

Texas Water Development Board



Cibolo Creek Municipal Authority

CWSRF GREEN PROJECT RESERVE BUSINESS CASE EVALUATION

STATE FISCAL YEAR 2011 INTENDED USE PLAN

PROJECT NUMBER 73624

COMMITMENT DATE: October 20, 2011

DATE OF LOAN CLOSING: March 1, 2012

(Note that project closed for a GPR amount of \$1,247,551. This is adjusted from \$1,476,000 stated in the eligibility letter due to local funds being utilized).

Cibolo Creek Municipal Authority

Project 73624

L110083

The attached letter to the entity and the attached Green Project cost summary list \$1,476,000 as eligible for the Green Project Reserve. However, when the loan was funded the amount of Green was determined to be **\$1,247,551**.

The difference is due to the fact that some of the Green costs were paid by the entities funds and not from TWDB funds.

June 3, 2011

Mr. Clint Ellis
General Manager
Cibolo Creek Municipal Authority
P.O. Box 930
Schertz, TX 78154

Re: **SFY 2011 Clean Water State Revolving Fund
Green Project Eligibility**

Dear Mr. Ellis:

The Texas Water Development Board (TWDB) received Green Project Information Worksheets from the Cibolo Creek Municipal Authority (Authority) for project #8756 in response to the Clean Water State Revolving Fund (CWSRF) invitation dated March 8, 2011. After reviewing the worksheets, TWDB staff determined the Authority's project qualifies as green based on the following:

- The Authority provided revised Green Project Information Worksheets dated May 19, 2011 requesting portions of the Odo J. Riedel WWTP Expansion Project be considered eligible for the CWSRF Green Project Reserve (GPR). The total project cost is estimated at \$36,680,000 with \$1,555,000 of the total project cost requested for green consideration. The green portion of the project was generally described as improvements to the facility's sludge handling process to reduce energy consumption.
- The Environmental Protection Agency's (EPA's) *Green Project Reserve Guidance for Determining Project Eligibility* (TWDB-1601) lists energy efficiency projects that achieve a 20% reduction in energy consumption as categorically eligible for the GPR (Part A, Section 3.2-2).
- Information presented on the Green Project Information Worksheets and its attachments provided sufficient information to confirm the eligibility of the proposed sludge handling improvements for the GPR in accordance with TWDB-1601, Part A, Section 3.2-2. Additionally, the proposed sludge handling improvements do not represent an increase in sludge disposal capacity, but rather improvements to an existing process to allow the Authority to continue operating within current land application permit parameters. Contingency costs presented on the worksheets were not considered eligible for the GPR.
- Therefore, at this time the TWDB considers project costs associated with improvements to the sludge handling process in the amount of \$1,476,000 to be eligible for the CWSRF GPR.

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To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas

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Mr. Clint Ellis

June 3, 2011

Page 2

- Please note that the Authority's application for financial assistance must be consistent with the project scope presented on the Green Project Information Worksheets dated May 19, 2011. Inclusion of the green elements within the project will be verified prior to Board commitment.

For SFY 2011, the TWDB is required by federal law to allocate no less than 20% of the capitalization grant toward green component costs (herein referred to as the Green Project Reserve). Therefore, the TWDB gives first preference for invitations to entities that have a documented percentage of green component cost of at least 30% of the total project cost. At this time, the TWDB anticipates there will be sufficient interest from other invited entities to satisfy the federal GPR requirement. Therefore, the Authority is relieved of the requirement to meet the 30% green cost threshold and TWDB staff will consider an application for Mainstream funding if submitted by the June 8, 2011 deadline.

If you have any questions regarding green project eligibility, please feel free to contact John Muras, Project Engineer, by phone at 512-463-1706 or by email at john.muras@twdb.state.tx.us.

The TWDB appreciates the Authority's interest in the CWSRF program and staff looks forward to reviewing the Authority's application for Mainstream funding. If you have any questions regarding the application process, please feel free to contact Mark Evans, CWSRF Project Lead, by phone at 512-463-8510 or by email at mark.evans@twdb.state.tx.us.

Sincerely,

Stacy L. Barna
Director of Program Development
Project Finance Division

GREEN PROJECT COST SUMMARY

PIF # 8756

Entity: Cibolo Creek Municipal Authority

Project Name: Odo J. Riedel WWTP Expansion

Project Description: Expansion of the Cibolo Creek Municipal Authority (CCMA) Regional Water Reclamation Plant from 6.2 MGD to 9.0 MGD. Expansion includes : headworks; odor control; aeration basins; clarifier; effluent filtration;

Green Description: Categorical Energy efficiency - saving > 20% due to improvements in sludge handling facilities. Green project has been revised and is lesser dollar amount than listed on 2011 CWSRF IUP Solicitation Pocket (8756) Information.

Phases to be Funded: PAD&C

PART I

Construction, Engineering and Related Project Costs	Green Elements	Non-Green Elements	Total
1. Construction (list elements below to sufficient detail)			
a) sludge handling improvements	\$ 1,123,000	\$ -	\$ 1,123,000
b) WWTP Expansion & Lift Stations	\$ -	\$ 20,877,000	\$ 20,877,000
3. Engineering	\$ -	\$ -	\$ -
a) Basic Engineering	\$ -	\$ -	\$ -
b) Environmental and Special Engineering	\$ -	\$ -	\$ -
Total	\$ 1,123,000	\$ 20,877,000	\$ 22,000,000

5% Project Elements Considered Green

PART II

Other Project Costs	Item Cost	Attributable to Green Elements
1. Fiscal Services		
a) Financial Advisor	\$ -	\$ -
b) Bond Counsel	\$ -	\$ -
c) Issuance Costs	\$ -	\$ -
d) Bond Insurance / Surety	\$ -	\$ -
e) Bond Reserve Fund	\$ -	\$ -
f) Other (General, Legal, Financial)	\$ -	\$ -
2. Project Legal Expenses	\$ -	\$ -
3. Contingency	\$ 1,996,073	\$ 101,890
Total Other Project Costs	\$ 1,996,073	\$ 101,890
Subtotal SRF Funded Amount	\$ 23,996,073	
4. Loan Origination Fee (1.85%)	\$ 443,927	\$ 22,660
Grand Total SRF Funded Amount	\$ 24,440,000	

PART III

Part I Total Green Element Costs = \$ 1,123,000
 Part II Costs Attributable to Green Project Elements = \$ 124,551

Eligible Green Project Reserve Amount = \$ 1,247,551 (Updated May 17, 2011)

Green Review Notes: The green amount is updated as \$1,247,551 according to the Board approved budget, which shows that the entity pays all soft costs except loan origination fees. However, the green amount reported to the Board for the loan commitment was underestimated as \$1,180,000. origination fees.

Reviewed By: _____ Date: _____
 Checked By: _____ Date: _____