## Texas Water Development Board

Financial Assistance Programs Briefing

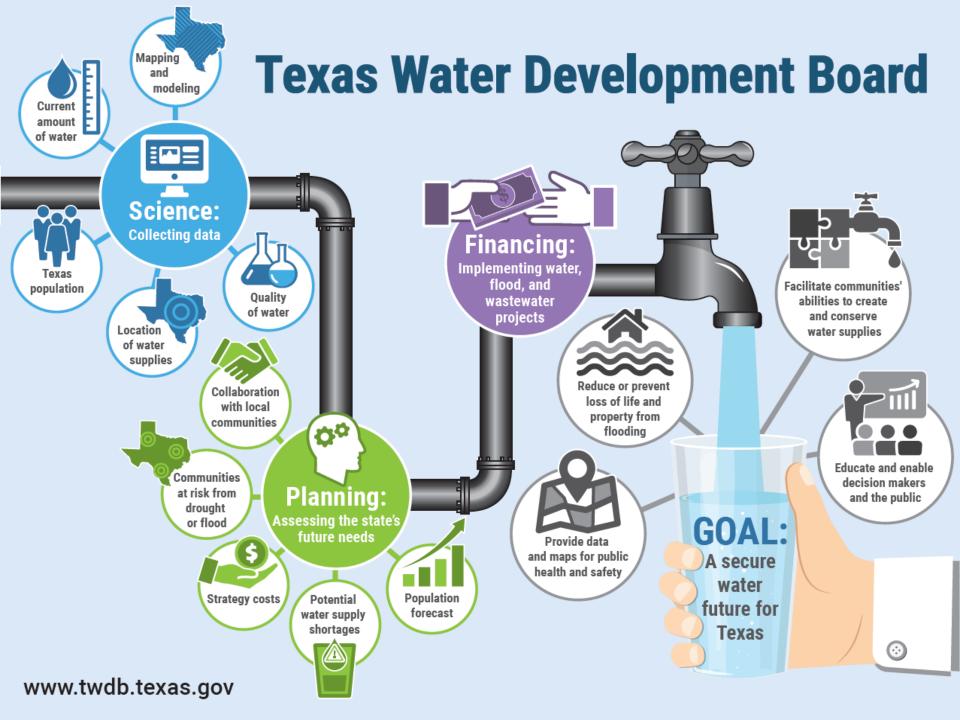
Hosted by the
Alamo Area Council of Governments
and
West Central Texas Council of Governments

May 22, 2025



- Texas Water Development Board (TWDB) mission is to lead the state's efforts in ensuring a secure water future for Texas.
- TWDB's mission is a vital part of Texas' overall vision to maintain the viability of the state's
  - Natural Resources
  - Health
  - Economic Development
- What financing do we offer?
- How can the TWDB help you complete your infrastructure project?



