

STATE OF TEXAS

# Annual Report

## Colonia Plumbing Loan Program



**SFY 2009**

TEXAS WATER DEVELOPMENT BOARD  
PO BOX 13231 ■ AUSTIN, TX 78711

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**Texas Water Development Board  
Colonia Plumbing Loan Program  
SFY 2009 Annual Report**

**I. Introduction**

The State of Texas is submitting the Annual Report for the State fiscal year 2009 (September 1, 2008 – August 31, 2009) for the Colonia Plumbing Loan Program (CPLP).

The CPLP is a low-interest loan program available to assist low-to-moderate income colonia residents with financing plumbing connections to water and wastewater (sewer) systems and with installation of necessary plumbing improvements within resident's homes. Local political subdivisions in the federally designated border counties of Cameron, Hidalgo, Zapata, Starr, Webb, Maverick, Val Verde, Terrell, Brewster, Presidio, Hudspeth and El Paso were eligible to apply for CPLP funds. A political subdivision could borrow up to \$4,000 times the number of assisted households. The Texas Water Development Board (TWDB) also included in the CPLP an administrative grant up to 9% of the loan funds requested to the political subdivision to administer the funds.

The 1990 Fiscal Year Appropriation Act for the Environmental Protection Agency (EPA) authorized the State of Texas to set aside up to \$15 million from its Title II Water Pollution Control Fund (Clean Water State Revolving Fund) allotment to establish its CPLP. The 72<sup>nd</sup> Legislature of the State of Texas enacted Senate Bill 818 on June 7, 1991, establishing the CPLP.

The report details the actual and proposed uses of the CPLP Program funds.

**II. Executive Summary**

TWDB had two active commitments totaling \$771,175 at the beginning of SFY 2009. These two entities were: Town of Combes (\$381,500); and the City of Primera (\$389,675). The two projects had final reviews conducted for compliance on September 23, 2009. A total of \$771,175 had been committed to the two projects with \$202,839.70 expended to date leaving an unexpended balance of \$568,335.30. details are provided in Attachment A (CPLP Commitment Report 2009). The unexpended balances were lapsed during SFY 2009.

The original amount of the grant from the EPA was \$15,000,000 with \$14,400,000 dedicated to projects and \$600,000 to administrative expenses. The Board originally approved CPLP commitments of \$6,114,372 since the inception of the program. However, due to the availability of grant funding from other programs for plumbing connections, only \$2,461,194.66 was disbursed. The remaining commitment balances were cancelled.

A review of projects that could potentially use CPLP funds resulted in the determination that there was a very limited need for these funds. TWDB requested and approval was granted by the EPA to transfer the funds to the Water Pollution Control Revolving Fund (CWSRF). On

September 24, 2008 TWDB executed the Grant Agreement CS-48000208-3 which transferred the CPLP funds into the CWSRF program as follows:

<u>Administration</u>	<u>Construction</u>	<u>Total</u>
\$220,646	\$12,425,183	\$12,645,829

State funds are also included in the CPLP account. A request was sent to Governor Rick Perry (*See Attachment E*) requesting permission to transfer any funds deposited in the Colonia Plumbing Loan Fund, currently or in the future, into the CWSRF. On November 10, 2009 the Governor, pursuant to Section 15.733 (e) of the Texas Water Code granted permission to transfer any funds deposited in Colonia Plumbing Loan Fund (*See Attachment F*) into the CWSRF.

### **III. FY 2009 Goals and Accomplishments**

Transfer of \$12,425,183 CPLP construction funds to the CWSRF fund account was completed by the EPA. The remaining two CPLP commitments have had commitments lapsed and final accounting reviews completed on September 23, 2009. TWDB requested and was granted permission on November 10, 2009 to transfer any funds deposited in the Colonia Plumbing Loan Fund, currently or in the future, into the CWSRF. TWDB receivables to collect total \$521,770.75 as of August 31, 2009.

### **IV. Details of Accomplishments**

#### *A. Binding Commitments*

The two remaining outstanding binding commitments were lapsed during Fiscal Year 2009. Specifically, the Town of Combes loan commitment of \$215,385 and the City of Primera loan commitment of \$306,270 were lapsed. More detailed information on all binding commitments is provided as an attachment. (*See Attachment A*).

