Texas Water Development Board

Infrastructure Project Financing

www.twdb.texas.gov

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Topics

• What is the Texas Water Development Board (TWDB)?
• What financing tools do we offer?
• How can the TWDB help you?
Texas has always been associated with opportunity, productivity, and growth.
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Texas has always been associated with opportunity, productivity, and growth.
Our water resources are at the heart of that reputation...
Central Texas colonists led by Stephen F. Austin lose their initial food crops to drought.

Settlers in West Texas return to the east after crops fail.

**Drought of Record:** severe statewide drought

**Texas Water Development Board** created; statewide water planning begins

Severe statewide drought returns.
1869
• Bastrop evacuates as flood waters reach 46 feet

1925
• Flooding destroys 13 bridges and drowns 51 people in San Antonio

1935
• Downtown Houston inundated by flooding of the Buffalo Bayou

1949
• Fort Worth flooded by the Trinity River, causing $10M in damage and killing 10 people

1952
• Flooding in Central Texas kills 5 and destroys 17 homes

2015
• Blanco River rises 36ft in a few hours, washing away entire residential blocks in Wimberley
A Toolbox for Public Water Utilities

The legislature has entrusted the TWDB with a set of financing tools to help public utilities achieve their infrastructure goals. Each tool is unique, and some are designed for special purposes.
A Toolbox for Public Water Utilities

- Agricultural Water Conservation Loans/Grants (AG)
- Clean Water State Revolving Fund (CWSRF)
- Drinking Water State Revolving Fund (DWSRF)
- Economically Distressed Areas Program (EDAP)
- Rural Water Assistance Fund (RWAF)
- State Participation Program (SP)
- State Water Implementation Fund for Texas (SWIFT)
- Texas Water Development Fund (DFund)
How Can These Tools Work for You?

- **AAA Bond Rating**
  - Funding to accommodate projects of all sizes

- Some projects qualify for combined funding through multiple programs

- All project phases are eligible for funding
# Eligible Applicants

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<tr>
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<th>SWIFT</th>
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# Eligible Projects

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State Revolving Fund (SRF) Programs

- Partially funded by the U.S. Environmental Protection Agency (EPA)
- Subsidized financing
- Partial principal forgiveness available for certain project types
- Multi-year commitment option
Drinking Water State Revolving Fund (DWSRF)

- Offers financing 125 basis points below the applicant’s market interest rate
- Repayment terms up to 30 years
- Partial principal forgiveness available for Disadvantaged Communities, Very Small Systems, Urgent Need projects, and projects with green components
Sample DWSRF Project

Stamford Water System Improvements

- 1950s-era treatment plant needs improvements
- Replacing 15 miles of 18” pipe to address water loss
- Replacement of WWII-era elevated storage tank
- Disadvantaged: $9,282,728 principal forgiveness
- Green project: $952,980 principal forgiveness
- $19,765,708 total DWSRF loan
- Cost savings: $18,807,932
Clean Water State Revolving Fund (CWSRF)

- Offers financing up to 155 basis points below the applicant’s market interest rate
- Repayment terms up to 30 years
- Partial principal forgiveness available for Disadvantaged Communities and projects with green components
Sample CWSRF Project

Houston
Collection System Rehabilitation

• Ongoing effort to renew at least 600,000 linear feet of collection system each year
• Pipe sizes range from 6” to 72”
• Project will reduce sanitary sewer overflows
• Inflow and infiltration are addressed, resulting in optimized performance
• $65,750,000 total CWSRF loan
• Cost savings: $19,499,242
SRF Annual Funding Cycle

1. **Project solicitation**
   (Project Information Forms submitted)
   **DUE 03/03/2017**

2. **TWDB and TCEQ score projects**

3. **TWDB publishes draft Intended Use Plan (IUP)**

4. **IUP open for public review and comment**

5. **IUP finalized and approved**

6. **TWDB invites entities from the IUP to apply for financing**

7. **TWDB reviews applications and makes funding commitments**

8. **Borrowers close on loans**

Or apply **any time** throughout the year if not seeking principal forgiveness.
Primary SRF Program Requirements

• Disadvantaged Business Enterprise (DBE) procurement
• Environmental review
• Davis-Bacon prevailing wage rates
• American Iron & Steel

Technical assistance available!
State-Funded Programs

- Funded with bond proceeds (AAA bond rating)
- Loans based on TWDB’s cost of funds
- Grants available (EDAP)
- Subsidization and deferral available (SWIFT)
State Water Implementation Fund for Texas

