

revenue of \$2,336,171 has been appropriated for DWSRF match during Fiscal Year 2017. The bond proceeds from the Water Financial Assistance Bonds, Series 2015F, which included the state match, exceeded the match requirement for the FY2016 grant by \$84,200, as the grant amount was an estimate at the time of the bond issuance. This resulting overmatch is being applied towards this year's match requirement. As a result of the appropriation and overmatch, the amount recommended to be transferred is \$9,600,429.

As shown in Attachment 3, the match repayment principal structure was set to ensure that cash flows in each were positive and the interest rates were set using the TWDB's Tax-Exempt Lending Rate Scale plus an additional 15 basis points to help DFund maintain minimum coverage ratios.

RECOMMENDATION

The Executive Administrator recommends approving, in substantially the form attached:

- a) Resolution authorizing the transfer of \$9,600,429 in bond proceeds from DFund to the DWSRF; and
- b) Authorization to repay the match funds from the DWSRF to DFund.

Attachments: 1 – Resolution No. (16-)
2 – DWSRF Grants and State Match
3 – Projected Debt Service Schedule

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
AUTHORIZING THE TRANSFER OF \$9,600,429 IN PROCEEDS OF
STATE OF TEXAS WATER FINANCIAL ASSISTANCE BONDS
TO THE DRINKING WATER STATE REVOLVING FUND

(16-)

WHEREAS, the State of Texas (State) has created the Drinking Water State Revolving Fund (DWSRF) pursuant to Chapter 15, Subchapter J of the Texas Water Code, to be administered by the Texas Water Development Board (TWDB) to provide financial assistance to eligible public water systems in accordance with the provisions of the Safe Drinking Water Act, as amended (Public Law 104-182, 42 U.S.C. § 300f et seq.) (Federal Act); and

WHEREAS, pursuant to the Federal Act requirements, the TWDB and the U.S. Environmental Protection Agency will enter into a capitalization grant agreement (Agreement) which provides for the TWDB, on behalf of the State, to receive federal capitalization grant funds for the DWSRF program; and

WHEREAS, pursuant to 42 U.S.C. § 300j-12(e) and the terms of the Agreement, the TWDB is required to deposit into the DWSRF a State match of at least 20 percent of the federal dollars provided to the State (State Match); and

WHEREAS, the Executive Administrator has determined that a State Match of \$9,600,429 will complete the necessary match requirements for federal funds; and

WHEREAS, pursuant to Texas Water Code § 17.959, the water financial assistance account (Water Financial Assistance Account) is an account established within the Texas Water Development Fund II in the State Treasury and into which all water financial assistance bond proceeds are deposited; and

WHEREAS, to meet the requirement that the State provide matching funds to the DWSRF, the TWDB, pursuant to Texas Water Code § 17.961(b), may direct the Comptroller of Public Accounts to transfer amounts from the Water Financial Assistance Account to a state revolving fund (in this instance, the DWSRF) to provide financial assistance as authorized by Chapter 17, Subchapter L of the Texas Water Code; and

WHEREAS, the TWDB is directed by Texas Water Code § 17.961(d) to use the DWSRF as a source of revenue for the payment of Water Financial Assistance Bonds issued by the Board, the proceeds of which are deposited into the DWSRF; and

WHEREAS, repayment of principal and interest of such State Match for the Federal Fiscal Year 2016 (FFY2016) state match requirements is expected to be repaid from the DWSRF to the Water Financial Assistance Account over a period of 10 years with semi-annual payments and;

WHEREAS, the TWDB finds that the transfer of \$9,600,429 to the DWSRF to provide the required State match for federal funds for the Drinking Water State Revolving Fund program is in the public interest.

NOW THEREFORE, based upon said considerations and findings, the Texas Water Development Board resolves as follows:

1. The Executive Administrator or his designee is authorized to direct the Comptroller of Public Accounts to transfer from the Texas Development Fund II Water Financial Assistance Account into the Drinking Water State Revolving Fund an amount of \$9,600,429 for the purpose of providing the remainder of the State portion of financial assistance to applicants of the Drinking Water State Revolving Fund program, such transfer being contingent on the receipt of the federal grant award.
2. The Executive Administrator or his designee is further directed to take such steps as necessary to ensure the repayment by the Drinking Water State Revolving Fund program to the Texas Water Development Fund II Water Financial Assistance Account, consistent with the Debt Service Schedule which includes the FFY2016 state match requirements, such schedule to be effective at the time of the receipt of the federal grant and the transfer authorized in paragraph No. 1 above.

APPROVED and ordered of record this the 25th day of August, 2016.