#### *B. Disbursements*

During SFY 2009 TWDB did not draw any federal funds to reimburse the State of Texas for program administrative expenses incurred and paid for by the State. From the original \$600,000 dedicated to administration of the program \$477,836.92 was expended in prior years, leaving \$122,163.08 available (*See Attachment B*). The State administrative funds were used to market the program, coordinate program-related issues with existing grant recipients, and to coordinate program-related issues with EPA.

During SFY 2009, no program funds were drawn to finance CPLP grants, (*See Attachment B*). A total of \$1,983,357.74 has been disbursed for project costs since the inception of the program. From this amount \$1,876,333.60 was from federal draws and the balance of \$107,024.14 was from funds repaid as principal and interest on loans which have begun repayment. (*Attachment A*)

#### *C. Provisions of the Capitalization Grant/Certifications*

The State of Texas agreed to 20 conditions in the Operating Agreement and/or Grant Agreement. The provisions of the Capitalization Grant/Certifications shall apply to the collections of receivable amounts due to the CPLP as a “going concern” and other applicable agreed to certifications. Conditions of the Operating Agreement and/or Grant Agreement that have been met are cited as follows:

1. Agreement to accept payments
2. Intended Use Plan
3. Operating Agreement
4. Annual Disbursement Schedule
5. Eligible use of funds
6. Advance of program funds
7. Disbursement of funds
8. State Laws and Procedures
9. Annual Report
10. Disadvantaged Business Enterprise (DBE) “Fair Share Objectives”
11. Local sponsors contractual compliance with the Single Audit Act
12. Local sponsors contractual compliance with the administration of the National Flood Insurance Program. No commitments were made to communities that were sanctioned under the National Flood Insurance Program.
13. Local sponsors contractual compliance with provisions for threatened or endangered species-mitigation measures.
14. Indirect Costs – The State operated within the approved indirect cost proposal July 9, 2008. (See Attachment E)
15. Local sponsors contractual compliance with NEPA or other environmental laws and regulations.
16. TWDB is a component unit of the State of Texas and part of the statewide Comprehensive Annual Financial Report (CAFR). TWDB has used accounting and fiscal procedures which conformed to Generally Accepted Accounting Principles (GAAP) and audit procedures conforming to Government Auditing Standards (GAS – Yellow Book).
17. Local recipient’s contractual compliance with Generally Accepted Accounting Principles (GAAP).
18. TWDB complied with the Cash Management Improvement Act (CMIA) with timely and expedited transactions.
19. During FY 2009, no draws were made from the federal system for CPLP. CPLP funds were transferred by the EPA to the CWSRF account.
20. TWDB financing of connections did not come into conflict with known significant or potentially significant properties.

## **V. Program Changes**

Due to the lack of demand for the CPLP, TWDB requested and was granted permission by the Governor on November 10, 2009 to transfer any funds deposited in the Colonia Plumbing Loan Fund, currently or in the future, to the CWSRF. The EPA agreed to and awarded the transfer of CPLP funds to the CWSRF fund account on September 29, 2008. The CPLP is now closed.

## **VI. Attachments**

- A. Colonia Plumbing Loan Program, Commitments Report 2009**
- B. ACH Draw Record**
- C. TWDB Annual Financial Report (Mailed upon completion of the Agency AFR)**
- D. Indirect Cost Rate Approved for FY 2009**
- E. Letter to the Governor**
- F. Letter from the Governor granting permission to transfer funds**

