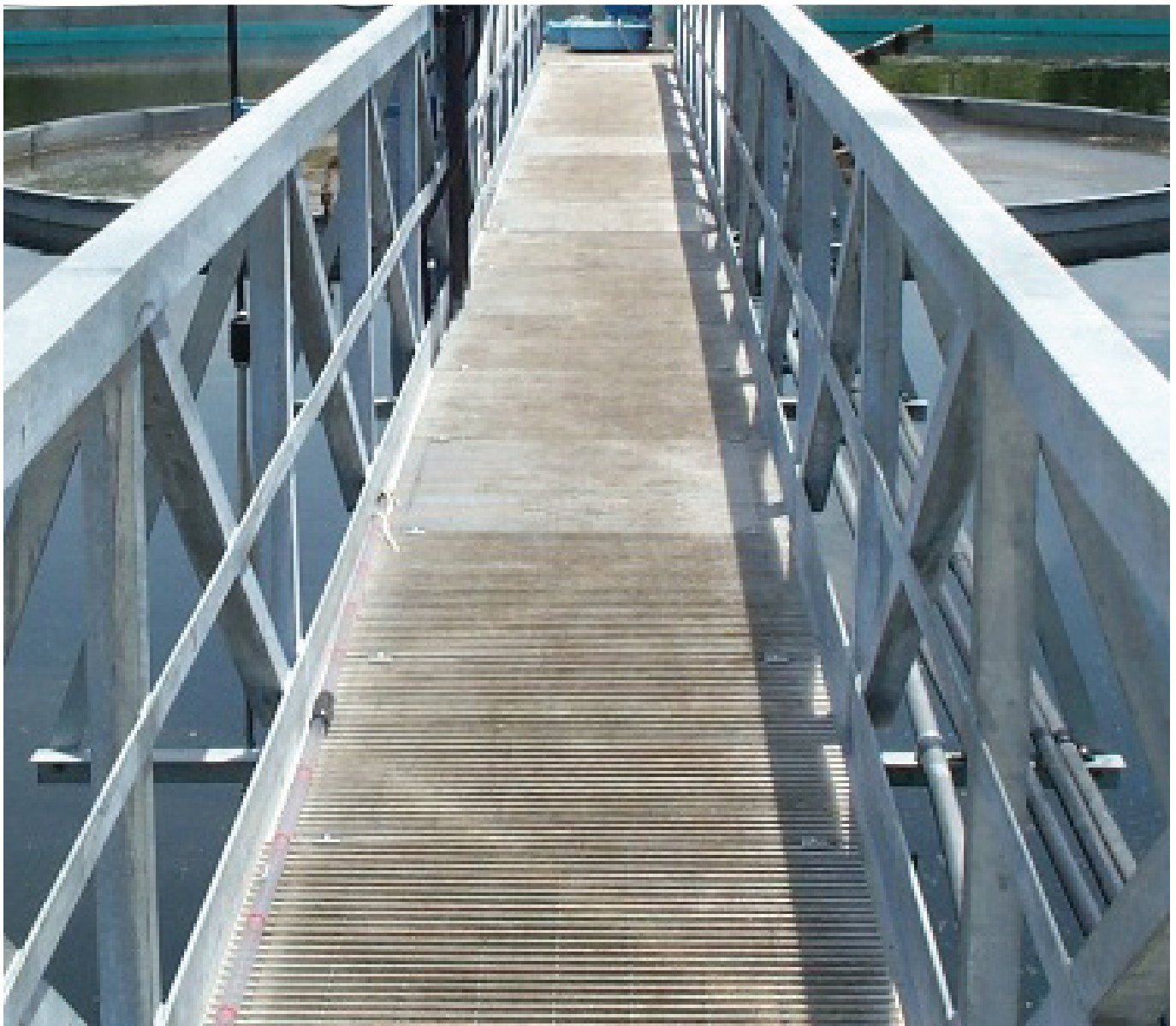


STATE OF TEXAS

Annual Report

Colonia Wastewater Treatment Assistance Program



SFY **2009**

TEXAS WATER DEVELOPMENT BOARD
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Texas Water Development Board Colonia Wastewater Treatment Assistance Program State Fiscal Year 2009 Annual Report

CWTAP I, CWTAP II, CWTAP III, CWTAP IV & CWTAP V

I. INTRODUCTION

The Texas Water Development Board (TWDB) is pleased to submit this Annual Report for the Colonia Wastewater Treatment Assistance Program (CWTAP) for State Fiscal Year (SFY) 2009. This report addresses operation of CWTAP from September 1, 2008 - August 31, 2009. The SFY 2009 Annual Report details actual and proposed uses of the CWTAP I-V funds. The TWDB has utilized the CWTAP along with state funds through the Economically Distressed Areas Program (EDAP) to provide water and wastewater services to areas in need. The EDAP has served economically distressed areas throughout Texas and combined efforts with the CWTAP for residential needs specifically in the Texas/Mexico border region.

II. EXECUTIVE SUMMARY

In SFY 2009, the TWDB approved three CWTAP commitments. They are the City of Donna with a new commitment, and Zavala County Water Control and Improvement District No. 1 and the City of Los Fresnos for an increase in commitment. The CWTAP projects are described below:

| Applicant | Commitment Date | Amount |
|-----------------------|------------------------|---------------------|
| Donna, City of | 3/26/2009 | \$12,222,000 |
| Zavala Co. WCID No. 1 | 5/21/2009 | \$4,513,347 |
| Los Fresnos, City of | 8/20/2009 | \$6,935,347 |
| Total | | \$23,670,347 |

The TWDB has committed \$388,191,405 to CWTAP projects. These projects represent over \$796,841,667 in total project assistance when combined with TWDB state funds (*Attachment A*). Including the three commitments from During SFY 2009, TWDB completed 69 draws from CWTAP III, IV and V for a total state draw of \$113,336.24, total federal CWTAP draw of \$23,868,305.20 and a total program draw of \$23,981,641.44 (*Attachment D*). At the end of SFY 2009, the balance of CWTAP funds include \$37,644,515 with total commitments outstanding of \$54,022,318. Therefore, CWTAP is overcommitted by \$16,377,804 which will be applied to state match projects (*Attachment B*).