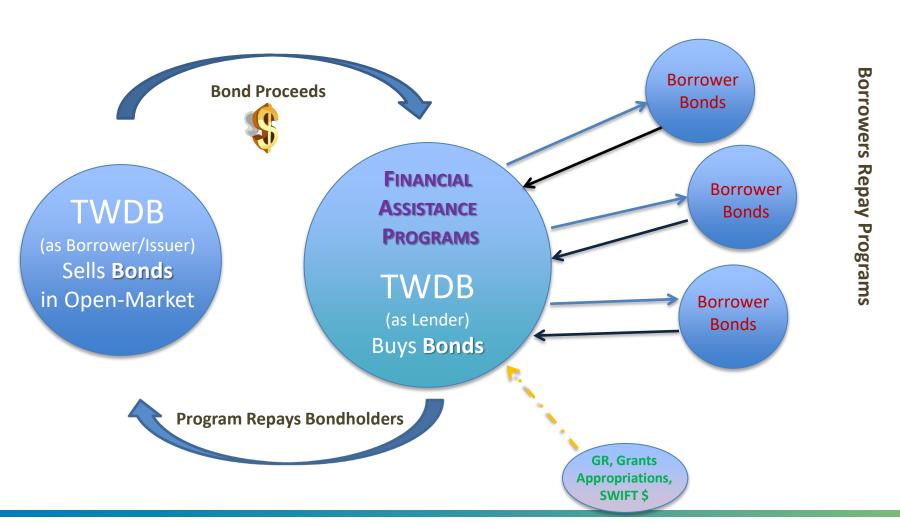


### **Dollars Committed and Cost Savings**

Enity	Rural	Commitment Date	Program	mmitment Amount	mmitment est Savings
City	Yes	08/15/2024	DWSRF	\$ 530,000	\$ 280,712
City	Yes	08/15/2024	CWSRF	\$ 39,315,000	\$ 12,036,859
District	Yes	07/23/2024	SWIFT	\$ 5,000,000	\$ 1,343,310
City	No	07/23/2024	SWIFT	\$ 10,135,000	\$ 1,215,549
City	No	07/23/2024	CWSRF	\$ 11,350,000	\$ 2,267,150
WSC	No	06/12/2024	WDF	\$ 2,500,000	\$ 111,183
City	Yes	06/12/2024	CWSRF	\$ 23,880,000	\$ 9,046,292
Water Authority	Yes	05/09/2024	WDF	\$ 2,880,000	\$ 199,682
City	Yes	05/09/2024	WDF	\$ 5,875,000	\$ 222,633
District	No	04/11/2024	WDF	\$ 5,550,000	\$ 1,123,182



## In General, This is How It Works...





## Funding Program Key Points

AAA Bond Rating/ Interest Rate Subsidization Funding to accommodate projects of all sizes

Some projects qualify for combined funding through multiple programs All project phases are eligible: planning, design, acquisition, construction

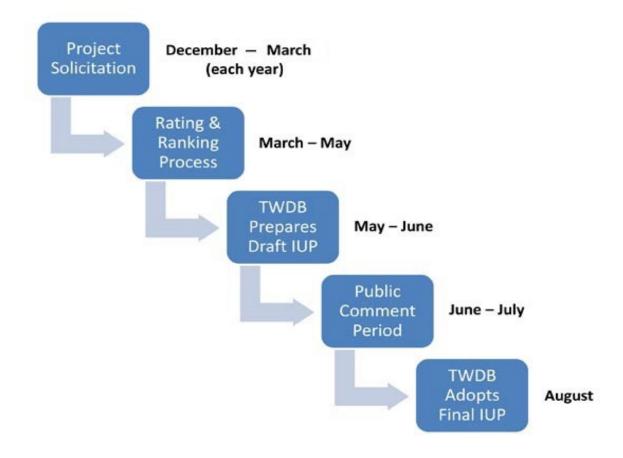


## **Examples of Eligible Projects**

- Water Supply
- Correct Water System Deficiencies
- Upgrade or Replace Water Systems
- Purchase Capacity, Other Systems, or Consolidate Systems
- Current and Future Water Needs
- Water Transmission & Distribution
- Conservation Projects, Meters
- Potable and Non potable Reuse
- Water and Wastewater Treatment
- Wastewater Collection and Distribution, Recycling, Reuse, Purple Pipe
- Stormwater Control
- Nonpoint Source Pollution Control
- Flood Control, Drainage Infrastructure, Warning Systems



## Funding Application Process Overview





#### **Funding Application Detail**

Step 1

Project Solicitation - PIF & AA

(Short Form) Submissions

December 2025 - Spring 2026

Rating & Ranking Process

March - May

TWDB Prepares Draft IUP

Early Summer

**Public Comment** 

Summer

TWDB Adopts Final IUP

Late Summer - Early Fall

TWDB invites top ranked PIF & AA to complete

Step 2 (Long Form) formal application

Late Fall - Winter

Step 2

Formal Application Intake

(Long Form)