**Attachment A  
Colonia Plumbing Loan Program  
Commitment Report 2009**

Borrower or Grant Recipient	TYPE	Grant or Loan Number	Commit Date	Contract Exp. Date	Full Commit Amount	Amount of Loan or Grant Remain Bal.	Federal Draw of Loan or Grant Paid	Amount of Loan or Grant Paid From Interest	Total Paid Fed Draw + Interest	Lapse Loan Commitment	Date of Lapse
<b>Combes, Town of #10246</b>											
Cancelled	G	G15600	10/17/2001	10/17/2003	\$ 31,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	
Cancelled	L	124600	10/17/2001	10/17/2003	\$ 350,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
	G	G22100	4/21/2004	4/21/2006	\$ 31,500.00	\$ -	\$ 12,384.00	\$ -	\$ 12,384.00	\$ (19,116.00)	8/5/2008
	L	135400	4/21/2004	4/21/2006	\$ 350,000.00	\$ -	\$ 105,221.86	\$ 29,393.14	\$ 134,615.00	\$ (215,385.00)	12/5/2008
<b>Borrower Total</b>					\$ 381,500.00	\$ -	\$ 117,605.86	\$ 29,393.14	\$ 146,999.00	\$ (234,501.00)	
<b>Del Rio, City of #10052</b>											
	G	G16700	6/18/2002	6/30/2004	\$ 18,000.00	\$ -	\$ -	\$ -	\$ -	\$ (18,000.00)	
	L	126800	6/18/2002	6/30/2004	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ (200,000.00)	
<b>Borrower Total</b>					\$ 218,000.00	\$ -	\$ -	\$ -	\$ -	\$ (218,000.00)	
<b>Edinburgh, City of #10065</b>											
	G	G01500	4/15/1993	9/30/2002	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -	
	L	83500	4/15/1993	9/30/2002	\$ 903,200.00	\$ -	\$ 328,389.62	\$ 7,536.13	\$ 335,925.75	\$ (567,274.25)	10/7/2003
<b>Borrower Total</b>					\$ 978,200.00	\$ -	\$ 403,389.62	\$ 7,536.13	\$ 410,925.75	\$ (567,274.25)	
<b>El Paso Co. #10066</b>											
	G	G01400	3/18/1993	9/30/2002	\$ 179,997.00	\$ -	\$ 179,997.00	\$ -	\$ 179,997.00	\$ -	
	L	83600	3/18/1993	9/30/2002	\$ 342,800.00	\$ -	\$ 94,260.85	\$ 13,926.66	\$ 108,187.51	\$ (234,612.49)	7/2/2008
<b>Borrower Total</b>					\$ 522,797.00	\$ -	\$ 274,257.85	\$ 13,926.66	\$ 288,184.51	\$ (234,612.49)	
<b>El Paso CO. Region #10066</b>											
	L	98200	9/19/1996	9/30/2000	\$ 400,000.00	\$ -	\$ -	\$ -	\$ -	\$ (400,000.00)	12/1/2002
<b>Borrower Total</b>					\$ 400,000.00	\$ -	\$ -	\$ -	\$ -	\$ (400,000.00)	
<b>El Paso PSB #10066</b>											
	L	98100	9/19/1996	9/30/2000	\$ 228,560.00	\$ -	\$ -	\$ -	\$ -	\$ (228,560.00)	10/1/1999
<b>Borrower Total</b>					\$ 228,560.00	\$ -	\$ -	\$ -	\$ -	\$ (228,560.00)	
<b>Homestead MUD #10066</b>											
	L	97900	9/19/1996	9/30/2000	\$ 342,880.00	\$ -	\$ -	\$ -	\$ -	\$ (342,880.00)	10/1/1999
<b>Borrower Total</b>					\$ 342,880.00	\$ -	\$ -	\$ -	\$ -	\$ (342,880.00)	
<b>Lower Valley WD #10060</b>											
	G	G11100	9/19/1996	9/30/2003	\$ 88,000.00	\$ -	\$ 1,200.00	\$ -	\$ 1,200.00	\$ (86,800.00)	12/20/2007
	L	98000	9/19/1996	9/30/2003	\$ 1,085,760.00	\$ -	\$ 1,047,274.91	\$ 32,932.87	\$ 1,080,207.78	\$ (5,552.22)	9/13/2006
<b>Borrower Total</b>					\$ 1,173,760.00	\$ -	\$ 1,048,474.91	\$ 32,932.87	\$ 1,081,407.78	\$ (92,352.22)	
<b>Pharr, City of #10064</b>											
	L	78700	4/26/1993	1/1/1996	\$ 1,370,000.00	\$ -	\$ -	\$ -	\$ -	\$ (1,370,000.00)	12/1/2004
<b>Borrower Total</b>					\$ 1,370,000.00	\$ -	\$ -	\$ -	\$ -	\$ (1,370,000.00)	
<b>Primera, City of</b>											
	G	G22800	10/26/2004	9/1/2007	\$ 32,175.00	\$ -	\$ 2,201.36	\$ 535.00	\$ 2,736.36	\$ (27,564.30)	8/5/2008
	L	135200	10/26/2004	10/31/2006	\$ 357,500.00	\$ -	\$ 30,404.00	\$ -	\$ 30,404.00	\$ (306,270.00)	12/5/2008
	G	G22800			\$ -	\$ -	\$ -	\$ 1,874.34	\$ 1,874.34	\$ -	
	L	135200			\$ -	\$ -	\$ -	\$ 20,826.00	\$ 20,826.00	\$ -	
<b>Borrower Total</b>					\$ 389,675.00	\$ -	\$ 32,605.36	\$ 23,235.34	\$ 55,840.70	\$ (333,834.30)	
<b>San Benito, City of 10338</b>											
	G	G13900	9/20/2000	9/19/2003	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ (9,000.00)	9/20/2000
	L	126900	9/20/2000	9/19/2003	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ (100,000.00)	6/1/2003
<b>Borrower Total</b>					\$ 109,000.00	\$ -	\$ -	\$ -	\$ -	\$ (109,000.00)	
<b>TOTALS</b>					\$ 6,114,372.00	\$ -	\$ 1,876,333.60	\$ 107,024.14	\$ 1,983,357.74	\$ (4,131,014.26)	

