
CITY OF PORT LAVACA

MEETING: JANUARY 8, 2024

DATE: 1.03.2024

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JODY WEAVER, INTERIM CITY MANAGER

SUBJECT: **APPLICATION FOR FUNDING FROM THE CLEAN WATER STATE REVOLVING FUND (CWSRF)**

Background:

In December 2022, Council authorized AECOM Task Order No. 5 which included a 30% project design and assistance as needed to apply for a Texas Water Development Board (TWDB) loan for funding.

AECOM completed the 30% design and submitted a pre-application for project inclusion in the 2024 Intended Use Plan. On November 28, 2023, we received notification from the TWDB that our project was included in the 2024 IUP and we have been invited to submit an application for funding through the TWDB Clean Water State Revolving Fund. *See attached letter dated November 28, 2023.*

The deadline to submit the INTENT TO APPLY was December 28. We submitted this information to TWDB and edited the amount to reflect the construction cost estimate of \$39.315 M, which is the current estimate following the 30% design. Recall that AECOM's construction estimate about 3 years ago was around \$15M, but with the increased cost of materials and construction and increased effluent limits likely to be imposed by TCEQ, the construction estimate has over doubled. Understand though that there is a 30% contingency included at this stage of design.

Note also that this is the project which DOW Chemical has made application to the Department of Energy for funding as well.

The deadline to apply for this funding from the FY 2024 State funds is January 29, 2024. I have authorized an amendment to AECOM's contract for \$22,831 to prepare the required desktop environmental review required for the application.

Action needed at the January Council meeting is to approve a resolution requesting financial assistance from the TWDB, authorize the filing of the application, and make certain designations with regard to the application. *See attached Resolution language.*

Financial Considerations:

We have included our financial advisor in with the discussions regarding this application. This method of financing involves a low interest loan and is generally accepted as the best way to finance very large expenditures such as this. Bottom line, the city is under no obligation to follow through with this loan if offered, but there are narrow windows of opportunity to apply. Applying now, lets TCEQ know we continue to move forward with their requirement that we expand the capacity of the wastewater treatment plant. I can report that DOW's application to the DOE did make it through to the second phase, but I have had no new updates in the last few weeks. Hopefully any loan with TWDB will be much less than \$39M.

CITY OF PORT LAVACA

Recommendation:

Staff recommends Council approve the resolution being form TWDB-0201A.

Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

Official Electronic mail sent via email. No hard copy to follow.

November 28, 2023

Ms. JoAnna Weaver, P.E.
City Manager
City of Port Lavaca
jweaver@portlavaca.org

Re: **State Fiscal Year 2024 Clean Water State Revolving Fund (CWSRF)
Application Invitation**

Dear Ms. Weaver:

Congratulations! We are pleased to notify you that the City of Port Lavaca is hereby invited to submit an application for funding through the Texas Water Development Board's (TWDB) Clean Water State Revolving Fund.

Your project is listed in the Intended Use Plan (IUP) as being eligible to receive funding as shown below:

Project Description	Lynns's Bayou Wastewater Treatment Plant Expansion
Eligible Phases	Planning Design & Construction
Project Information Form Number	15151
Eligible Project Cost	\$ 33,610,765

The maximum loan/bond commitment amount a project may receive under the SFY 2024 IUP is \$59 million.

Asset Management Funding Option

If you indicated in your PIF that you will be preparing an asset management plan as part of your project, you may be eligible for up to \$100,000 in loan funding with an interest rate of 0% to prepare the plan under the CWSRF Program. Please ensure you mention the asset management plan in your project scope and include funds for these activities in your application budget, if interested.

Our Mission	:	Board Members
Leading the state's efforts in ensuring a secure water future for Texas	:	Brooke T. Paup, Chairwoman George B. Peyton V, Board Member L'Oreal Stepney, P.E., Board Member
	:	Jeff Walker, Executive Administrator

Required Documentation and Deadlines

To be considered for funding under the SFY 2024 CWSRF Program, please follow the requirements stated below:

- (1) **You must submit your Intent to Apply form to CWSRF@twdb.texas.gov by 5:00 P.M., CST on December 28, 2023.** If you fail to fully complete and submit the Intent to Apply Form by the deadline, your project will not be considered for funding. This will allow the TWDB to invite in rank order additional projects on the lists if an invited entity does not wish to pursue SRF funding for their project at this time.
- (2) If you intend to apply, **your complete application must be received by TWDB no later than 5:00 P.M., CST on January 29, 2024.** Applications will not be accepted after the deadline. We encourage you to submit your application before the deadline, which will allow us to begin a review of your application earlier. Application materials, such as, submittal instructions, guidance documents, frequently asked questions, and a link to our online application portal may be found on our website at www.twdb.texas.gov/financial/applications/.
- (3) **A pre-application meeting is required** for all CWSRF projects to ensure that the applicant and the corresponding TWDB staff discuss the project and ask initial questions prior to the application being submitted.