III. HISTORY

The Fiscal Year 1993 Federal Appropriations Act (P.L. 102-389) authorized \$50 million to be awarded to the State of Texas to address wastewater treatment needs of Texas colonias. The Act further authorized the use of \$2 million of the \$50 million for planning and design. This \$50 million grant, awarded on December 22, 1992, was to be matched by an equal amount of State funds from State sources (including interest match). The \$50 million grant and associated match are called CWTAP I. This grant was amended in SFY 2003 and the budget was revised to reflect transferring funds from the Rural/Regional Planning Phase to Construction.

The Fiscal Years 1994 and 1995 Federal Appropriations Acts (P.L. 103-327) authorized a total of \$100 million to be awarded to the State of Texas on January 20, 1995. The State was to provide a 20 percent match to this grant (including interest match), and to continue investing its own funds (“soft match”) in projects related to environmental improvements in the colonias. Projects in the “soft match” category may include such activities as drinking water treatment facilities, water and wastewater connections and plumbing improvements that would total an amount equivalent to 25 percent in additional matching funds. In 1998, through Modification/Revision No. 2 to the operating agreement, the match requirement was changed to reflect that the match requirement may be fulfilled through the commitment of state funds for either loans or grants for construction of wastewater systems serving colonias and may also consist of payment on bond interest associated with loans and grants for construction of wastewater systems. The \$100 million grant and associated match are called CWTAP II.

The Fiscal Year 1996 Federal Appropriations Act (P.L. 104-134) authorized a total of \$50 million to be awarded to the State of Texas. On August 31, 1996, EPA awarded the State \$21.8 million in grants. The State was to provide 20 percent match (including interest match) to this grant amount (\$4.36 million). In addition, in SFY 1997, the State was awarded the remaining \$28.2 million approved in the SFY 1996 authorization; the State was required to provide a one to one match (including interest match) for this portion (\$28.2 million).

As in CWTAP II, the match requirement may be fulfilled through the commitment of state funds for either loans or grants for construction of wastewater systems serving colonias and may also consist of payment on bond interest associated with loans or grants for construction of wastewater systems. This combined \$50 million grant award and associated match of \$32.57 million is called CWTAP III. In the summer of SFY 2006, an amendment to revise the grant to include additional administrative costs required to complete the funded projects was submitted to EPA Region 6. This amendment was approved in SFY 2007.

The Fiscal Year 1997 Federal Appropriations Act (P.L. 104-204) and subsequent amendments (P.L. 104-208, P.L. 105-65, P.L. 105-276 and P.L. 105-277) authorized a total of \$50 million to the State of Texas on December 18, 1998 to address water and wastewater treatment needs of Texas colonias. The State is required to provide a 20 percent match (\$10,000,000) to this grant. The match requirement may be fulfilled through the commitment of state funds for either loans or grants for construction of wastewater or water systems serving colonias, and the match may also consist of payment on bond interest associated with loans or grants for construction of wastewater or water systems. The \$50 million grant and associated \$10,000,000 match are called

CWTAP IV.

The Fiscal Year 1998 Federal Appropriations Act (P.L. 105-65) authorized a total of \$50 million awarded on December 18, 1998 to the State of Texas to address water and wastewater treatment needs of Texas colonias. The State is required to provide a 20 percent match (\$10,000,000) to this grant. The match requirement may be fulfilled through the commitment of state funds for either loans or grants for construction of wastewater or water systems serving colonias and the match may also consist of payment on bond interest associated with loans or grants for construction of wastewater or water systems. The \$50 million grant and associated \$10,000,000 match are called CWTAP V.

From 2003 until 2007 a moratorium on new projects was in place due to a limited amount of available funding in the EDAP/CWTAP. The EDAP is the state-funded portion of the program that also provides the required match under CWTAP. Several CWTAP projects that needed additional funding due to cost increases stalled due to a lack of available funds. The moratorium was lifted in SFY 2007 due to availability of additional state funds. Thereafter, new funding commitments were made.

In August, 2008 the Environmental Protection Agency (EPA) Region 6 requested that TWDB implement a policy for CWTAP. This policy was developed by EPA Region 6 in partnership with TWDB and is designed to guide future CWTAP activities and address the recommendations made by the EPA Office of Inspector General in their June 2008 Report. The policy will allow EPA to meet its responsibility for establishing and maintaining effective internal controls thereby ensuring the colonia projects are monitored properly, comply with established criteria and are completed in a timely manner. The policy will ensure overall environmental objectives of the CWTAP are obtained. In early September 2008, TWDB notified all entities with outstanding CWTAP projects of the new policy and its effective date of October 1, 2008. TWDB will continue its monitoring of all CWTAP projects and implementation of the EPA Region 6 policy.

In response to the EPA Office of Inspector General's June 2008 Report, on August 12, 2008, TWDB requested modifications to the CWTAP III, IV and V Work Plans. The requested amendments included specific project, schedule and dollar amount information in the three respective CWTAP Work Plans (*Attachment B*). In addition, EPA Region 6 requested the administration funds allocated in the CWTAP III grant be allocated between all three remaining CWTAP grants (III, IV and V). All CWTAP funds were committed in SFY 2009 as shown in the table in IV, below.

IV. GOALS AND ACCOMPLISHMENTS

The TWDB's goal was to commit all CWTAP funds. Below is the commitment percentage for all CWTAP projects:

| Funding Source | Percent Committed | Remaining Funds |
|----------------|-------------------|-----------------|
|----------------|-------------------|-----------------|

| | | |
|-----------|------|-----|
| CWTAP I | 100% | \$0 |
| CWTAP II | 100% | \$0 |
| CWTAP III | 100% | \$0 |
| CWTAP IV | 100% | \$0 |
| CWTAP V | 100% | \$0 |

V. DETAILS OF ACCOMPLISHMENTS

A. CWTAP Summary Report

Attachment A, “List of Commitments CWTAP and EDAP,” reports all CWTAP and EDAP commitments made through August 31, 2009. In SFY 2009, the TWDB approved three CWTAP commitments: the City of Donna, a new commitment; Zavala County Water Control and Improvement District No. 1 and the City of Los Fresnos, both for an increase in commitment. The report also includes all EDAP state funded projects. The TWDB has committed \$388,191,405 to CWTAP projects. These projects represent over \$796,841,667 in total project assistance when combined with TWDB state funds. *Attachment B*, “Status of Active Projects with Commitments,” lists the current active CWTAP projects which are included in the monthly work plan report submitted to EPA Region VI. This list represents the balance of all remaining CWTAP projects.