Project Eligibility Review

**Credit Analysis** 

TWDB's Executive Administrator Recommendation

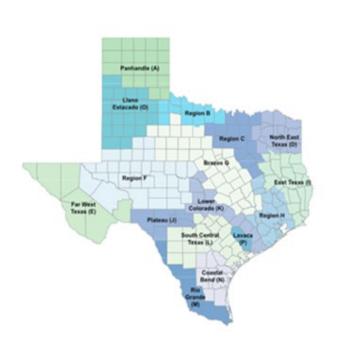
TWDB's Board Commitment

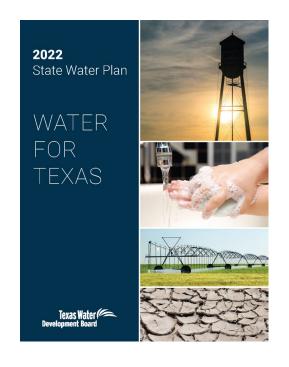
Loan Closing

Project Impmementation



## Water Planning

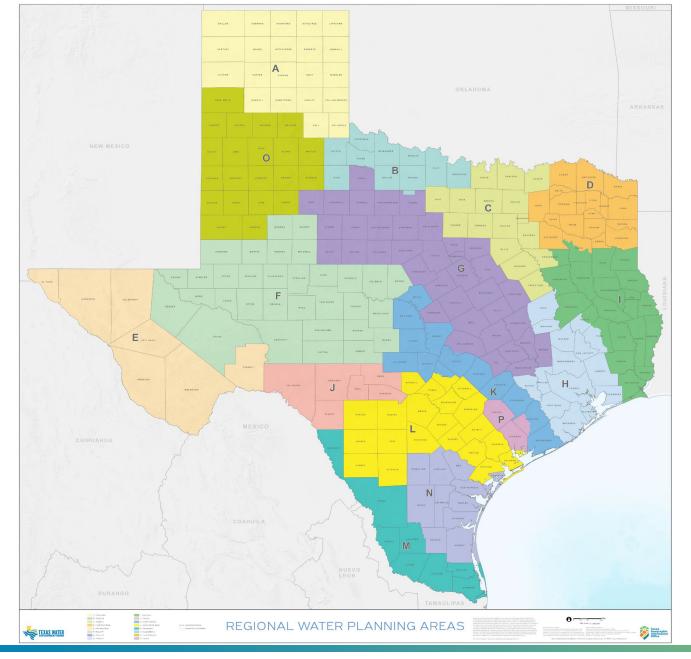




Current State Water Plan 2022. The state water plan is prepared and adopted every five years. Published next 2027.

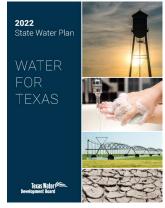
SWIFT Funding Requirement – Recommended water management strategy projects with a capital cost in the most recent adopted state water plan.







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





- Current State Water Plan 2022. The state water plan is prepared and adopted every five years. Published next 2027.
- Recommended water management strategies listed in Regional and State Water Plans with an associated capital cost.
- Projects include conservation and reuse, desalinating groundwater and seawater, building new pipelines, developing reservoirs and well fields, purchasing water rights, and other plan strategies.
- Interactive State Water Plan: <u>2022.texasstatewaterplan.org</u>
- Abridged Application Due 2/3/2025.

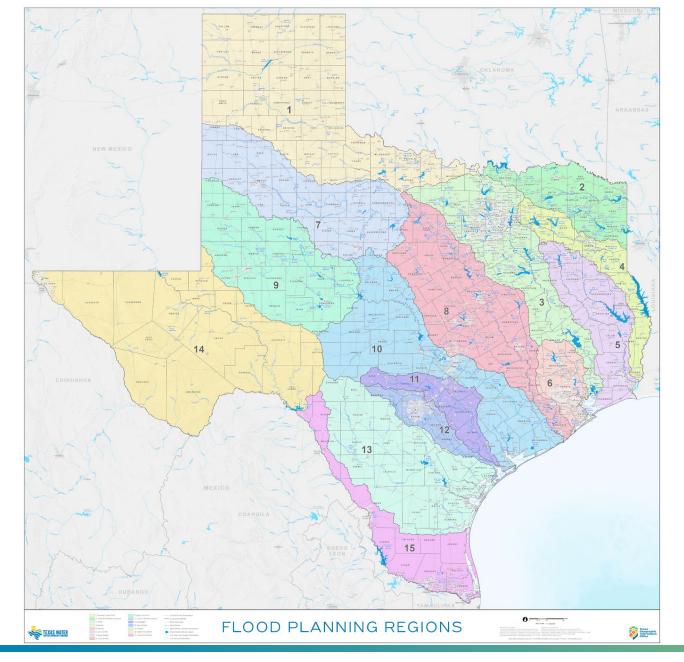


## Flood Planning in Texas

- ➤ The 2019 Texas Legislature greatly expanded the TWDB's role in flood planning and financing.
- Inaugural **2024 Texas State Flood Plan** adopted on August 15, 2024.
- ➤ Brings together the findings of the 15 riverbasin-based regional flood plans and makes legislative and floodplain management recommendations to guide state, regional, and local flood control policy.