If you submit an Intent to Apply, please contact Ms. Diana Sanchez by phone at 512-475-1554 or by e-mail at Diana.Sanchez@twdb.texas.gov to schedule a pre-application meeting with the [WSI-RWPD-Team 5](#). She will be able to assist you with scheduling a meeting prior to your submission of the application.

To assist you in being successful, please take note of the following tips and reminders which are based on TWDB's experience reviewing prior SRF applications:

- Applicants that will be requesting a SRF loan will most likely be selling bonds to the TWDB. As such, a financial advisor and bond counsel will be required. We highly encourage you to engage these consultants prior to submitting the application and follow the [DBE requirements](#) (equivalency only) if you seek to fund their work using SRF monies.
- Be sure any changes to the project amount are reflected in both the Intent to Apply Form and the application budget.
- For bond purposes only, TWDB SRF loan amounts must be rounded up to the nearest \$5,000. Please round up any loan numbers in the application budget and confirm the dollar amounts with your TWDB project team before passing resolutions to minimize adjustment during the review period.

Ms. JoAnna Weaver,P.E.
November 28, 2023
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We look forward to working with the City of Port Lavaca on its SRF project and are committed to providing excellent customer service and prompt responses to any questions as you complete your application. Should you have any questions or concerns, please contact Heather O'Keefe, Team Lead SRF General Activities, by phone at (512) 475-1835 or by email at CWSRF@twdb.texas.gov.

Sincerely,



Marvin Cole-Chaney
Director, Program Administration and Reporting
Water Supply and Infrastructure

Attachment: SFY 2024 CWSRF Intent to Apply Form

cc: Vinoth Manoharan, Project Manager, AECOM: vinoth.manoharan@aecom.com
Dain Larsen, Team Manager: WSI-RWPD-Team5@twdb.texas.gov

Clean Water State Revolving Fund State Fiscal Year 2024 Intent to Apply

Instructions

Please indicate your intention to apply for funding from the Clean Water State Revolving Fund (CWSRF) in the amount listed in the CWSRF SFY 2024 IUP.

Deadline to submit your Intent to Apply is December 28, 2023. Submit this document as an attachment to CWSRF@TWDB.TEXAS.GOV.

Failure to return this form by the deadline will be considered as no intention to apply and your project will not be considered for funding.

General Information

PIF #: 15151

Entity (Applicant) Name: City of Port Lavaca

Project Name: Lynn's Bayou Wastewater Treatment Plant Expansion

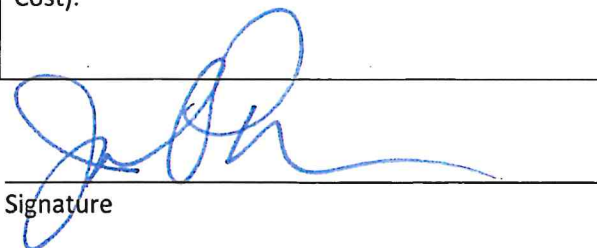
Intent to Apply

Entity intends to submit an application for this project: Yes No

Requested funding amount appearing in SFY 2024 CWSRF Intended Use Plan is confirmed: Yes No

If "No" above, please explain in the space provided below. Please note that due to limited program capacity, only decreases in requested funding amount may be considered. TWDB staff may contact you to follow up on any requested adjustments:

The estimated project cost (\$33.6M including \$2.4M in Engineering Fee) provided in Project Information Form was based on construction cost estimated at the beginning of the project without a 30% preliminary design. A revised construction cost estimate has been performed based on completed 30% design for the project. The revised construction cost estimate is \$36.9M; increased cost is mainly due to current and anticipated escalation in material and labor cost. The revised total estimated project cost is \$39,315,000 (including \$2.4M in Engineering and Planning Cost).



Signature

JoAnna P. "Jody" Weaver

Printed

Interim City Manager

Title

jweaver@portlavaca.org

Email Address

Application Filing and Authorized Representative Resolution

A RESOLUTION by the CITY COUNCIL of the City of Port Lavaca requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

SECTION 1: That an application is hereby approved and authorized to be filed with the Texas Water Development Board seeking financial assistance in an amount not to exceed \$ 39,315,000.00 to provide for the costs of Lynn's Bayou Wastewater Treatment Plant Expansion.

SECTION 2: That Interim City Manager JoAnna P. Weaver be and is hereby designated the authorized representative of the City of Port Lavaca for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board.

SECTION 3: That the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of and represent the City of Port Lavaca before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor: R. Dustin Traylor
RBC Capital Markets

Engineer: Vinoth Manoharan, PE
AECOM Technical Services, Inc.

Bond Counsel: Gregory Miller
Bickerstaff Heath Delgado Acosta LLC (BHDA)

PASSED AND APPROVED, this the _____ day of _____, 20_____.

ATTEST: _____

By: _____

(Seal)