B. Innovative and Alternative Program

The purpose of the Innovative and Alternative Technology “I/A” Program was to demonstrate the effectiveness of innovative or alternative wastewater collections and treatment systems for un-sewered, unincorporated colonias located in Texas counties adjacent to and within 100 kilometers of the Texas-Mexico border. These projects were to be funded at 100% grant, with 50% of the funds derived from a \$2.55 million set-aside from the EPA's \$50 million CWTAP I grant, and \$2.55 million to be provided by TWDB from state sources. An additional \$700,000 in federal funds was earmarked for the monitoring of these innovative/alternative systems (\$550,000 in CWTAP I and \$150,000 in CWTAP III).

In November 1998, TWDB considered the status of the I/A Program. TWDB was informed that the I/A Program was designed to spur initial interest and rapid implementation of these projects by offering 100% grants for the entire project including a 5-year monitoring component and a guarantee of TWDB assistance in the unlikely event of system failure. A review of the program concluded, with EPA staff coordination and agreement, that the program had not met its main goal of expeditiously funding and implementing various projects and technologies along the border. TWDB therefore recommended that the I/A Program be discontinued. EPA approved CWTAP I Amendment No. 6 on January 29, 2001 that moved the remaining \$3.1 million from the I/A program to the construction program.

Even though TWDB discontinued the I/A Program, this decision did not affect TWDB's ability to fund I/A projects. Any EDAP project, with or without CWTAP funds, could potentially be an I/A project since consideration of I/A technologies is a statutory requirement in the EDAP facility planning process and can be funded by TWDB if found to be the most cost-effective option. In addition, EPA has further confirmed that future I/A projects could be funded with CWTAP funds should CWTAP funds be available.

C. Disbursements

During SFY 2009 TWDB drew and disbursed \$23,868,305.20 for Construction (\$4,735,158.49 for CWTAP III, \$10,168,688.14 for CWTAP IV, \$8,966,458.57 for CWTAP V) and \$565,151.19 for administration from the EPA's Automatic Standard Application for Payments (ASAP) Account. (*Attachments C and D*)

D. State Match

Interest on the state match funds is included as part of the required match as noted in Section III - History. Based upon the required matched deposits made by September 30th of each year, TWDB has made the required deposits. This match includes deposits through September 30, 2009. The attachment shows actual principal and interest match for the match provided through September 2009 that includes approved soft-match. **All matching requirements for each year were met on a timely basis by September 30th.** TWDB, as agreed with EPA Region VI, has met the grants match requirement in arrears for SFY 09 draws, and in advance for remaining balances. (*Attachments F and G*)

E. Provisions of the CWTAP Grants are detailed individually on the following pages:

CWTAP I

The State of Texas has agreed to 21 conditions in the Grant Agreement associated with CWTAP I, as amended. Condition No. 11 was deleted in SFY 1994 and condition No. 16 is skipped due to numbering. The following conditions have been met:

1. Agreement to expeditiously initiate and timely complete the project work
2. Agreement to send all reports, except financial, to EPA Project Officer
3. Agreement to meet MBE/WBE goal
4. Agreement to follow MBE/WBE guidelines and to submit SF-334s
5. Agreement to follow EPA guidelines for statements, press releases, requests for proposals, bid solicitations, and other documents
6. Agreement to submit annual and final Financial Status Reports
7. Agreement to use recycled paper for all reports prepared for and delivered to EPA
8. Agreement to submit an Annual Report
9. Agreement to comply with Section 106 of the National Historic Preservation Act of 1966
10. Agreement to follow the requirements of Section 6002 of the Resources Conservation and Recovery Act (RCRA), regarding the purchase of items containing recovered materials
11. This condition was deleted in SFY 1994
12. Agreement to accept payments
13. Agreement to administer the CWTAP in accordance with presentations made within the application for Federal Assistance, dated December 1, 1992
14. Agreement to not spend the subject grant funds until the final execution of a State/EPA Operating Agreement and EPA acceptance of state rules and procedures governing the CWTAP
15. Agreement to stop work if any threatened or endangered species are encountered during construction
16. This number was skipped in the original Grant Agreement
17. Agreement to not expend the \$2 million identified for planning and design until final execution of a State/EPA Operating Agreement on specific project eligibility's, and EPA acceptance of State rules and procedures governing the CWTAP
18. Agreement to submit an annual disbursement schedule
19. Agreement to not charge nor claim reimbursement for any indirect costs until a current acceptable indirect cost rate has been negotiated
20. Agreement to draw down and expend Federal funds at a 100% Federal ratio, to begin depositing match funds into the match account by August 31, 1994, and to reach an amount equal to the cash draw down of EPA (Federal) payments by September 30, 1996
21. Agreement that the interest on bonds issued by the State, related to deposit of the State's matching principal share, and paid by the State during grant "project period", is considered an authorized project expenditure

We offer further description on the following specific requirements listed in the Operating Agreement ("OA") for CWTAP I:

- A. Joint establishment of schedule of payments. The Grant Agreement governing

CWTAP I established a payment schedule for TWDB to accept payments from the EPA's ACH account. In addition, each year, the State is required to submit a proposed disbursement schedule for the next year. The State has met this requirement.

