

# TEXAS WATER DEVELOPMENT BOARD

Funding Options

# MT. VERNON WATER & WASTEWATER PHASE I PROJECTS

<b>Project</b>	<b>Estimated Cost</b>
Wastewater Treatment Plant	\$3,700,800
City Wide Water Line Replacement	\$2,701,100
City Wide Wastewater Line Replacement	\$1,635,500
Total Phase I	\$8,037,400

## TWDB FUNDING POSSIBILITIES

Project	Drinking Water State Revolving Fund (DWSRF)	Clean Water State Revolving Fund (CWSRF)	Texas Water Development Fund (D-Fund)
Wastewater Treatment Plant		X	X
City Wide Water Line Replacement	X		X
City Wide Wastewater Line Replacement		X	X

# CITY WIDE WATERLINE REPLACEMENT DRINKING WATER STATE REVOLVING FUND

- Annual application cycle
- 20 – 30 Year Term
- Interest Rate Reduction 30 – 35%
  - Percentage reduction from the Thomson Reuters Municipal Market Data (MMD)
- Principal Forgiveness
  - Top 25 projects
  - Limited basis to eligible disadvantaged communities 75% SMHI (Up to \$800,000 MAX)
  - Eligible green project components (Up to 15% if components total 30% of project cost)
- Financial assistance for planning, acquisition, design and construction.
- 18 – 24 month process.
- 1.75 % Loan Origination Fee

# CITY WIDE WASTEWATER LINE REPLACEMENT CLEAN WATER STATE REVOLVING FUND

- Annual application cycle
- 20 – 30 Year Term
- Interest Rate Reduction 35 – 40%
  - Percentage reduction from the Thomson Reuters Municipal Market Data (MMD)
- Principal Forgiveness
  - Top 25 projects
  - Limited basis to eligible disadvantaged communities 75% SMHI (Up to \$800,000 MAX)
  - Eligible green project components (Up to 15% if components total 30% of project cost)
- Financial assistance for planning, acquisition, design and construction.
- 18 – 24 month process.
- 1.75 % Loan Origination Fee

# WASTEWATER TREATMENT PLANT IMPROVEMENTS CLEAN WATER STATE REVOLVING FUND

- Annual application cycle
- 20 – 30 Year Term
- Interest Rate Reduction 35 – 40%
  - Percentage reduction from the Thomson Reuters Municipal Market Data (MMD)
- Principal Forgiveness
  - Top 25 projects
  - Limited basis to eligible disadvantaged communities 75% SMHI (Up to \$800,000 MAX)
  - Eligible green project components (Up to 15% if components total 30% of project cost)
- Financial assistance for planning, acquisition, design and construction.
- 18 – 24 month process.
- 1.75 % Loan Origination Fee

# DISADVANTAGED COMMUNITY SFY 23 75% OF SMHI

Geographic Area Name	2019 ACS 5-Year Median household Income	2019 ACS 5-Year Average household size	2015 ACS 5-Year Total Population Prior	2019 ACS-5 Year Total Population Current	2019 Unemployment Rate (derived from Civilian Labor Force-Unemployed/Total-B23025)	2019 ACS 5-Year Total-In labor force-Civilian labor force:	2019 ACS 5-Year Total-In labor force-Civilian labor force-Unemployed
Texas	\$61,874	2.85	26,538,614	28,260,856	5.08%	13,962,458	708827
75% Median State Household Income	\$46,406						
Mount Vernon town, Texas	\$46,250	2.72	2,752	2,749	9.50%	1,210	115

