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AGENDA ITEM MEMO

BOARD MEETING DATE: April 11, 2024

TO: Board Members

THROUGH: Bryan McMath, Interim Executive Administrator
Ashley Harden, General Counsel

FROM: Jessica Peña, Deputy Executive Administrator, Water Supply & Infrastructure

SUBJECT: Water Utilities Technical Assistance Program (WUTAP)

ACTION REQUESTED

Consider authorizing the Executive Administrator (EA) to: a) select contractors that may be used to complete Water Utilities Technical Assistance Program (WUTAP) contract deliverables on behalf of participant systems; b) select systems to participate in the first round; and c) initiate and enter into contracts in a total cumulative amount not to exceed \$2,000,000 to implement the WUTAP.

BACKGROUND

The Texas Water Development Board (TWDB) awards funding through its Drinking Water and Clean Water State Revolving Fund (SRFs) programs to projects that address compliance issues with the Safe Drinking Water Act and the Clean Water Act (Acts). The current capacity of the SRFs, including lead service line replacement and emerging contaminants funding, exceeds \$1.1 billion.

In reviewing the hundreds of Project Information Forms and full application submitted each year it is apparent that entities struggle with the submittals due to the lack of information and knowledge about their system and its operations. To address these needs, the TWDB is implementing a new program for SRF-eligible entities that will offer technical assistance services with the goal of improving the overall health of the organization and better position the entities to navigate applying for funding to ultimately address compliance issues and become compliant with the Acts.

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

Technical assistance services may include:

- Review of processes to minimize fraud, waste and abuse risk and propose recommendations for best management practices.
- Evaluation and/or preparation of a rate study.
- Development of processes for budgeting, record keeping and for the preparation of financial statements.
- Project Information Form and Financial Assistance Application assistance.
- Development of water conservation plans, including addressing water loss, as part of the completion of the TWDB application.
- Assistance/training on Disadvantaged Business Enterprises.

PRE-QUALIFIED CONTRACTORS

A Request for Qualifications was posted for solicitation on November 30, 2023, and responses were accepted through January 29, 2024. Fourteen vendors submitted Statements of Qualifications by the deadline, and six were determined to be administratively incomplete. Eight of the remaining submittals were determined to meet qualification requirements and have been included in the pool of qualified contractors (Attachment 1).

PARTICIPANT SYSTEMS

For this initial round of WUTAP, the capacity made available could fund a minimum of 13 projects at an amount of up to \$150,000 per project, for a total amount not to exceed \$2,000,000 utilizing fees.

Eligible systems are those that are eligible for funding through either the Drinking Water or Clean Water State Revolving Funds programs who have not previously accessed TWDB funding.

Application Process

An application period for potential participant systems was opened on November 17, 2023, and closed on January 31, 2024. A total of 57 applications were received and 37 were deemed eligible for the program. Of the eligible applications received, 23 were for drinking water systems, 10 were for wastewater systems, and 4 were for both. A list of eligible applications received is provided in Attachment 3.

Prioritization and Selection

The applications were scored and ranked for prioritization. The scoring criteria categories focus on the system size; rural classifications; annual household income; operations (recent violations history); recent growth in number of people and connections served; audit history; history of applying for TWDB funding; experience with federal disadvantaged business enterprise requirements; history of rate analyses; water conservation plan; and documented procedures for operations and maintenance related to cash management, accounts receivables/payables, preparation of financial statements, and internal control

processes. A total of 55 points were possible. In the event of a tie, the smallest system (serving the fewest number of connections) won the tiebreaker.

For reference, see Attachment 2 for the prioritized list of systems. Items to note about the list of participant systems:

- Represents 13 entities.
- All but one serve rural areas as defined by §15.001 of the Texas Water Code.
- Ten have median household incomes that are 75 percent or more below the state.
- Of the 13 entities, 12 have never submitted Project Information Forms and one has submitted but was not invited to apply.

Additional prioritized entities may be invited to participate as funding is available.

RECOMMENDATION

Authorize the Executive Administrator to:

- a) Select 8 contractors that may be used to complete WUTAP contract deliverables on behalf of participant systems,
- b) Select initial 13 systems to participate in the first round of WUTAP; and
- c) Initiate and enter into contracts in a total amount not to exceed \$2,000,000 to implement WUTAP.

Attachments:

1. Qualified Contractor List
2. Participant System List
3. Participant System Applications Received List
4. Applicant and Participant Map

Water Utilities Technical Assistance Program
Qualified Contractors List

- Ardurra Group, Inc.
- KSA Engineers
- LSPS Solutions, LLC
- NewGen Strategies & Solutions, LLC
- Raftelis Financial Consultants, Inc.
- RSM US LLP
- Texas Rural Water Association
- Water Finance Exchange

Water Utilities Technical Assistance Program
Participant List

Participant	Score	County
DeBerry WSC	49	Panola
Midland County Utility District	48	Midland
Morgan Mill WSC	48	Erath
Holland's Quarters WSC	48	Panola
City of Maypearl	47	Ellis
Garner ISD	45	Parker
Matagorda County Water Control and Improvement District #5	45	Matagorda
Marsha WSC	43	Travis
Files Valley WSC	42	Hill
Tri-Community WSC	41	Caldwell
City of Hillcrest Village	41	Brazoria
Clayton WSC	40	Panola
City of La Coste (WW)	40	Medina

Water Utilities Technical Assistance
Program Participant Systems
Applications Received

System	Type (Water, Wastewater, Both)	County
Baytown	Water	Harris
Baytown	Wastewater	Harris
Baytown Area Water Authority	Water	Harris
Bellaire	Water	Harris
Brackettville	Both	Kinney
Brazoria	Water	Brazoria
Brazoria	Wastewater	Brazoria
Burton	Water	Washington
Burton	Wastewater	Washington
Carrizo Springs	Both	Dimmit
Clayton WSC	Water	Panola
DeBerry WSC	Water	Panola
Files Valley WSC	Water	Hill
Garner ISD WW Package Plant	Wastewater	Parker
Harris CO FWSD 1A	Wastewater	Harris
Harris Co. Freshwater Supply District 1A	Water	Harris
Hempstead WU	Water	Waller
Hillcrest Village	Water	Brazoria
Holland's Quarters WSC	Water	Panola
Junction	Water	Kimble
Junction	Wastewater	Kimble
La Coste	Water	Medina
La Coste	Wastewater	Medina
Marsha WSC	Water	Travis
Matagorda Co. WCID #5	Wastewater	Matagorda
Maypearl	Both	Ellis
Midland County Utility District	Water	Midland
Morgan Mill WSC	Water	Erath
Rural Bardwell WSC	Water	Ellis
Sheridan WSC	Water	Colorado
Sheridan WSC	Wastewater	Colorado
Slaton	Water	Lubbock
Slaton	Wastewater	Lubbock
Somerville	Water	Burleson
Trent	Water	Taylor
Tri-Community WSC	Water	Caldwell
Wharton Co WCID No 2	Both	Wharton

Water Utilities Technical Assistance Program (WUTAP) Applicants and Selected Participants

