. Support for natural disaster initiatives and technical assistance calls to impacted systems;	<p>On August 25, 2017, Hurricane Harvey made landfall near Rockport in the Corpus Christi Region and thru September 1, 2017 proceeded to drop 20-64 inches of rain affecting water systems located in 58 counties located in the Houston, Beaumont, Austin and Waco Regions.</p> <ul style="list-style-type: none"> The WSD and all affected Regions initiated RM to track the status of affected water systems until they returned to fully functional status. In the first week following the landfall of Harvey, the WSD with the assistance of the EPA contacted almost 2,070 water systems located in 50 of the 58 affected counties to determine the operational status of the water systems and to conduct an initial DW assessment on each facility. As of January 1,

Work Plan Deliverable	Output Provided
	<p>2018, WSD completed tracking of the DW systems which were impacted by Hurricane Harvey.</p>
<p>2. Travel and training within Texas and nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of program administration staff in support of the Water Security Program;</p>	<p>Training attended in FY2018 to increase knowledge base and maintain competency of the Water Security Program included:</p> <ul style="list-style-type: none"> • FEMA, WMD/Terrorism Awareness for Emergency Responders, September 2017 • FEMA, ICS- 300 Intermediate ICS for Expanding Incidents, October 2017 • FEMA, ICS- 400 Advanced ICS for Command and General Staff, October 2017 • TEEX, Critical Infrastructure Security and Resilience Awareness, October 2017 • TEEX, Disaster Management for Water and Wastewater Utilities, November 2017 • TEEX, Strategic Overview of Disaster Management for Water and Wastewater Utilities, December 2017 • TDEM Basic Emergency Management Workshop, December 2017 • TEEX, Jurisdictional Threat and Hazard Identification and Risk Assessment, February 2018 • 2018 National Hurricane Conference, March 2018 • 2018 Texas Emergency Management Conference, May 2018 • 8HR Hazard Safety for Field Investigators, July 2018 <p>The TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, member of Homeland Security Information Network, maintains a membership with Water ISAC to stay abreast of security issues affecting water utilities in the country, and regularly checks Preparing Texas website for upcoming pertinent trainings.</p>
<p>3. Provision of other assistance and support</p>	<p>Following the aftermath of Harvey, the TCEQ's Capacity Development Team responded to</p>

Work Plan Deliverable	Output Provided
<p>services to PWS in support of the Water Security Program and the approved Capacity Development Strategy for the State of Texas.</p>	<p>requests for technical assistance from City of Victoria, the City of Beaumont, and the City of Rose City by sending staff to help with the start-up of the water plants in each of these cities.</p> <p>TCEQ and TXWARN continue to be available for assistance and support services to PWSs on an as needed basis through phone calls and the TXWARN website.</p>