

Texas Water Development Board
Drinking Water State Revolving Fund (DWSRF)
Project Information Form (PIF)
Guidelines

Introduction

The Texas Water Development Board (TWDB) appreciates your interest in the Drinking Water State Revolving Fund (DWSRF) program. The DWSRF provides below market rate funding for the planning, design, and/or construction of water projects in compliance with the Safe Drinking Water Act. We look forward to your participation.

The Infrastructure Investment and Jobs Act appropriated additional funds for the State Revolving Fund programs, including special appropriations that will be available for “all eligible activities” in the SFY 2023 Intended Use Plan, along with other funding restricted to special eligibilities such as lead service line replacement activities and emerging contaminants. **At this time we anticipate using all or at least a substantial portion of the additional funding provided in the first year for “all eligible activities” to assist proposed projects submitted by the March 4, 2022 due date.**

PIF Submittal Deadline for Initial IUP and Requirements

Annually, the TWDB requests entities to submit new PIFs, along with updates to projects on the current IUP, to be listed in the initial SFY 2023 IUP. New submissions and updates received by the deadline will be reviewed and rated for the initial SFY 2023 IUP.

The deadline for submitting a PIF for inclusion in the initial SFY 2023 IUP is: [March 4, 2022](#).

For all PIF submission, both for inclusion in the initial IUP and for addition to the Project Priority List after the IUP is adopted, entities must submit a complete PIF either using the online system or Word version, undergo public review, and then be included on the DWSRF Intended Use Plan Project Priority List. An applicant may not submit an application unless it has received an invitation from TWDB.

To obtain a PIF or Updates, please visit the following link:

<http://www.twdb.texas.gov/financial/programs/pif.asp>

Update Forms:

To ensure we have current information in the SFY 2023 IUP, **ALL** entities must update any PIF submitted in a previous funding cycle to be included in the SFY 2023 Intended Use Plan. **At a minimum, the entity must update the readiness to proceed information, and if seeking disadvantaged community eligibility, the socioeconomic economic census data and utility rate information.**

An entity may update or amend their current project utilizing the Update Forms found here:

<http://www.twdb.texas.gov/financial/programs/pif.asp>

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Submission Options

Online Loan Application:

To submit your PIF or Financial Assistance Application online, please utilize our “Online Loan Application (OLA)” System:

<http://www.twdb.texas.gov/financial/applications/references.asp>

Email:

DWIUPsubmissions@twdb.texas.gov (File Size Must be <100MB)

Web File Transfer:

<https://onedrive.live.com/about/en-us/signin/>

After files have been uploaded, send the notice to DWIUPsubmissions@twdb.texas.gov.

How Projects Are Rated

Proposed eligible projects (except for source water protection projects) are rated by the Texas Commission on Environmental Quality (TCEQ) and are given a Combined Rating Factor. The Combined Rating Factor is based on health and compliance factors, physical deficiency factors, and consolidation factors. TWDB rates the effective management, affordability and other factors.

Program Eligibilities

Who Can Apply:

- Existing community public water systems including political subdivisions, nonprofit water supply corporations, and privately-owned community water systems
- Nonprofit, non-community, public water systems
- State agencies

Examples of Eligible Projects:

- Correct water system deficiencies including water quality, capacity, pressure, and water loss
- Upgrade or replace water systems
- Provide new or existing water service to other water systems through consolidation projects
- Purchase capacity in water systems
- Purchase water systems
- Implement green projects (pursuant to EPA guidance)
- Implement source water protection projects
- Pay for other costs necessary to secure or issue debt

Example of Ineligible Projects:

- Projects primarily intended to facilitate growth
- Construction of reservoirs
- Dams or rehabilitation of dams

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- Projects for systems in significant noncompliance, unless funding will ensure compliance
- Projects for systems that lack adequate financial, managerial, and/or technical (FMT) capability, unless assistance will ensure compliance
- Routine laboratory fees or ongoing operational expenses
- Fire protection projects (unless incidental to the main project scope)

Funding Availability

Funding capacity and additional subsidization allocations are determined on an annual basis and are detailed in the Intended Use Plan.