**Attachment B  
ACH Draw Record**

Colonia Plumbing Loan Program (CPLP)  
Assistance ID No. CS-48000101  
Grant Period 09/27/1991 - 08/31/2009  
Federal Share 100%

	Admin	Construction	Total
Grant Award	600,000.00	14,400,000.00	15,000,000.00
 ACH Draws:			
thru ACDHDraw 94	\$ 144,430.00	\$ 89,998.50	\$ 234,428.50
ACHDraw 95	\$ 91,658.00	\$ 6,950.00	\$ 98,608.00
ACHDraw 96	\$ 53,704.36	\$ 46,568.25	\$ 100,272.61
ACHDraw 97	\$ 70,000.00	\$ 262,914.79	\$ 332,914.79
ACHDraw 98	\$ 118,045.00	\$ 318,983.43	\$ 437,028.43
ACHDraw 99	\$ -	\$ 232,294.23	\$ 232,294.23
ACHDraw 00	\$ -	\$ 255,759.43	\$ 255,759.43
ACHDraw 01	\$ -	\$ 123,380.05	\$ 123,380.05
ACHDraw 02	\$ -	\$ 69,405.71	\$ 69,405.71
ACHDraw 03	\$ -	\$ 109,663.70	\$ 109,663.70
ACHDraw 04	\$ -	\$ 210,204.29	\$ 210,204.29
ACHDraw 05	\$ -	\$ 79,075.00	\$ 79,075.00
ACHDraw 06	\$ -	\$ 58,752.22	\$ 58,752.22
ACHDraw 07	\$ -	\$ 12,384.00	\$ 12,384.00
ACHDraw 08	\$ -	\$ -	\$ -
ACHDraw 09	\$ -	\$ -	\$ -
Adjustment	\$ (0.44)	\$ -	\$ (0.44)
Total Draws	<u>\$ 477,836.92</u>	<u>\$ 1,876,333.60</u>	<u>\$ 2,354,170.52</u>
 Grant Balance	 \$ 122,163.08	 \$ 12,523,666.40	 \$ 12,645,829.48
Deobligate funds	\$ (122,163.08)	\$ (12,523,666.40)	\$ (12,645,829.48)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 EPA transfer to CS-48000208	 \$ 220,646.00	 \$ 12,425,183.00	 \$ 12,645,829.00

**ATTACHMENT C**

**TWDB ANNUAL FINANCIAL REPORT  
For**

**Period September 1, 2008 thru August 31, 2009**

**(To Be Mailed When Completed)**



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
 WASHINGTON, D.C. 20460  
OMB CIRCULAR A-87/ COGNIZANT AGENCY  
NEGOTIATION AGREEMENT

Page 1 of 2

State of Texas  
 Water Development Board  
 Austin, Texas

Date: July 9, 2008

Filing Ref: June 21, 2007

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular A-87 applies, subject to the limitations contained in the Circular and in Section II, A below.

**SECTION I: RATES**

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Base</u>
	<u>From</u>	<u>To</u>		
<u>Fixed:</u>				
Release Time	9/1/2008	8/31/2009	25.73%	(a)
Fringe Benefits	9/1/2008	8/31/2009	24.64%	(b)
Indirect Costs	9/1/2008	8/31/2009	28.66%	(b)

Basis for Application

- (a) Chargeable salaries (direct salaries and wages excluding vacation, sick, holiday, and other paid absences).  
 (b) Direct salaries and wages including release time.