- B. Expeditious quarterly advance of payments to the State. The State has requested funds on an as-needed basis from the EPA and the EPA has disbursed the funds to the State in an expeditious and timely manner.
- C. Agreement to provide 100% match and to spend the state matching funds for the purposes described in the OA. As per the Grant Agreement, as amended August 11, 1993, TWDB has agreed to provide the 100% match (inclusive of interest on the Bonds which provided the match funds) and has deposited into the CWTAP Account an amount equivalent to the cash draw down of EPA payments, at the date of August 31, 1996, for a total match amount of \$3,336,458. As per the Grant Agreement, as amended November 1996, the State agrees to provide the 100% match and shall reach an amount equal to the cash draw down of EPA payments by September 30, each year. Total match provided for CWTAP I through SFY 2009 was \$50,000,000.00 (\$29,887,276.09 for State Principal Match and \$20,112,723.91 as State Interest Match). (*Attachments F and G*)
- D. Compliance with 40 CFR Part 31, particularly, all payments, cash draw down, and disbursements comply with general grant regulations of 40 CFR Part 31. TWDB has implemented a Grant Closing Information sheet that requires a multi-divisional sign-off prior to the authorization for request from funds from the EPA ACH account. The form has been implemented to ensure that all the project elements for which funding are requested is eligible as per the relevant regulations. TWDB has implemented payment procedures to ensure that disbursements received by TWDB from the EPA-ACH account are sent to the recipient the day they are received by TWDB.
- E. The State has established and utilizes fiscal controls and auditing procedures in accordance with the generally accepted accounting principles for: (1) payments received by TWDB; (2) disbursements of Federal and matching state funds made by TWDB; and (3) has required fund balances at the beginning and end of the accounting period which shall be the State of Texas fiscal year, September 1 through August 31. Each year, TWDB prepares an annual financial report, which addresses the utilization of fiscal controls, and auditing procedures in accordance with generally accepted accounting principles. TWDB's annual financial report covers all of TWDB's programs. Each year, the State Auditors audit TWDB's annual financial report for compliance. TWDB maintains fund balances at the beginning and end of the accounting period for September 1 through August 31.
- F. All construction activities funded shall comply with the National Environmental Policy Act (NEPA). By letter dated April 29, 1993, EPA concurred with TWDB that the State could use its own NEPA-like environmental review process developed

for the State Revolving Fund, as codified in 31 Texas Administrative Code 375.35 in compliance with NEPA. TWDB applied 31 TAC 375.35 for conducting the environmental reviews of all projects for which CWTAP commitments were made prior to June 1998, when EPA determined that it would retain the authority to determine environmental impacts and issue findings on such impacts for all subsequent projects. A rule revision in SFY 2001 moved the original 31 TAC 375.35 rules to 31 TAC 375.214.

- G. TWDB will notify EPA and request concurrence on proposed amendments to any section of its rules and procedures affecting the CWTAP.
- H. The CWTAP grant award process will include acknowledgment of EPA's participation in the Program. In all of its press releases for commitments utilizing federal portion of the CWTAP funds, TWDB has stated the amount and percent of federal funds being used in the project. This requirement is incorporated into contracts with local sponsors.
- I. Ongoing coordination and open communication with other Federal and State agencies. TWDB has been the lead agency in the Texas Border Infrastructure Group, a conglomerate of state, federal and international agencies involved in infrastructure financing along the Texas-Mexico Border. As of September 1, 2000 this role lies with the Office of the Governor's Secretary of State's Office. TWDB communicates directly with state and federal agencies on specific projects that may require funding from various sources. TWDB has also entered into a Memorandum of Understanding with the Texas Department of Rural Affairs (formally the Office of Rural Community Affairs), to coordinate plumbing improvements and connections of residents funded under the EDAP program.
- J. TWDB has followed the agreed-upon funding distribution. As per the Grant Agreement, as amended August 2, 1996, the State is allocated up to \$2,000,000 for administrative expenses, to be paid from the CWTAP I grant. During the year ended August 31, 2009 no additional funds were drawn for Administration under CWTAP I with the full \$2,000,000 drawn in prior years.

Grant amendment No. 6 on January 29, 2001 eliminated the funds reserved for Innovative and Alternative technologies. The \$3.1 million set aside for I/A was placed in the mainstream construction program.
- K. The \$2,600,000 set aside for planning and designing efficient wastewater systems was designed to provide facility planning to Rural and Urban colonias. No draws were made for Urban Planning costs during SFY 2009. Grant amendment No. 3 dated August 28, 2003 reduced the amount of Urban and Rural Planning funds by \$708,670 to \$1,891,330. This amended cost covered the actual expenses of the five eligible Urban and Rural Planning projects.
- L. Recipients have met all the conditions required of political subdivisions listed in the OA, Item L, 1-9:

1. Under this program, as per the OA, as amended, the State has only accepted applications from political subdivisions, pursuant to the rules of TWDB, for projects in unincorporated colonias, or other colonias as approved by EPA, in counties that are within 100 kilometers of the Texas/Mexico international boundary.
2. The Federal funds and the state matching funds have only been expended on wastewater treatment improvements to be used for the existing needs of unincorporated colonias, or other colonias as approved by EPA, that existed on November 9, 1989. The State's program contains a similar provision in that a basic eligibility requirement was that 80% of the dwellings in the project area were required to be occupied on or before June 1, 1989. This condition was changed by the legislature, effective September 1, 2000, to remove the 80% requirement portion only. Additional State legislative changes, only impacting the non-match state portion of EDAP, were made effective September 1, 2005, that changed the date of existence from on or before June 1, 1989 to June 1, 2005. Therefore, the State has met the EPA's requirement on all CWTAP projects.
3. The political subdivisions will administer the grant funds and oversee the resulting wastewater facility to assure proper operation and maintenance of the facility for the design life of the project. As part of the financial application process, TWDB looks at the financial condition of each applicant to determine grant to loan ratios and the ability to pay of the customers in the area. This process allows TWDB to determine the operation and maintenance needs of the political subdivision and allows TWDB to make recommendations on the rate structure. In addition, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.
4. Compliance with Model Subdivision Rules requirements. TWDB has only awarded grants to political subdivisions that have adopted and are enforcing the Model Subdivision Rules or their equivalent and for which the corresponding county has also adopted and are enforcing the Model Subdivision Rules.
5. TWDB has only awarded grants to political subdivisions that are, or are in an area within the jurisdiction of an authorized agent of the Texas Commission on Environmental Quality (TCEQ), formerly the Texas Natural Resource Conservation Commission. This is an application requirement.
6. Adoption of a water conservation and drought contingency plan. The State requires that each applicant for CWTAP funds adopt a water conservation and drought contingency plan that satisfies 31 Texas Administrative Code Section 363.15 as part of the application process for construction funds.