Additional subsidization is anticipated to be available in the form of principal forgiveness for the following:

Disadvantaged Communities - the community must meet the CWSRF program's affordability criteria based on income, unemployment rates, and population trends.

Disadvantaged Community – Small / Rural only - An entity qualified as a disadvantaged community and that additionally meets the definition of either a small community or a rural project.

Green Projects – Entities may receive subsidized Green principal forgiveness if their project has elements that are considered green and the cost of the green portion of their project is at least 30% of the total project cost. Principal forgiveness of up to 15% of the total eligible green component costs funded through the DWSRF program may be available, up to a maximum of \$1,000,000.

Very Small Systems – systems with populations of 1,000 or fewer for projects addressing public health, compliance, or water quantity issues and the Annual Median Household Income (AMHI) for the project must not exceed 150 percent of the state's AMHI. A special funding option is offered for Very Small Systems under the "Securing Safe Water Initiative".

Urgent Need – projects that address situations that require immediate attention to protect public health and safety. The proposed project must not be for replacement of facilities that have failed because they exceeded their useful life or failed due to lack of adequate maintenance. This funding option is available for three situations:

Urgent Need – Contaminants (Lead, Radionuclides, Arsenic)

Urgent Need – "Securing Safe Water" Initiative

Urgent Need – Other than Contaminants (Disasters, etc.)

Emergency Preparedness – for Severe Weather – for the preparation of an emergency preparedness evaluation/audit plan. Entities could receive principal forgiveness to determine compliance with statutory and regulatory standards of emergency operations that directly affect operation of a public water system during an extended power outage from severe weather that impacts the system. The maximum amount available for a public water system is \$75,000. The evaluation/audit must be submitted to TWDB.

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Asset Management

Assistance is anticipated to be available to encourage and promote the use of asset management tools:

Asset Management (Preparation of Asset Management tools) – Bonds/Loans - An eligible entity, not just small system, may be eligible for up to \$100,000 with an interest rate of zero percent to prepare all of the Asset Management / Financial Planning tools required in the current Asset Management Program for Small Systems (AMPSS) initiative's Scope of Work and deliverables. The entity's asset management program may include enhancements or tools that extend beyond the minimum requirements of the AMPSS program's Scope of Work. Allocation of any available funding at an interest rate of zero percent for this option would occur concurrently with the allocation of any other funding for the project.

Asset Management – (Implementation of Asset Management Plans) - Bonds/Loans - A small system eligible under AMPSS may receive up to \$500,000 at zero percent (0%) for a portion of the total TWDB funding for a project if it has implemented substantially all of the Asset Management / Financial Planning tools required in the current AMPSS initiative's Scope of Work and deliverables and the proposed project is included in its current plan. The small system's asset management program may include enhancements or tools that extend beyond the minimum requirements of the AMPSS initiative's Scope of Work.

Disadvantaged Community Eligibility

A disadvantaged community is a community that meets the DWSRF's affordability criteria based on income, unemployment rates, and population trends. The entity's Annual Median Household Income (AMHI) of the entire or portion of the service area must be less than or equal to 75% of the state's AMHI as listed in the most recent available American Community Survey (ACS) 5-Year Estimates and meet the Household Cost Factor thresholds.