## **TWDB Flood Programs**

FEMA Flood Mitigation
Assistance (FMA)
Grant Program

TWDB Flood Infrastructure Fund

FEMA FMA Swift
Current

Federal funding for projects that reduce or eliminate the risk of flood damage to structures insured under the NFIP

Support the local match for federal award

Support alreadyvetted flood mitigation projects Requires Federal Flood Disaster Declaration. Federal funding for projects in communities under federal disaster declaration.

**Purpose:** Assist Texas communities by providing federal and state funds for cost-effective flood mitigation measures to reduce or eliminate the long-term risk of flood damage.



Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
Flood Infrastructure Fund (FIF)	<ul> <li>Political Subdivisions</li> <li>Nonprofit Water         Supply Corporations</li> <li>Project must be in         adopted State Flood         Plan</li> </ul>	<ul><li>Bonds</li><li>Loan Agreement</li></ul>	<ul> <li>System Revenue</li> <li>Contract Revenue</li> <li>Ad Valorem Tax</li> <li>Tax and Revenue Pledge</li> </ul>	• Varies

- Must be recommended as Flood Management Evaluations (FME), Flood Mitigation Projects (FMP), or Flood Management Strategies (FMS) in a Regional and State Flood Plan.
- Up to 30-year repayment period for construction projects.
- Up to 10-year repayment period for planning, acquisition, and/or design projects.
- > 0% interest loans and grants available.
- Eligible activities: planning, construction, nature-based solutions, warning systems, and gages.
- > The next funding cycle is State Fiscal Year 2026-2027.





Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
Texas Water Development Fund (DFUND)	<ul> <li>Political Subdivisions</li> <li>Nonprofit Water Supply Corporations</li> </ul>	<ul><li>Bonds</li><li>Loan Agreement</li></ul>	<ul><li>System Revenue</li><li>Contract Revenue</li><li>Ad Valorem Tax</li><li>Tax and Revenue Pledge</li></ul>	• 20 to 30 years

- ➤ The program enables the TWDB to fund projects with multiple purposes for drinking water and wastewater in one commitment.
- > 100% low-interest loan available annually.
- > Long-term fixed interest rates based on the TWDB's cost of funds.
- > No maximum funding limits. TWDB will sell bonds as needed.



Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
Clean Water State Revolving Fund (CWSRF)	<ul> <li>Political Subdivisions</li> <li>Water Supply         Corporations     </li> <li>Designated Water         Management Agencies     </li> <li>Authorized Tribal         Organizations     </li> <li>Private Entities (Nonpoint Source Projects Only)</li> </ul>	<ul><li>Bonds</li><li>Loan Agreement</li></ul>	<ul> <li>System Revenue</li> <li>Contract Revenue</li> <li>Ad Valorem Tax</li> <li>Tax and Revenue Pledge</li> </ul>	• 20 to 30 years

- Federal Program to address wastewater, stormwater, and reuse such as wastewater treatment facilities, wastewater recycling and reuse facilities, non potable reuse, wastewater collection systems, stormwater control, nonpoint source pollution control projects.
- Loan Principal Forgiveness (grants) for disadvantaged communities, small/rural disadvantaged, very small systems, green, and urgent need.
- > 1.75% loan origination fee
- > SFY25 \$481,832,070
- \$70M maximum financing per project.
- Project Information Form (PIF) due March 7, 2025.