7. Establishment of a separate account for program funds and maintenance of program accounts in accordance with generally accepted government accounting standards. The State has established a separate account for each federal grant and maintains its program accounts in accordance with generally accepted government accounting standards. The State is audited by the State auditors once a year to ensure compliance with appropriate standards.
 8. Compliance of construction related activities with the Davis-Bacon Act, compliance with the provisions of the Contract Work Hours and Safety and Health Standards Act 40 U.S.C 327-333, the Copeland Act, and the Fair Labor Standards Act. TWDB reviews the contract documents to ensure they contain the requirements stated above.
 9. Certification of project performance as required by 40 CFR Section 35.2218(c) or 31 TAC Section 375.102. TWDB requires that each applicant must certify project performance one year after the initiation of the operation of the CWTAP-funded project.
- M. Compliance with Federal crosscutting authorities. Recipients have complied with applicable Federal Authorities by completing the Texas Review and Comment System process and by executing the following forms: (1) Pre-award Compliance Review Report; (2) Assurances - Construction Programs; (3) Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP; (4) Certification Regarding Lobbying; (5) Certification Regarding Debarment, Suspension, and Other Responsibility Matters; (6) Affirmative Action Plan for Meeting CWTAP Minority and Women's Business Enterprise Participation Goal; (7) MWBE Certification and Participation Summary; and (8) Procurement System Certification. In addition, local sponsors are subject to the Single Audit Act.
- N. Compliance with requirement for condition that recipient assures operation and maintenance for the design life of the project as a condition for CWTAP grants. As stated in L-3, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.

CWTAP II

The State of Texas agreed to 22 conditions in the Grant Agreement associated with CWTAP II. The following conditions have been met:

1. Agreement to expeditiously initiate and timely complete the project work
2. Agreement to audit and inspection
3. Agreement to purchase items containing recovered materials
4. Agreement to use recycled paper for all reports prepared for and delivered to EPA
5. Agreement to follow EPA guidelines for statements, press releases, requests for proposals, bid solicitations and other documents
6. Agreement to submit all reports, except financial and MBE/WBE, to the attention of the EPA Project Officer
7. Agreement to submit the Annual and final Financial Status Reports
8. Agreement to submit SF-334s
9. Agreement to comply with Section 129 of Public Law 100-590
10. Agreement to charge indirect costs as per an agreed-upon Indirect Cost Negotiation Agreement
11. Agreement to follow the accounting and reporting procedures associated with the EPA's ACH payment system
12. Agreement to accept payments
13. Agreement to administer the CWTAP in accordance with presentations made within the application for Federal Assistance dated December 26, 1994
14. Agreement to not expend the subject grant funds until the final execution of a State/EPA Operating Agreement and EPA acceptance of state rules and procedures governing the CWTAP
15. Agreement to stop work if any threatened or endangered species are encountered during construction
16. Agreement to submit an annual disbursement schedule
17. Agreement to provide a 20 percent match and 25 percent soft match.
18. Agreement to submit an Annual Report
19. Agreement to participate in an Annual Review
20. Agreement to follow the required provisions of Hotel and Motel Fire Safety Act of 1990
21. Agreement that the State is permitted to draw down and expend Federal funds without providing State matching funds until September 30 of each year (beginning 9/30/96)
22. Agreement that the interest on bonds issued by the State, related to deposit of the State's matching principal share, and paid by the State during grant "project period", is considered an authorized project expenditure

We offer further description on the following specific requirements listed in the Operating Agreement ("OA") for CWTAP II:

- A. Joint establishment of schedule of payments. The Grant Agreement governing CWTAP II established a payment schedule for TWDB to accept payments from the EPA's ACH account. In addition, each year, the State is required to submit a proposed disbursement schedule for the next year. The State has met this requirement.
- B. Expeditious quarterly advance of payments to the State. The State has requested

funds on an as-needed basis from the EPA and the EPA has disbursed the funds to the State in an expeditious and timely manner.

- C. Agreement to provide 20% match, inclusive of interest on the Bonds which provided the match funds, and to continue investing its own funds in projects related to environmental improvements in colonias that will total an amount equivalent to 25 percent in additional funds, and to spend the state matching funds for the purposes described in the OA. TWDB has met the matching requirements with \$20,000,000.00 (\$12,087,267.97 for State Principal Match and \$7,912,732.03 as State Interest Match.) This match includes deposits through September 30, 2009. *Details are located on Attachments F and G, including dates of deposits.* The 25% soft match for CWTAP II requirements have been met with Water projects associated with CWTAP I Wastewater projects.)
- D. Compliance with 40 CFR Part 31, particularly, all payments, cash draw downs, and disbursements comply with general grant regulations of 40 CFR Part 31. TWDB has implemented a Grant Closing Information sheet that requires a multi-divisional sign-off prior to the authorization for request for funds from the EPA ACH account. The form has been implemented to ensure that all the project elements for which funding is requested are eligible as per the relevant regulations. TWDB has implemented payment procedures to ensure that disbursements received by TWDB from the EPA-ACH account are sent to the recipient the day they are received by TWDB.
- E. The State has established and utilizes fiscal controls and auditing procedures in accordance with the generally accepted accounting principles for (1) payments received by TWDB, (2) disbursements of Federal and matching state funds made by TWDB, and (3) has required fund balances at the beginning and end of the accounting period which shall be the State of Texas fiscal year, September 1 through August 31. Each year, TWDB prepares an annual financial report, which addresses the utilization of fiscal controls, and auditing procedures in accordance with generally accepted accounting principles. TWDB's annual financial report covers all TWDB's programs. Each year, the State Auditors audit TWDB's annual financial report for compliance. TWDB maintains fund balances at the beginning and end of the accounting period for September 1 through August 31.
- F. All construction activities funded shall comply with the National Environmental Policy Act (NEPA). By letter dated April 29, 1993, EPA concurred with TWDB that the State could use its own NEPA-like environmental review process developed for the State Revolving Fund, as codified in 31 Texas Administrative Code 375.35 in compliance with NEPA. TWDB applied 31 TAC 375.35 for conducting the environmental reviews of all projects for which CWTAP commitments were made prior to June 1998, when EPA determined that it would retain the authority to determine environmental impacts and issue findings on such impacts for all subsequent projects. A rule revision in SFY 2001 moved the original 31 TAC 375.35 rules to 31 TAC 375.214.
- G. TWDB will notify EPA and request concurrence on proposed amendments to any

section of its rules and procedures affecting the CWTAP.