Disadvantaged community status may be documented using either Census data or a survey. An entity must submit documentation that substantiates the inadequate or absent census data that led to the need to conduct a survey. All entities must obtain prior approval to use survey data instead of the most recently available American Community Survey data. Previously completed surveys, including surveys completed for funding from other sources, will be rejected if they do not follow survey methods listed in the latest version of the [Socioeconomic Survey Guidelines \(WRD-285\)](#). **An approved survey may be considered valid for the five (5) year period (60 months) prior to the date the TWDB receives the Project Information Form.**

The eligible level of principal forgiveness for a project is based on the difference between the calculated total Household Cost Factor (HCF) and the minimum HCF (the "base") of 1% (if only water or sewer service is provided) and 2% (if both water and sewer services are provided) as shown in the chart below:

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HCF Difference	Principal Forgiveness as a % of DWSRF-funded project costs remaining after subtracting other DWSRF principal forgiveness
$\geq 0\%$ and $< 1.5\%$	30%
$\geq 1.5\%$ and $< 3\%$	50%
$\geq 3\%$	70%

If using the Word version of the PIF instead of the Online Application, a Disadvantaged Community Worksheet must be submitted to be considered for this funding option.

American Community Survey (ACS) 5-Year Estimates to use for SFY 2022 and SFY 2023:

For SFY 2022, use the 2015 - 2019 ACS 5-year estimates (and for the calculating population adjustment for the Household Cost Factor, compare it to the population found in the 2011 - 2015 ACS 5-year estimates.)

For SFY 2023, use the 2015 - 2019 ACS 5-year estimates (and for the calculating population adjustment for the Household Cost Factor, compare it to the population found in the 2011 - 2015 ACS 5-year estimates.)

A spreadsheet containing this information may be found here: [Census Data Search \(WRD-284\)](#)

Viability and Feasibility of Projects

A project must demonstrate to the TWDB that it is viable, feasible, and sustainable prior to being invited to submit an application and prior to receiving a commitment for any funding option, including principal forgiveness, for the acquisition, design or construction phases of the project. A project may receive funds for the planning phase to assess the viability and feasibility of a project, including funds to prepare an asset management plan.

Urgent Need

Urgent Need projects must address situations that require immediate attention to protect public health and safety. The proposed project must not be for replacement of facilities that have failed because they exceeded their useful life or failed due to lack of adequate maintenance. (see Intended Use Plan for details)

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Readiness to Proceed

The TWDB defines readiness to proceed to construction as projects having no significant permitting, land acquisition, social, contractual, environmental, engineering or financial issues that would keep the project from proceeding in a timely manner to construction. Readiness to proceed will be used in determining which projects will receive an invitation and which project phases are eligible for funding during the fiscal year.

Cost Categories

Cost categories are associated with Section 4 of the Project Information Form. A description of each cost category is below:

A - *Treatment* - Includes any of the following: disinfection, filtration, treatment waste handling, and any other treatment (i.e., GAC, aeration, iron/manganese removal, chemical storage tanks, and sedimentation).

B - *Transmission and Distribution* - Includes raw and finished water transmission, distribution lines, valves, back flow prevention, water meters, and/or pumping stations.

C - *Source* - Includes wells, wellhead pumps, and surface water intakes.

D - *Storage* - Includes elevated, ground, and pressure tanks for finished/treated water.

E - *Purchase of Systems* - Includes all of the eligible costs funded by the DWSRF to purchase systems (e.g., as part of a consolidation/regionalization project).

F - *Restructuring* - Includes costs associated with changes in organizational structure, management, accounting, rates, or other procedures conducted to meet financial, managerial, and technical requirements.

G - *Land Acquisition* - Includes eligible costs funded by the DWSRF to acquire land.

H - *Source Water Protection* - Includes costs associated with implementing source water protection BMPs.

I - *Other* - Includes other costs that cannot be classified into Categories A-H above.

DWSRF Program Information

While an overview of certain aspects of the DWSRF program is included in this guidance document, detailed information on the DWSRF may be found in the most current Intended Use Plan. You may access the Intended Use Plan on the TWDB website at this location: www.twdb.texas.gov/financial/programs/dwsrf/

Contact Information:

If you have any questions after reading this guidance, please contact Issa McDaniel at 512-463-1706 or Issa.McDaniel@twdb.texas.gov.