Eligible Projects

• Recommended water management strategies in the state water plan
• Includes a wide range of water supply and conservation projects

Financing Options

• Low-interest loans
• Deferred loans
• Board Participation
• Multi-year commitments
New for 2017

- Low-interest loan interest rate subsidies specified for taxable financing and rural entities

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<td>26-30 Years</td>
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<td>16%</td>
<td>26.15%</td>
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- Rural: communities with population of 10,000 or fewer, not located within the extraterritorial jurisdiction of any city with population of 500,000 or greater.
SWIFT Funding Cycle

Regional water plans

Submit Abridged Application
Due 02/03/2017

TWDB staff perform prioritization & capacity modeling

Invitation to submit full applications

Application review and funding commitments

State water plan

Applicants close on loans

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Supply needs identified in regional planning will be met by increased conservation and expanded use of reclaimed water.

- Rehab and expansion of filtration systems, new storage tank and pump stations, and approximately 74,000 feet of transmission mains.
- $86,900,000 SWIFT multi-year commitment.
- Cost savings: $2,035,348! (on $20 million closed in 2016)
SWIFT is the only state-funded program with an application deadline. Applications for the other state programs are accepted at any time.
EDAP assists projects in areas where:

- Income is not greater than 75% of statewide median
- Infrastructure is substandard or doesn’t exist
- Model Subdivision Rules (MSRs) are in place to prevent further substandard development
EDAP Offers Grants

- Grant/loan ratio depends on project phase and affordability calculation
- Nuisance determination required for > 50% grant
- Popular program...current bonding capacity has been met
Sample EDAP Project

East Aldine Management District
Sherwood and Benton Place Water and Sewer

- First-time water & wastewater service to two areas
- Documented > 50% failure rate on private septic systems
- Small lot size means shallow water wells are less than 50 ft. from septic drainage
- DSHS Nuisance Determination
- $10,912,331 total EDAP assistance
- $10,335,331 grant!
Ag Conservation Loans

• Projects that improve irrigation efficiency
• Purchase and installation of devices to measure use of irrigation water
• Technical assistance programs
• Research, demonstration, technology transfer, or educational programs
• ...and more
Panhandle Groundwater Conservation District

- TWDB financing allows the District to make loans to individual farmers for more efficient irrigation systems
- $2,000,000 loan
- Cost savings: $206,475
Ag Conservation Grants

Accepting applications now!
(Due Feb. 15)

- Capacity: up to $200,000 per project
- Water use monitoring equipment, demonstration and technology transfer, irrigation efficiency studies
- Cameron.Turner@twdb.texas.gov
Flood Protection Grant Programs

Flood Protection Planning
- Grants to conduct feasibility studies for structural and non-structural solutions to flood hazards in an entire watershed

Flood Mitigation Assistance
- Federal funding for cost-effective measures to reduce or eliminate long-term flooding risk

Severe Repetitive Loss
- Federal funding to assist implementation of mitigation measures to reduce or eliminate long-term risk
Primary State Program Requirements

• Water conservation and drought contingency plans
• Environmental review
• U.S. Iron & Steel (except SWIFT)
• Water loss threshold requirements
Other TWDB Resources

**Project Financing**
- Water
- Wastewater
- Flood control
- Nonpoint source pollution control

**Science**
- Groundwater availability
- Environmental flows
- Lake surveys
- Conservation
- Innovative technologies
- TexMesonet (weather data)

**Planning**
- State water plan
- Water Use Surveys

**Data**
- Mapping and GIS
- Demographics
- Flood data
- Interactive State Water Plan

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Development of the state water plan is central to the mission of the Texas Water Development Board. Based on 16 regional water plans, the plan addresses the needs of all water user groups in the state—municipal, irrigation, manufacturing, livestock, mining, and steam-electric power—during a repeat of the drought of record that the state suffered in the 1950s. The regional and state water plans consider a 50-year planning horizon: 2020 through 2070.

This website lets water users statewide take an up-close look at data in the 2017 State Water Plan and how water needs change over time by showing:

- projected water demands,
- existing water supplies,
- the relative severity and projected water needs (potential shortages),
- the water management strategies recommended to address potential shortages, and
- recommended capital projects and their sponsors.
# How to Get Started

## CONTACT US!

<table>
<thead>
<tr>
<th>Team 1</th>
<th>Lee Huntoon</th>
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<tbody>
<tr>
<td>Panhandle/West</td>
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<th>Team 2</th>
<th>Caaren Skrobarczyk</th>
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<tr>
<td>Brazos</td>
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Thank You!

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