- H. The CWTAP grant award process will include acknowledgment of EPA's participation in the Program. In all of its press releases for commitments utilizing federal portion of the CWTAP funds, TWDB has stated the amount and percent of federal funds being used in the project. This requirement is incorporated into contracts with local sponsors.
- I. Ongoing coordination and open communication with other Federal and State agencies. TWDB has been the lead agency in the Texas Border Infrastructure Group, a conglomerate of state, federal and international agencies involved in infrastructure financing along the Texas-Mexico Border. As of September 1, 2003 this role lies with the Office of the Governor's Secretary of State's Office. TWDB communicates directly with state and federal agencies on specific projects that may require funding from various sources. TWDB has also entered into a Memorandum of Understanding with the Texas Department of Rural Affairs, to coordinate plumbing improvements and connections of residents funded under the EDAP program.
- J. Has followed the agreed-upon funding distribution. As per the Grant Agreement, as dated January 20, 1995, and amended November 15, 1995, the State is allocated up to \$4,000,000 for administrative expenses, to be paid from the CWTAP II grant. All administrative funds have been drawn from the CWTAP II grant.
- K. Recipients have met all the conditions required of political subdivisions listed in the OA, Item K, 1-8:
 - 1. Under this program, as per the OA, as amended March 15, 1996, the State has only accepted applications from political subdivisions, pursuant to the rules of TWDB, for projects in unincorporated colonias, or other colonias as approved by EPA, in counties that are within 100 kilometers of the international boundary.
 - 2. The Federal funds and the state matching funds have only been expended on wastewater treatment improvements to be used for the existing needs of unincorporated colonias, or other colonias as approved by EPA, that existed on November 9, 1989. The State's program contains a similar provision in that a basic eligibility requirement was that 80% of the dwellings in the project area were required to be occupied on or before June 1, 1989. This condition was changed by the legislature, effective September 1, 2000, to remove the 80% requirement portion only. Additional State legislative changes, only impacting the non-match state portion of EDAP, were made effective September 1, 2005, that changed the date of existence from on or before June 1, 1989 to June 1, 2005. Therefore, the State has met the EPA's requirement on all CWTAP projects.
 - 3. The political subdivisions will administer the grant funds and oversee the resulting wastewater facility to assure proper operation and maintenance of the

facility for the design life of the project. As part of the financial application process, TWDB looks at the financial condition of each applicant to determine grant to loan ratios and the ability to pay of the customers in the area. This process allows TWDB to determine the operation and maintenance needs of the political subdivision and allows TWDB to make recommendations on the rate structure. In addition, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.

4. Compliance with Model Subdivision Rules requirements. TWDB has only awarded grants to political subdivisions that have adopted and are enforcing the Model Subdivision Rules or their equivalent and for which the corresponding county has also adopted and are enforcing the Model Subdivision Rules.
 5. TWDB has only awarded grants to political subdivisions that are, or are in an area within the jurisdiction of an authorized agent of the Texas Commission on Environmental Quality, formerly Texas Natural Resource Conservation Commission. This is an application requirement.
 6. Adoption of a water conservation and drought contingency plan. The State requires that each applicant for CWTAP funds adopt a water conservation and drought contingency plan that satisfies 31 Texas Administrative Code Section 363.15 as part of the application process for construction funds.
 7. Establishment of a separate account for program funds and maintenance of program accounts in accordance with generally accepted government accounting standards. The State has established a separate account for each federal grant and maintains its program accounts in accordance with generally accepted government accounting standards. The State is audited by the State auditors once a year to ensure compliance with appropriate standards.
 8. Certification of project performance as required by 40 CFR Section 35.2218(c) or 31 TAC Section 375.102. TWDB requires that each applicant must certify project performance one year after the initiation of the operation of the CWTAP-funded project.
- L. Compliance with Federal crosscutting authorities. Recipients have complied with applicable Federal Authorities by completing the Texas Review and Comment System process and by executing the following forms: (1) Pre-award Compliance Review Report; (2) Assurances of Construction Programs; (3) Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP; (4) Certification Regarding Lobbying; (5) Certification Regarding Debarment, Suspension, and Other Responsibility Matters; (6) Affirmative Action Plan for Meeting CWTAP Minority and Women's Business Enterprise Participation Goal; (7) MWBE Certification and Participation Summary; (8) Procurement System Certification; and (9) Cost or Price Summary. In addition, local sponsors are subject to the Single Audit Act.

- M. Compliance with requirement for condition that recipient assures operation and maintenance for the design life of the project as a condition for CWTAP grants. As stated in L-3, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.
- N. Requirement that as a condition of CWTAP grants that the recipient assure the project will initiate construction within one year of the date the contract is executed by TWDB. TWDB has implemented this condition for recipients.

CWTAP III

The State of Texas agreed to 22 conditions in the Grant Agreement associated with CWTAP III. The following conditions have been met:

1. Agreement to expeditiously initiate and timely complete the project work
2. Agreement to audit and inspection
3. Agreement to purchase items containing recovered materials
4. Agreement to use recycled paper for all reports prepared for and delivered to EPA
5. Agreement to follow EPA guidelines for statements, press releases, requests for proposals, bid solicitations and other documents
6. Agreement to submit all reports, except financial and MBE/WBE, to the attention of the EPA Project Officer
7. Agreement to submit the Annual and final Financial Status Reports
8. Agreement to submit SF-334s
9. Agreement to comply with Section 129 of Public Law 100-590
10. Agreement to charge indirect costs as per an agreed-upon Indirect Cost Negotiation Agreement
11. Agreement to follow the accounting and reporting procedures associated with the EPA's ACH payment system
12. Agreement to follow the required provisions of Hotel and Motel Fire Safety Act of 1990
13. Agreement to accept payments from EPA
14. Agreement to administer the CWTAP in accordance with presentations made within the application for Federal Assistance dated January 24, 1996 and amended February 16, 1996
15. Agreement to not expend the subject grant funds until the final execution of State/EPA Operating Agreement and EPA acceptance of state rules and procedures governing the CWTAP
16. Agreement to stop work if any threatened or endangered species are encountered during construction
17. Agreement to submit an annual disbursement schedule
18. Agreement to provide a 20 percent match for the \$21.8 Million portion of the grant award under SFY 96 Continuing Resolution and 100 percent match to the \$28.2 Million to the portion of the grant awarded under the Appropriations Act. (Total match required of \$32,560,021.14). In addition a soft match of 25 percent is to be provided with respect to the \$21.8 Million portion of the grant (Total soft match of \$5.45 Million).
19. Agreement to submit to an Annual Report.
20. Agreement that the State is permitted to draw down and expend Federal funds without providing State matching funds until September 30 of each year (beginning 9/30/96).
21. Agreement that the interest on bonds issued by the State, related to deposit of the State's matching principal share, and paid by the State during grant "project period", is considered an authorized project expenditure.
22. Agreement that the State is permitted to utilize \$3,500,000 from this grant over a 3-year period to develop efficient design options and specifications for colonias.