### SRF Intended Use Plans



Home Board Financial Assistance Water Planning Groundwater Surface Water Flood Drought Conservation Innovative Water Data & Apps

## Drinking Water State Revolving Fund (DWSRF) Loan Program

- DWSRF Program Information Sheet
- 1 View State Revolving Fund Webinar February 5, 2021
- 1 View State Revolving Fund Webinar January 29, 2021
- 1 State Revolving Fund Programs Webinar PDF
- 1 State Revolving Fund Program FAQs
- 🚺 🖪 Project Information Form Webinar FAQs

Agriculture Water Conservation Grants

Agriculture Water Conservation Loans

Asset Management Program for Small Systems

Clean Water State Revolving Fund

Drinking Water State Revolving Fund

Intended Use Plan

Select One View Document

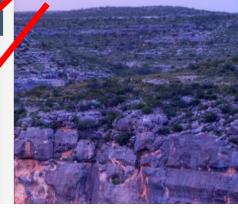
Project Priority List

Select One View Document

· Project Information Forms & Guidance

Financial Assistance Application

User-friendly interface with ability to select IUPs and PPLs via drop-down window for SFYs





#### CWSRF IUP Appendix C - Rating Criteria

#### Publicly Owned Treatment Works (§ 212) Rating Criteria

- 30 pts. Enforcement action (court, EPA, or Texas Commission of Environmental Quality (TCEQ) order) imposes a schedule.
- 20 pts. Enforcement action: Participation in TCEQ's Sanitary Sewer Overflow Initiative
- 11 pts. Unserved area of an existing developed community is extended service.
- 30 pts. Unserved area to be served has a nuisance documented by letter from the TCEQ or a Designated Agent licensed by the TCEQ. If the project is in an Economically Distressed Areas Program county, the letter may come from the State Health Department or a registered sanitarian.
- 10 pts. Water body impacted by project is listed in a Watershed Protection Plan approved by the EPA.
- 5 pts. Water body impacted by project is listed in a Watershed Protection Plan that is under development.
- 15 pts. Innovative or alternative types of collection or treatment are proposed.
- 30 pts. More stringent permit limits are to be met, or
   Conversion to a no-discharge or partial reuses facility to avoid higher level of treatment.
- 10 pts. Regional project removes or prevents plant outfalls, or
   Regional project results in delivery of flow to, or receipt of flow at, a regional facility,
   thereby avoiding construction of a separate waste water treatment plant facility.
  - For projects that involve a facility that requires expansion of its hydraulic capacity or removal of extraneous flow, use EPA self-reporting data to determine the percentage of permitted capacity.



### CWSRF IUP Appendix C - Rating Criteria Continued

Effective Management An adopted asset management plan that contains an inventory of assets, an assessment of the criticality and condition of assets, a prioritization of capital projects, and a budget.	2.50
Entity has adopted an Asset Management / Financial Planning tool within the past 5 years that contains the product deliverables under the AMPSS initiative as described in Section XII.	5
Entity plans to prepare an asset management plan with completion of proposed project	0.50
Providing asset management training for the entities governing body and employees	0.50
Project addresses a specific goal in a water conservation plan	1.00
Project involves the use of reclaimed water	1.00
Project addresses a specific goal in an energy assessment, audit, or optimization study conducted within the past three years	1.00
Project is consistent with a municipal and/or state watershed protection plan, water efficiency plan, integrated water resource management plan, a regional facility plan, regionalization or consolidation plan, or an approved Total Maximum Daily Load implementation plan	2.00
<u>Disadvantaged Eligibility</u> Awarded to any entity that qualifies as a disadvantaged community (see Appendix D for eligibility criteria)	20.00
Previously Received TWDB Planning, Acquisition or Design Funds The project is requesting construction financing and previously received a TWDB commitment for Planning, Acquisition, and/or Design (PAD) financing.	10.00



Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
Drinking Water State Revolving Fund (DWSRF)	<ul> <li>Political Subdivisions</li> <li>Public and Privately Owned Water Systems</li> <li>Nonprofit Water Supply Corporations</li> <li>Nonprofit, Non-Community Public Water Systems</li> </ul>	<ul><li>Bonds</li><li>Loan Agreement</li></ul>	<ul> <li>System Revenue</li> <li>Contract Revenue</li> <li>Ad Valorem Tax</li> <li>Tax and Revenue Pledge</li> </ul>	• 20 to 30 years

- Federal Program to address water infrastructure needs, correct water system deficiencies, upgrade or replace water systems, consolidate systems, purchase capacity, purchase other systems, green projects.
- Loan Principal Forgiveness (grants) for disadvantaged communities, small/rural disadvantaged, very small systems, green, and urgent need.
- > 2.00% loan origination fee
- > SFY25 \$444,395,440
- \$59M maximum financing per project.
- > Project Information Form (PIF) due March 7, 2025.



Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
Emerging Contaminants (EC) for both DWSRF and CWSRF	<ul> <li>Political Subdivisions</li> <li>Water Supply Corporations</li> <li>Designated Water Management Agencies</li> <li>Authorized Tribal Organizations</li> <li>State Agencies</li> <li>Private Entities (Nonpoint Source Projects Only)</li> </ul>	• N/A	• N/A	• N/A

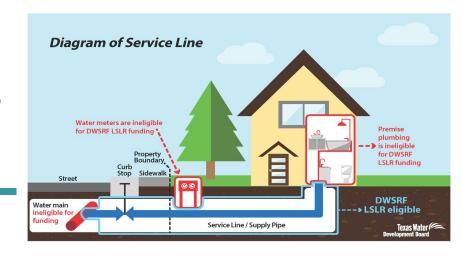
- The Infrastructure Investment and Jobs Act (IIJA) appropriated funds through the base SRF program.
- CWSRF-EC or DWSRF-EC, it must be eligible under the base CWSRF or DWSRF programs AND specifically reduce exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and/or other emerging contaminants.
- > All project funding will be in the form of 100% principal loan forgiveness.
- > CWSRF-EC SFY25 \$9,817,000
- DWSRF-EC SFY25 \$60,914,000
- Project Information Form (PIF) due April 4, 2025





Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
Lead Service Line Replacement (LSLR) Program	<ul> <li>Political Subdivisions</li> <li>Public and Privately Owned Water Systems</li> <li>Nonprofit Water Supply Corporations</li> <li>Nonprofit, Non-Community Public Water Systems</li> <li>State agencies</li> </ul>	<ul><li>Bonds</li><li>Loan Agreement</li></ul>	<ul> <li>System Revenue</li> <li>Contract Revenue</li> <li>Ad Valorem Tax</li> <li>Tax and Revenue Pledge</li> </ul>	<ul> <li>15 years (Inventory- Only)</li> <li>30 years (Non- Inventory, Replacement)</li> </ul>

- The Infrastructure Investment and Jobs Act (IIJA) appropriated funds through the base DWSRF for <u>Lead Service Line Replacement (LSLR)</u> projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines.
- 2.00% loan origination fee
- > SFY25 \$27,528,500
- All funding awarded at ratio of:
  - 49% Loan
  - o 51% Principal Forgiveness
- Project Information Form (PIF) due April 4, 2025





### Water Utility Technical Assistance Program

- Benefits Water or Wastewater Systems
  - Up to \$150,000 worth of services dependent upon the needs of the system.
  - All water and wastewater systems in Texas are eligible for this program, if they desire to seek funding from TWDB in the future.
  - Pre-qualified contractors to assist.
  - Next application solicitation deadline pending.
- Final products of the program include:
  - Approvable Water Conservation Plans.
  - Successful submission of PIFs/Abridged Applications.
  - Successful submission of Financial Assistance Applications for invited entities.
  - Summary reports with recommendations for financial management controls and operating processes.
  - Completed rate study.
  - Training regarding Disadvantaged Business Enterprises requirements including submission of documentation for federal reporting purposes.
  - NOTE: If system is not ready to submit PIF/Apps, the contractor will prepare these documents as much as possible, so system is prepared to submit when ready.



### **Program Requirements**

#### **Federal**

Loan origination fee

Projects must be listed in the current SRF Intended Use Plan

Davis-Bacon wage rate requirements

American Iron and Steel (AIS) requirements

Build America Buy America (BABA) requirements

National Environmental Policy Act (NEPA)-type environmental review

For equivalency projects only:

Disadvantaged Business Enterprise program

Additional steps when procuring architecture and engineering services

#### State

Water supply projects must be consistent with the current state water plan U.S. Iron and Steel requirements

State-level environmental review

#### All

Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)



### Helpful Tips

#### > Financial

- Is the entity prepared for bond issuance?
- Independent Financial Audit up to date?