Treatment of Fringe Benefits: Release time (vacation, sick, holiday and all other absences) are recovered through the release time rate. Fringe benefits are included in the indirect cost rate listed above.

**SECTION II: GENERAL**

A. **LIMITATIONS:** The rates in this Agreement are subject to any statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the department/agency or allocated to the department/agency by an approved cost allocation plan were included in the indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under governing cost principles; (2) The same costs that have been ~~created as indirect costs have not been claimed as direct costs;~~ (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the department/agency which was used to establish the rates is not later found to be

materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. **CHANGES.** The fixed rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rates in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.

C. **THE FIXED RATES** contained in this agreement are based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rates and that which would have been used were the actual costs known at the time.

D. **NOTIFICATION TO FEDERAL AGENCIES:** Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.

E. **SPECIAL REMARKS:** None

ACCEPTANCE

By the State Agency:

By the Federal Agency:

Melanie Callahan  
(Signature)

Jacqueline Smith  
(Signature)

Melanie Callahan  
(Name)

Chief Financial Officer  
(Title)

Jacqueline Smith, Rate Negotiator  
Financial Analysis and  
Oversight Service Center  
U.S. Environmental  
Protection Agency  
July 9, 2008

Texas Water Development Board  
(Agency)

7/23/08  
(Date)

Negotiated by: Jacqueline Smith  
Telephone: (202) 564-5055



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

RECEIVED

JUL 21 2008

TWDB

July 9, 2008

Ms. Melanie Callahan  
Chief Financial Officer  
Texas Water Development Board  
P.O. Box 13231  
1700 N. Congress Avenue  
Austin, Texas 78711-3231

OFFICE OF  
ADMINISTRATION  
AND RESOURCES  
MANAGEMENT

Dear Ms. Callahan:

Enclosed is a negotiation agreement reflecting an understanding reached about the indirect cost rates to be used on grants and contracts with the Federal Government.

I have already signed the agreement. Please have the agreement countersigned by a duly authorized representative of your organization. Photocopy the agreement for your files and return the original to me. Please give this matter your immediate attention.

Return the countersigned original agreement as follows:

Jackie Smith, Rate Negotiator (3802R)  
Financial Analysis and Oversight  
Service Center  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, D.C. 20460

If you have any questions, please contact me on (202) 564-5055.

Sincerely yours,

A handwritten signature in cursive script that reads "Jackie Smith".

Jackie Smith, Rate Negotiator  
Financial Analysis and  
Oversight Service Center

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Enclosure



# TEXAS WATER DEVELOPMENT BOARD



James E. Herring, *Chairman*  
 Lewis H. McMahan, *Member*  
 Edward G. Vaughan, *Member*

J. Kevin Ward  
*Executive Administrator*

Jack Hunt, *Vice Chairman*  
 Thomas Weir Labatt III, *Member*  
 Joe M. Crutcher, *Member*

October 9, 2009

The Honorable Rick Perry  
 Governor of Texas  
 State Capitol  
 P.O. Box 12428  
 Austin, TX 78711

Re: Colonia Plumbing Loan Program (CPLP)

Dear Governor Perry:

The Texas Water Development Board (TWDB) requests, pursuant to Section 15.733(e) of the Texas Water Code, that the Governor direct any funds deposited in the Plumbing Loan Fund, currently or in the future, be transferred to the state water pollution control revolving fund (CWSRF).

The Colonia Plumbing Loan Program (CPLP) was a low-interest loan program established in 1991 to assist colonia residents with loans to finance plumbing connections to water and wastewater systems. The program was funded by a \$15 million grant from the U.S. Environmental Protection Agency (EPA). Only \$2,354,170 was expended from this program leading to the conclusion that colonia residents needed grants as opposed to loans in order to make the connections. During State Fiscal Year 2008, correspondence from EPA (Attachment 1) indicates their concurrence that the remaining CPLP funds would be better utilized in the CWSRF program. The remaining CPLP federal grant in the amount of \$12,645,829 was transferred via contract amendment to the CWSRF program effective September 29, 2008 (Attachment 2).