An Operating Agreement was signed by EPA on September 30, 1998 and by TWDB on October 13, 1998.

We offer further description on the following specific requirements listed in the Operating Agreement (“OA”) for CWTAP III:

- A. Joint establishment of schedule of payments. The Grant Agreement governing CWTAP III established a payment schedule for TWDB to accept payments from the EPA’s ACH account. In addition, each year, the State is required to submit a proposed disbursement schedule for the next year. The State has met this requirement.
- B. Expeditious quarterly advance of payments to the State. The State has requested funds on an as-needed basis from the EPA and the EPA has disbursed the funds to the State in an expeditious and timely manner.
- C. Agreement to provide a 20% direct match (\$4,360,000) to the \$21,800,000 made available to the State of Texas under SFY 1996 Continuing Resolution (CR), pursuant to the Federal grant executed by EPA and TWDB. TWDB also agreed to continue investing its own funds in projects related to environmental improvements in colonias in an amount of soft match equal to \$5,450,000. TWDB provided a 100% direct match (\$28,200,000 to the \$28,200,000 awarded under the SFY 1996 Appropriations Act. TWDB is expending the Federal grant funds and the state match funds for the purposes described within the OA.

This match includes deposits through August 28, 2009, totaling a cumulative match of \$32,571,059.52 (\$24,586,742.67 for State Principal Match, \$2,020,109.17 as State Interest Match and \$5,964,207.68 EDAP Funds Spent Match) has been deposited or applied for CWTAP III. (*Attachments F and G*)

The soft match requirement for CWTAP III is being met with a water project related to a CWTAP II wastewater facility (\$5,450,000).

- D. Compliance with 40 CFR Part 31, particularly, all payments, cash draw downs, and disbursements comply with general grant regulations of 40 CFR Part 31. TWDB has implemented a Grant Closing Information sheet that requires a multi-divisional sign-off prior to the authorization for request from funds from the EPA ACH account. The form has been implemented to ensure that all the project elements for which funding is requested are eligible as per the relevant regulations. TWDB has implemented payment procedures to ensure that disbursements received by TWDB from the EPA-ACH account are sent to the recipient the day they are received by TWDB.
- E. The State has established and utilizes fiscal controls and auditing procedures in accordance with the generally accepted accounting principles for (1) payments received by TWDB, (2) disbursements of Federal and matching state funds made by TWDB, and (3) has required fund balances at the beginning and end of the accounting period which shall be the State of Texas fiscal year, September 1 through August 31. Each year, TWDB prepares an annual financial report, which addresses the utilization of fiscal controls, and auditing procedures in accordance with generally accepted accounting principles. TWDB’s annual financial report covers

all TWDB's programs. Each year, the State Auditors audit TWDB's annual financial report for compliance. TWDB maintains fund balances at the beginning and end of the accounting period for September 1 through August 31.

- F. All construction activities funded shall comply with the National Environmental Policy Act (NEPA). TWDB developed a countywide preliminary environmental assessment (EA). The task for this countywide EA Program included collecting and analyzing the baseline environmental information and data, coordinating and consulting with interested regulatory agencies and public groups. The environmental information and data developed under the countywide EA Program is used to supplement the individual Environmental Information Document (EID) for each colonia project. The EPA has awarded additional funds in the amount of \$300,000 along with \$15,790 of State Match for the tri-county preliminary EA task. This Environmental Review System project has been completed and closed out.
- G. TWDB will comply with the applicable crosscutter Federal authorities as included under Appendix A to this agreement as well as the applicable EPA regulations, such as 40 CFR Part 29, 31 and 32. TWDB has established rules and policies, program guidelines and checklists to assure compliance.
- H. TWDB will notify EPA and request concurrence on proposed amendments to any section of its rules and procedures affecting the CWTAP III.
- I. The CWTAP grant award process will include acknowledgment of EPA's participation in the Program. In all of its press releases for commitments utilizing federal portion of the CWTAP funds, TWDB has stated the amount and percent of federal funds being used in the project. This requirement is incorporated into contracts with local sponsors.
- J. Ongoing coordination and open communication with other Federal and State agencies. TWDB has been the lead agency in the Texas Border Infrastructure Group, a conglomerate of state, federal and international agencies involved in infrastructure financing along the Texas-Mexico Border. As of September 1, 2003 this role lies with the Office of the Governor's Secretary of State's Office. TWDB communicates directly with state and federal agencies on specific projects that may require funding from various sources. TWDB has also entered into a Memorandum of Understanding with the Texas Department of Rural Affairs, to coordinate plumbing improvements and connections of residents funded under the EDAP program.
- K. Has followed the agreed-upon funding distribution. As per the original Grant Agreement, the State was allocated up to \$2,000,000 for administrative expenses, to be paid from the CWTAP III grant. In SFY 2007, a grant amendment increased administrative funds by \$3,375,162 and decreased project funds by the same amount.
- L. Recipients have met all the conditions required of political subdivisions listed in the OA, Item M, 1-8:

1. Under this program, as per the OA, the State has only accepted applications from political subdivisions, pursuant to the rules of TWDB, for projects in unincorporated colonias, or other colonias as approved by EPA, in counties that are within 100 kilometers of the international boundary.
2. The Federal funds and the state matching funds have only been expended on wastewater treatment improvements to be used for the existing needs of unincorporated colonias, or other colonias as approved by EPA, that existed on November 9, 1989. The State's program contains a similar provision in that a basic eligibility requirement was that 80% of the dwellings in the project area were required to be occupied on or before June 1, 1989. This condition was changed by the legislature, effective September 1, 2000, to remove the 80% requirement portion only. Additional State legislative changes, only impacting the non-match state portion of EDAP, were made effective September 1, 2005, that changed the date of existence from on or before June 1, 1989 to June 1, 2005. Therefore, the State has met the EPA's requirement on all CWTAP projects.
3. The political subdivisions will administer the grant funds and oversee the resulting wastewater facility to assure proper operation and maintenance of the facility for the design life of the project. As part of the financial application process, TWDB looks at the financial condition of each applicant to determine grant to loan ratios and the ability to pay of the customers in the area. This process allows TWDB to determine the operation and maintenance needs of the political subdivision and allows TWDB to make recommendations on the rate structure. In addition, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.
4. Compliance with Model Subdivision Rules requirements. TWDB has only awarded grants to political subdivisions that have adopted and are enforcing the Model Subdivision Rules or their equivalent and for which the corresponding county has also adopted and are enforcing the Model Subdivision Rules.
5. TWDB has only awarded grants to political subdivisions that are, or are in an area within the jurisdiction of an authorized agent of the Texas Commission on Environmental Quality, formerly the Texas Natural Resource Conservation Commission. This is an application requirement.
6. Adoption of a water conservation and drought contingency plan. The State requires that each applicant for CWTAP funds adopt a water conservation and drought contingency plan that satisfies 31 Texas Administrative Code Section 363.15 as part of the application process for construction funds.
7. Establishment of a separate account for program funds and maintenance of program accounts in accordance with generally accepted government