TEXAS WATER DEVELOPMENT BOARD

Bech K. Bruun, Chairman

DATE SIGNED: _____

ATTEST:

Jeff Walker
Executive Administrator

Texas Water Development Board
 Drinking Water State Revolving Fund
 Federal Grants and State Match

State Fiscal Year	Fed Fiscal Year	EPA Grant #	Grant Amount	State Match Required	Match Provided or to be Provided from Other Funds	State Match Provided or to be Provided from Match Bonds	Total Match Funds
1998	1997	FS-99679501	\$70,153,800.00	\$14,030,760.00	\$0.00	\$0.00	\$0.00
1999	1998	FS-99679502	\$54,014,400.00	\$10,802,880.00	\$13,166,911.00	\$0.00	\$13,166,911.00
2000	1999	FS-99679503	\$56,612,200.00	\$11,322,440.00	\$5,843,600.00	\$3,000,000.00	\$8,843,600.00
2001	2000	FS-99679504	\$58,836,500.00	\$11,767,300.00	\$3,750,000.00	\$0.00	\$3,750,000.00
2002	2001	FS-99679505	\$59,079,800.00	\$11,815,960.00	\$4,098,104.00	\$10,000,000.00	\$14,098,104.00
2003	2002	FS-99679506	\$62,023,700.00	\$12,404,740.00	\$4,098,104.00	\$14,500,000.00	\$18,598,104.00
2004	2003	FS-99679507	\$61,651,000.00	\$12,330,200.00	\$3,130,403.00	\$20,000,000.00	\$23,130,403.00
2005	2004	FS-99679508	\$63,953,900.00	\$12,790,780.00	\$3,130,403.00	\$10,000,000.00	\$13,130,403.00
2006	2005	FS-99679509	\$63,818,500.00	\$12,763,700.00	\$3,636,971.00	\$12,800,000.00	\$16,436,971.00
2007	2006	FS-99679510	\$67,799,550.00	\$13,563,165.00	\$3,636,971.00	\$9,000,000.00	\$12,636,971.00
2008	2007	FS-99679511	\$67,801,000.00	\$13,560,200.00	\$3,735,026.00	\$9,622,377.00	\$13,357,403.00
2009	2008	FS-99679512	\$42,112,000.00	\$13,422,400.00	\$5,183,323.00	\$8,242,332.00	\$13,425,655.00
2009	2009	FS-99679513	\$10,737,920.00	\$13,422,400.00	\$0.00	\$13,422,400.00	\$13,422,400.00
2009	ARRA	2F-96692301	\$160,656,000.00	\$0.00	\$0.00	\$0.00	\$0.00
2011	2010	FS-99679514	\$67,628,080.00	\$17,250,800.00	\$4,936,171.00	\$12,314,629.00	\$17,250,800.00
2012	2011	FS-99679515	\$59,854,000.00	\$11,970,800.00	\$7,597,404.00	\$4,373,396.00	\$11,970,800.00
2013	2012	FS-99679516	\$57,041,000.00	\$11,408,200.00	\$949,407.60	\$10,458,792.40	\$11,408,200.00
2014	2013	FS-99679517	\$53,517,000.00	\$10,703,400.00	\$351,787.40	\$10,351,612.60	\$10,703,400.00
2015	2014	FS-99679518	\$63,953,000.00	\$12,790,600.00	\$2,336,171.00	\$10,454,429.00	\$12,790,600.00
2016	2015	FS-99679519	\$63,532,000.00	\$12,706,400.00	\$2,336,171.00	\$10,454,429.00	\$12,790,600.00
2017	2016	FS-99679520	\$60,104,000.00	\$12,020,800.00	\$2,336,171.00	\$9,600,429.00	\$11,936,600.00
Total			\$1,324,879,350.00	\$252,847,925.00	\$74,253,099.00	\$178,594,826.00	\$252,847,925.00

Drinking Water State Revolving Fund Debt Service Schedule FFY 2016 State Match					
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
1/15/2017			\$ 77,532.97	\$ 77,532.97	
7/15/2017	\$ 1,835,000.00	1.070%	\$ 70,842.31	\$ 1,905,842.31	\$ 1,983,375.29
1/15/2018			\$ 61,025.06	\$ 61,025.06	
7/15/2018	\$ 1,120,000.00	1.170%	\$ 61,025.06	\$ 1,181,025.06	\$ 1,242,050.12
1/15/2019			\$ 54,473.06	\$ 54,473.06	
7/15/2019	\$ 980,000.00	1.260%	\$ 54,473.06	\$ 1,034,473.06	\$ 1,088,946.12
1/15/2020			\$ 48,299.06	\$ 48,299.06	
7/15/2020	\$ 995,000.00	1.390%	\$ 48,299.06	\$ 1,043,299.06	\$ 1,091,598.12
1/15/2021			\$ 41,383.81	\$ 41,383.81	
7/15/2021	\$ 1,005,000.00	1.510%	\$ 41,383.81	\$ 1,046,383.81	\$ 1,087,767.62
1/15/2022			\$ 33,796.06	\$ 33,796.06	
7/15/2022	\$ 820,000.00	1.630%	\$ 33,796.06	\$ 853,796.06	\$ 887,592.12
1/15/2023			\$ 27,113.06	\$ 27,113.06	
7/15/2023	\$ 535,000.00	1.720%	\$ 27,113.06	\$ 562,113.06	\$ 589,226.12
1/15/2024			\$ 22,512.06	\$ 22,512.06	
7/15/2024	\$ 195,000.00	1.820%	\$ 22,512.06	\$ 217,512.06	\$ 240,024.12
1/15/2025			\$ 20,737.56	\$ 20,737.56	
7/15/2025	\$ 1,045,000.00	1.910%	\$ 20,737.56	\$ 1,065,737.56	\$ 1,086,475.12
1/15/2026			\$ 10,757.81	\$ 10,757.81	
7/15/2026	\$ 1,070,429.00	2.010%	\$ 10,757.81	\$ 1,081,186.81	\$ 1,091,944.62
	\$ 9,600,429.00		\$ 788,570.39	\$ 10,388,999.39	\$ 10,388,999.39