At the time of formal application submittal, a current audit is required for the application to be deemed administratively complete.

 Current registration with SAM (System for Award Management, https://sam.gov)

#### > Ability to Take on Debt

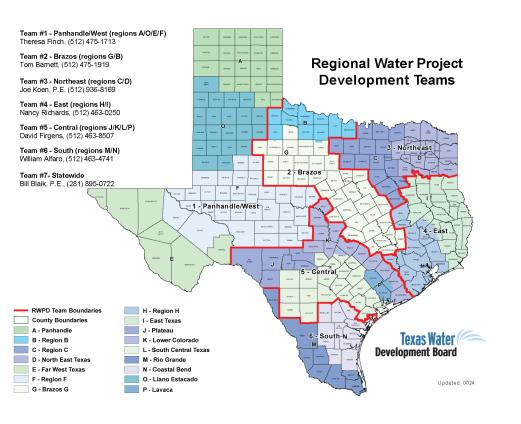
- Credit analysis will be completed.
- Loan repayment pledge?
- Are water, wastewater rates, and charges sustainable? Will they need to be raised?

#### Self-Reports to the TWDB up-to-date?

- Water Use Survey
- Water Loss Audit
- Water Conservation and Drought Contingency Plan
- Water Conservation Plan Annual Reports
- Talk early and often with TWDB staff we are happy to provide guidance and support.



### **TWDB Contacts**



#### **General Email**

Financial\_Assistance@twdb.texas.gov

#### **Financial Assistance Outreach**

Scott Galaway 737-226-3381 scott.galaway@twdb.texas.gov

Enriqueta "Keta" Caballero 512-435-9071 enriqueta.caballero@twdb.texas.gov

Drinking Water SRF Coordinator <a href="mailto:dwsrf@twdb.texas.gov">dwsrf@twdb.texas.gov</a>

Clean Water SRF Coordinator <a href="mailto:cwsrf@twdb.texas.gov">cwsrf@twdb.texas.gov</a>



### Resource Links

\* TWDB Financial Assistance Programs Index

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

\* TWDB Funding Application FAQ

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

\* TWDB Financial Assistance Applications

https://www.twdb.texas.gov/financial/applications/index.asp

\* TWDB Financial Assistance Program Guidance Manuals and Forms Library

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

\* Clean Water State Revolving Fund Program

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

\* Drinking Water State Revolving Fund Program

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

\* Texas Water Fund

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



### Resource Links

#### \* Interactive State Water Plan

https://2022.texasstatewaterplan.org/statewide

#### \* Regional Water Planning

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

#### \* Flood Programs

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

#### \* Water Use Survey

https://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp

#### \* Water Loss Audit Reporting

https://www.twdb.texas.gov/conservation/municipal/waterloss/index.asp

#### \* Conservation Plan Reporting

https://www.twdb.texas.gov/conservation/municipal/plans/ARs.asp

#### \* TWDB Newsletter

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



### For more information

### Visit

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

Or email:

financial\_assistance@twdb.texas.gov

Stay connected:















## **SECO Resources for Local Governments**

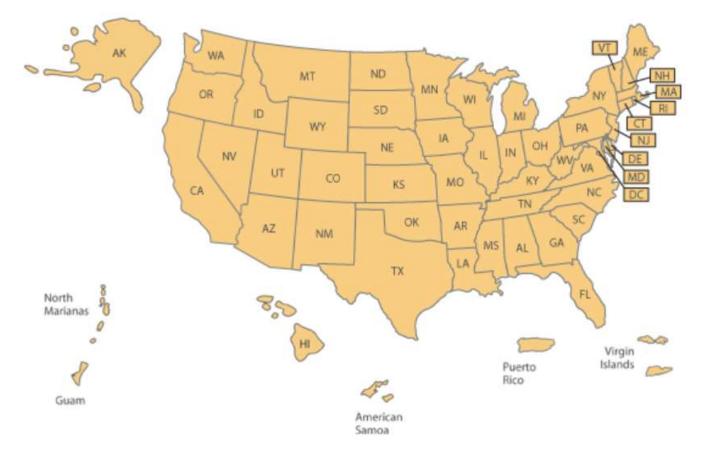
May 22, 2025

# **State Energy Offices**

### 50 states, District of Columbia, five U.S. territories

### **Federal Funding**

- Formula Awards
- Competitive Awards
- Reimbursable funding







Sign up for SECO updates!