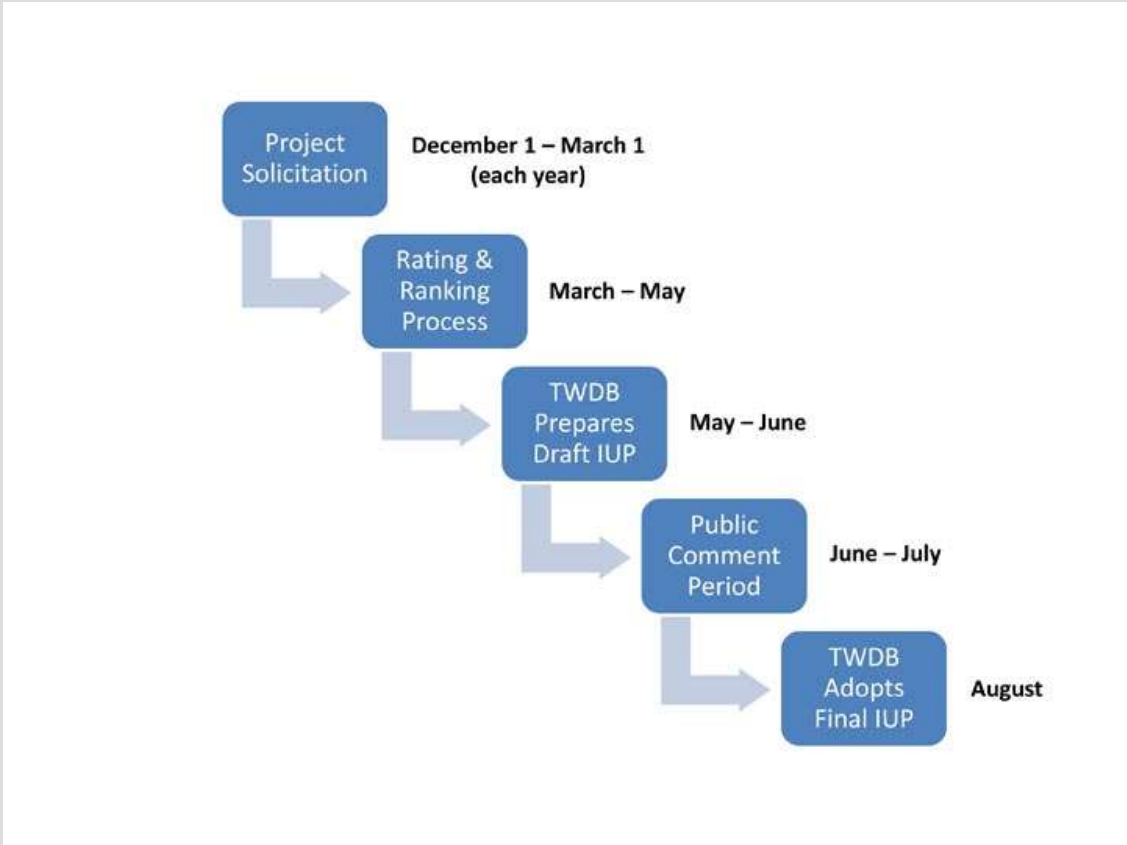
**US Census ACS Data for SFY 23 – TWDB FY 23 Applications**

# ALL PROJECTS TEXAS WATER DEVELOPMENT FUND

- Open application cycle depending on availability of funding..
- Term Varies
- Due to statutory limitations, only loans are offered through the DFund. The interest rate on a DFund loan varies depending on market conditions. The lending rate scales are set at approximately the TWDB's borrowing cost. The lending rates are intended to provide reasonable rates for TWDB customers while covering the TWDB's cost of funds and risk exposure.
- The pre-design funding option is available for most water supply, treatment, and wastewater projects and allows an eligible applicant to receive a loan commitment on the basis of preliminary engineering, environmental, economic, and social information. Funds for completing detailed planning, including environmental studies, are provided at closing, whereas funds for design, preparation of final plans and specifications, and construction are placed in escrow until needed. 18 – 24 month process.
- 18 – 24 month process.



# TIMELINE AND PROCESS DWSRF & CWSRF TWDB INTENDED USE PROCESS



# TIMELINE AND PROCESS DWSRF & CWSRF TWDB APPLICATION PROCESS



# TEXAS WATER DEVELOPMENT FUND LOAN PROCESS



## DWSRF RATING CRITERIA

- 1) Any Enforcement actions from EPA/TCEQ/Court.
- 2) Drinking water quality exceedances.
- 3) Documented system deficiencies such as low pressure, no disinfection, >25% water loss, >85% production/storage capacity etc.
- 4) Have an asset management plan in the last 5 years.
- 5) Adopt an asset management tool.
- 6) Disadvantaged community. 75% of the Texas Median Household income.
- 7) Previously Received TWDB Planning, Acquisition or Design Funds for this Project.

## CWSRF RATING CRITERIA

- 1) Any Enforcement actions from EPA/TCEQ/Court.
- 2) Showing extension of sewer servicing to presently unserved areas of existing developed community.
- 3) Innovative/alternative technology. This may include things like new and improved treatment processes such as MBR/SBR or technologies that reduce overall sludge production (drying beds, belt press etc.).
- 4) Check to see if Water body impacted by project is listed in a Watershed Protection Plan approved by the EPA.
- 5) Reuse or recycle of wastewater using innovative technologies.
- 6) Have an asset management plan in the last 5 years.
- 7) Adopt an asset management tool.
- 8) Disadvantaged community. 75% of the Texas Median Household income.
- 9) Previously Received TWDB Planning, Acquisition or Design Funds for this Project.

# PROJECT INFORMATION FORMS DWSRF & CWSRF

- PIF submitted for each project.
- Application scoring
- March 1, 2023 Deadline
- Provides detailed information on project need, scope, environmental impact, community demographics, and construction readiness.
- Preparation cost \$5,000 per project

# STEPS FORWARD

- Council approval to proceed with PIFs.
- Procure Engineering
- Approve Engineering contract
- Rate and Tax Impact Analysis
- Suggest Council Consider Rate Study
- Suggest Council Consider TWDB Asset Management Program for Small Systems
- Suggest scheduling Council/EDC Workshop on infrastructure.
- Assist in preparation of PIF
- Submit PIF March 1, 2023
- Wait on TWDB