

Texas Water Development Board (TWDB) Funding

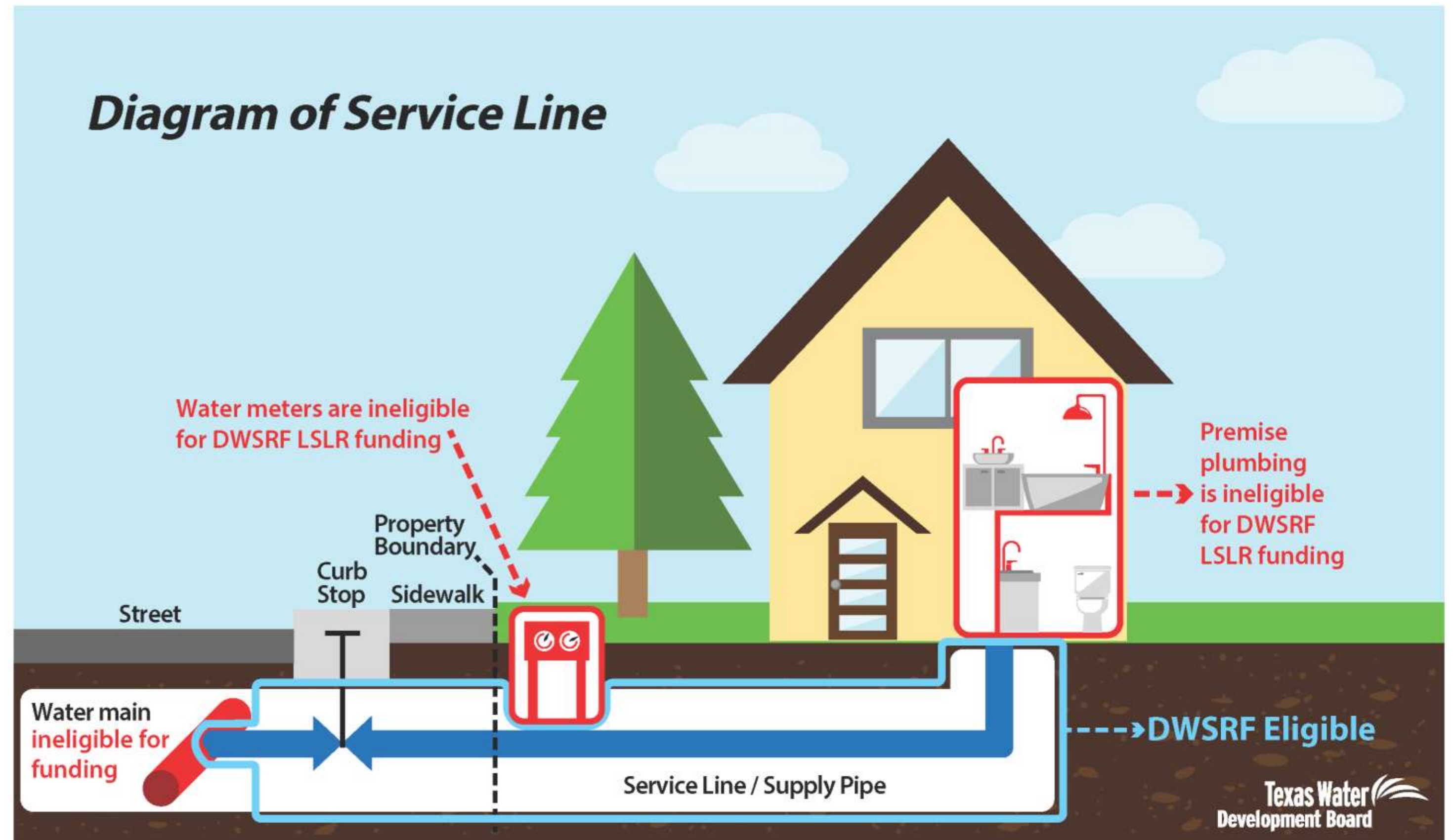
Lead Service Line Replacement (LSLR) Program

January 30, 2025

NBU® NEW BRAUNFELS
UTILITIES

TWDB LSLR Program

- **Lead Service Line Replacement program (LSLR)**
 - Infrastructure Investment and Jobs Act (IIJA) appropriated funds through the Drinking Water State Revolving Fund (DWSRF) for LSLR projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines.
 - Fixed-rate loans offered at below-market interest rates (basis points off borrower's underlying credit rating)
 - Financing is 51% principal loan forgiveness and 49% low-interest loan



Mission

Strengthening our community by providing resilient essential services

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Vision

Be a trusted community partner dedicated to excellence in service

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Core Values

Safety, Team, Integrity, Culture, and Stewardship

TWDB Funding Application

- **TWDB Application:**

- Must apply to receive financial assistance under the DWSRF
- Requesting financial assistance from the TWDB in an amount not to exceed \$25,000,000
- No financial commitment is made by NBU during the application stage
- NBU would seek additional NBU Board and City Council approval prior to the issuance of any bonds relating to this program

- **TWDB Funding:**

- Debt issuance similar to a regular NBU bond issuance
- Repayment terms up to 30 years
- Issued per NBU's Financial Operating Plan
- Issued under TWDB's AAA bond rating
- Subsidized interest rates
- 51% forgivable loan and a 49% low-interest loan

NBU Water Service Line Inventory

- **Contractors finished the potholing work in July 2024**
 - 3,267 Galvanized Requiring Replacement Lines were identified
 - 942 Unknowns
 - 2 lead service lines were found on NBU's side of the meter
 - Both were replaced at the time of identification
- **NBU sent out letters in October to each customer with either galvanized requiring replacement lines or unknowns**
- **NBU crews continue to identify unknown service lines**
 - Estimate all unknowns should be identified by the end of the 2025
- **Replacement plan will be developed in twelve months**
- **Replacement is currently required to begin in October 2027**
 - Currently expect roughly 3,600 replacements

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Tentative Timeline

01/30/2025

Seeking NBU Board
approval of
Application
Resolution

02/10/2025

Seeking City Council
approval of
Application
Resolution

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