The CPLP financial assistance was provided through loans and the repayments from the loans are deposited within the Plumbing Loan Fund as required under the Texas Water Code. As of September 30, 2009 there was \$1,275,630 within the fund. The program currently has three (3) loans outstanding with an expected principal repayment of approximately \$521,770. Since the program has concluded, the monies in the Plumbing Loan Fund, or those to be received through loan repayments, should be moved to the CWSRF. This transfer can only be made at the direction of the governor, as required by statute.

#### *Our Mission*

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

P.O. Box 13231 • 1700 N. Congress Avenue • Austin, Texas 78711-3231  
 Telephone (512) 463-7847 • Fax (512) 475-2053 • 1-800-RELAYTX (for the hearing impaired)  
[www.twdb.state.tx.us](http://www.twdb.state.tx.us) • [info@twdb.state.tx.us](mailto:info@twdb.state.tx.us)

TNRIS - Texas Natural Resources Information System • [www.tnris.state.tx.us](http://www.tnris.state.tx.us)  
*A Member of the Texas Geographic Information Council (TGIC)*



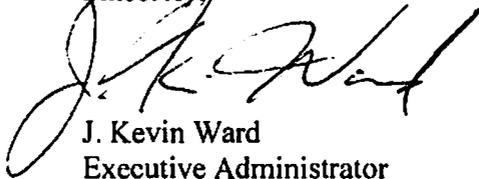
Colonia Plumbing Loan Program (CPLP)

October 9, 2009

Page 2 of 2

The transferred funds will ensure that these resources continue to be put to work for Texas citizens under the CWSRF program. Please feel free to contact Melanie Callahan, Chief Financial Officer at (512) 463-7854 with any questions that you may have regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Kevin Ward". The signature is written in a cursive style with a large initial "J" and "W".

J. Kevin Ward  
Executive Administrator

JKW/MC:cs

Attachments:

- 1 – EPA correspondence
- 2 – CWSRF contract amendment

cc: Terry Zrubek



	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>	<b>ASSISTANCE ID NO.</b>			<b>DATE OF AWARD</b> 09/29/2008	
		<b>PRG</b>	<b>DOC ID</b>	<b>AMEND#</b>		
		CS - 48000208 - 3				
		<b>TYPE OF ACTION</b> Augmentation: Increase			<b>MAILING DATE</b> 10/06/2008	
<b>PAYMENT METHOD:</b> ASAP			<b>ACH#</b> 60628			
<b>RECIPIENT TYPE:</b> State		<b>Send Payment Request to:</b> Las Vegas Finance Center				
<b>RECIPIENT:</b>		<b>PAYEE:</b>				
Texas Water Development Board P.O. Box 13231 Austin, TX 78711-3231 EIN: 74-2378168		Texas Water Development Board P.O. Box 13231 Austin, TX 78711-3231				
<b>PROJECT MANAGER</b>		<b>EPA PROJECT OFFICER</b>		<b>EPA GRANT SPECIALIST</b>		
Lana Lutringer P.O. Box 13231 Austin, TX 78711-3231 E-Mail: lana.lutringer@twdb.state.tx.us Phone: 512-463-7870		Tyrone Hoskins 1445 Ross Avenue, Suite 1200, (6WQ-AP) Dallas, TX 75202-2733 E-Mail: Hoskins.Tyrone@epamail.epa.gov Phone: 214-665-7375		Jeraldine Englerth Grant Programs Section, 6MD-CG E-Mail: Englerth.Jeraldine@epamail.epa.gov Phone: 214-665-7402		
<b>PROJECT TITLE AND EXPLANATION OF CHANGES</b> Capitalization Grant for State Revolving Fund Increase of Funds (Supplemental); This Amendment is to transfer the Colonia Plumbing Loan Program funds to the CWSRF Loan Fund. EPA Funding is increased by \$12,645,829, for a total award of \$61,564,429. The recipient share is increased by \$2,529,166, for a total recipient share of \$12,312,886. Administrative Condition 15 is updated and Programmatic Conditions are revised.						
<b>BUDGET PERIOD</b> 10/01/2007 - 09/30/2009		<b>PROJECT PERIOD</b> 10/01/2007 - 09/30/2009		<b>TOTAL BUDGET PERIOD COST</b> \$73,877,315.00		
				<b>TOTAL PROJECT PERIOD COST</b> \$73,877,315.00		
<b>NOTICE OF AWARD</b>						
Based on your application dated 07/13/2007, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$12,645,829. EPA agrees to cost-share 83.33% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$61,564,429. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.						
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>			<b>AWARD APPROVAL OFFICE</b>			
<b>ORGANIZATION / ADDRESS</b>			<b>ORGANIZATION / ADDRESS</b>			
Grant Programs Section, 6MD-CG 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733			U.S. EPA, Region 6 Water Quality Protection Division (6WQ) 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733			
<b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b>						
<b>SIGNATURE OF AWARD OFFICIAL</b>		<b>TYPED NAME AND TITLE</b>		<b>DATE</b>		
Digital signature applied by EPA Award Official		Lynda F. Carroll, Assistant Regional Administrator for Management (6MD)		09/29/2008		
<b>AFFIRMATION OF AWARD</b>						
<b>BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION</b>						
<b>SIGNATURE</b>		<b>TYPED NAME AND TITLE</b>		<b>DATE</b>		
		J. Kevin Ward, Executive Administrator		10-15-08		

# EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$ 48,750,800	\$ 12,645,829	\$ 61,396,429
EPA In-Kind Amount	\$ 168,000	\$	\$ 168,000
Unexpended Prior Year Balance	\$ 0	\$	\$ 0
Other Federal Funds	\$ 0	\$	\$ 0
Recipient Contribution	\$ 9,783,720	\$ 2,529,166	\$ 12,312,886
State Contribution	\$ 0	\$	\$ 0
Local Contribution	\$ 0	\$	\$ 0
Other Contribution	\$ 0	\$	\$ 0
Allowable Project Cost	\$ 58,702,320	\$ 15,174,995	\$ 73,877,315

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
68.458 - Capitalization Grants for State Revolving Fund	Clean Water Act: Title VI	40 CFR PART 31

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
	0806WE0005	08	E2C	065K	202B80E	4111	08CA		12,645,829
									12,645,829

## Budget Summary Page

<b>Table A - Object Class Category (Non-construction)</b>	<b>Total Approved Allowable Budget Period Cost</b>
<b>1. Personnel</b>	<b>\$3,177,227</b>
<b>2. Fringo Benefits</b>	<b>\$681,516</b>
<b>3. Travel</b>	<b>\$61,418</b>
<b>4. Equipment</b>	<b>\$24,532</b>
<b>5. Supplies</b>	<b>\$58,012</b>
<b>6. Contractual</b>	<b>\$428,927</b>
<b>7. Construction</b>	<b>\$0</b>
<b>8. Other</b>	<b>\$68,471,956</b>
<b>9. Total Direct Charges</b>	<b>\$72,901,688</b>
<b>10. Indirect Costs: % Base Rate/Base vary annually</b>	<b>\$975,727</b>
<b>11. Total (Share: Recipient 16.67 % Federal 83.33 %.)</b>	<b>\$73,877,315</b>
<b>12. Total Approved Assistance Amount</b>	<b>\$61,564,429</b>
<b>13. Program Income</b>	<b>\$0</b>
<b>14. Total EPA Amount Awarded This Action</b>	<b>\$12,645,829</b>
<b>15. Total EPA Amount Awarded To Date</b>	<b>\$61,564,429</b>



OFFICE OF THE GOVERNOR

RECEIVED

NOV 12 2009

TWDB

RICK PERRY  
GOVERNOR

November 10, 2009

Mr. J. Kevin Ward  
Executive Administrator  
Texas Water Development Board  
1700 North Congress Avenue  
Austin, Texas 78711-3231

Dear Mr. Ward:

In response to your letter dated October 9, 2009, pursuant to Section 15.733(e) of the Texas Water Code, the governor may direct that any funds deposited in the Colonia Plumbing Loan Fund, currently or in the future, transferred to the Clean Water Pollution Control Revolving Fund.

My office has evaluated and approved your request for funds to be transferred to the Clean Water Pollution Control Revolving Fund so that they may be used on a wider variety of colonia projects to better meet the needs of these communities.

If you have any questions about this approval, please contact Terry Zrubek at (512) 463-1778.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry".

Rick Perry  
Governor

RP:tzp