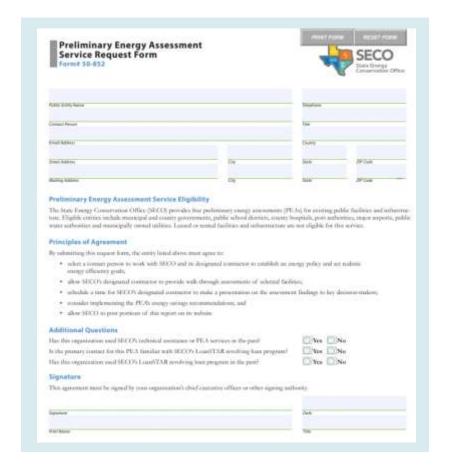
# **Target Audiences**

- Public higher education
- Local and county governments
- State agencies
- Public hospitals
- Quasi governmental entities



# Preliminary Energy Assessments (PEAs)

- Details recommendations for cost-effective resource efficiency measures to reduce utility consumption/costs
- Includes:
  - Analysis of utility bills
  - Recommended maintenance procedures
  - Informal on-site training for maintenance staff
  - Follow-up visits to assist with implementation of recommendations
  - Development of an overall energy management policy
  - Facility benchmarking using ENERGY STAR Portfolio Manager





## Technical Assistance for Local Governments (TA)

- Provided to political subdivisions in Texas
- Broad range of services provided by third-party engineering firms:
  - ENERGY STAR certification
  - Improve Maintenance and Operations
  - Lighting Upgrades
  - HVAC / Chiller / Boiler Upgrades
  - Building Control Update
  - And more!





## LoanSTAR Revolving Loan Fund

- Low interest, reimbursement-based loans for public entities to complete energy efficiency projects
- Loans based on Utility Cost Reduction Measures (UCRMs)
- Dollars saved from UCRMs pay for the loan
- First-come, first-served
- Most common borrowers:
  - Local and County Governments
  - Public K-12 Schools
  - Public Universities
  - State Agencies





## **Loan Details**

**Interest Rate** 

Usually between 1.5% - 3% (Depending on fiscal year of program)

Simple Payback

15 years or less

Repayment Period

Following completion of construction activities



### **IRA** Information

#### **Key DOE Milestones**

· January 31, 2025 - Application deadline

#### Resources

- · Frequently Asked Questions for the Texas HOMES and HEAR Rebate Programs
- . U.S. Department of Energy's Home Energy Rebate Programs Frequently Asked Questions
- Internal Revenue Service's Frequently Asked Questions About Energy Efficient Home Improvements and Residential Clean Energy Property Credits (PDF)

Sign up to receive updates on IRA tax credits and incentives in Texas.

www.seco.cpa.texas.gov

Toll-Free Number: 1-800-531-5441 x1931



#### STATE ENERGY CONSERVATION OFFICE

SECO partners with Texas local governments, county governments, public K-12 schools, public institutions of higher education and state agencies to reduce utility costs and maximize efficiency. SECO also adopts energy codes for single-family residential, commercial and state-funded buildings.



#### **News and Announcements**



- ▶ SECO Begins Home Energy Rebates RFP Drafting
- ▶ SECO Opens Professional Engineering Services RFP
- ▶ Energy Rebate Program Fraud Alert

home \* programs \* seco \* funding \* ira



### INFLATION REDUCTION ACT REBATES AND TAX CREDITS

NOTICE: Please note that the Home Energy Performance-Based, Whole House (HOMES) rebate program and the Home Electrification and Application Rebate (HEAR) program authorized by the Inflation Reduction Act have not yet been launched. As a result, there are currently **no approved contractors** for these programs. We strongly advise against entering into any agreements associated with the HOMES and HEAR rebate programs until they are formally launched and a list of approved contractors is made available.

June 2024

The Inflation Reduction Act (IRA) provides support for clean energy through these programs:

# Take Our Post Workshop Survey!



We Appreciate Feedback!





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