accounting standards. The State has established a separate account for each federal grant and maintains its program accounts in accordance with generally accepted government accounting standards. The State is audited by the State Auditors once a year to ensure compliance with appropriate standards.

8. Certification of project performance as required by 40 CFR Section 35.2218(c) or 31 TAC Section 375.102. TWDB requires that each applicant must certify project performance one year after the initiation of the operation of the CWTAP-funded project.
- M. Compliance with Federal crosscutting authorities. Recipients have complied with applicable Federal Authorities by completing the Texas Review and Comment System process and by executing the following forms: (1) Pre-award Compliance Review Report; (2) Assurances of Construction Programs; (3) Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP; (4) Certification Regarding Lobbying; (5) Certification Regarding Debarment, Suspension, and Other Responsibility Matters; (6) Affirmative Action Plan for Meeting CWTAP Minority and Women's Business Enterprise Participation Goal; (7) MWBE Certification and Participation Summary; (8) Procurement System Certification; and (9) Cost or Price Summary. In addition, local sponsors are subject to the Single Audit Act.
- N. Compliance with requirement for condition that recipient assures operation and maintenance for the design life of the project as a condition for CWTAP grants. As stated in L-3, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.
- O. Requirement that as a condition of CWTAP grants that the recipient assure the project will initiate construction within one year of the date the contract is executed by TWDB. TWDB has implemented this condition for recipients.

CWTAP IV

The State of Texas agreed to 16 conditions in the Grant Agreement associated with CWTAP IV. The following conditions have been met:

1. Agreement to expeditiously initiate and timely complete the project work
2. Agreement to audit and inspection
3. Agreement to purchase items containing recovered materials
4. Agreement to use recycled paper for all reports prepared for and delivered to EPA
5. Agreement to submit all reports, except financial and MBE/WBE, to the attention of the EPA Project Officer
6. Agreement to submit the Annual and final Financial Status Reports
7. Agreement to submit SF-334s
8. Agreement to charge indirect costs as per an agreed-upon Indirect Cost Negotiation Agreement
9. Agreement to follow the accounting and reporting procedures associated with the EPA's ACH payment system
10. Agreement to follow the required provisions of Hotel and Motel Fire Safety Act of 1990
11. Agreement to administer the CWTAP in accordance with presentations made within the application for Federal Assistance dated January 24, 1996 and amended February 16, 1999
12. Agreement to not expend the subject grant funds until the final execution of State/EPA Operating Agreement and EPA acceptance of state rules and procedures governing the CWTAP
13. Agreement to submit an annual disbursement schedule
14. Agreement to provide a 20 percent match
15. Agreement to submit an Annual Report
16. Agreement to accept payments from EPA

An Operating Agreement was signed by EPA on February 15, 2000 and by TWDB on March 7, 2000. We offer further description on the following specific requirements listed in the Operating Agreement ("OA") for CWTAP IV:

- A. Joint establishment of schedule of payments. The Grant Agreement governing CWTAP IV established a payment schedule for TWDB to accept payments from the EPA's ACH account. In addition, each year, the State is required to submit a proposed disbursement schedule for the next year. The State has met this requirement.
- B. Expeditious quarterly advance of payments to the State. The State has requested funds on an as-needed basis from the EPA and the EPA has disbursed the funds to the State in an expeditious and timely manner.
- C. Agreement to provide a 20% direct match (\$10,000,000) to the \$50,000,000 made available to the State of Texas under SFY 1997 Appropriations Act (PL 104-204) and subsequent amendment and further pursuant to the Federal grant executed by EPA and TWDB.

This match includes deposits through September 30, 2009. Matching funds were deposited on September 29, 2009 with respect to this specific grant totaling \$10,000,000.00 (\$8,931,036.59 for State Principal Match and \$1,068,963.41 as State Interest Match) has been deposited for CWTAP IV. (*Attachments F and G*)

- D. Compliance with 40 CFR Part 31, particularly, all payments, cash draw downs, and disbursements comply with general grant regulations of 40 CFR Part 31. TWDB has implemented a Grant Closing Information sheet that requires a multi-divisional sign-off prior to the authorization for request from funds from the EPA ACH account. The form has been implemented to ensure that all the project elements for which funding is requested are eligible as per the relevant regulations. TWDB has implemented payment procedures to ensure that disbursements received by TWDB from the EPA-ACH account are sent to the recipient the day they are received by TWDB.
- E. The State has established and utilizes fiscal controls and auditing procedures in accordance with the generally accepted accounting principles for (1) payments received by TWDB, (2) disbursements of Federal and matching state funds made by TWDB, and (3) has required fund balances at the beginning and end of the accounting period which shall be the State of Texas fiscal year, September 1 through August 31. Each year, TWDB prepares an annual financial report, which addresses the utilization of fiscal controls, and auditing procedures in accordance with generally accepted accounting principles. TWDB's annual financial report covers all TWDB's programs. Each year, the State Auditors audit TWDB's annual financial report for compliance. TWDB maintains fund balances at the beginning and end of the accounting period for September 1 through August 31.
- F. All construction activities funded shall comply with the National Environmental Policy Act (NEPA). TWDB developed a countywide preliminary environmental assessment (EA). The task for this countywide EA Program included collecting and analyzing the baseline environmental information and data, coordinating and consulting with interested regulatory agencies and public groups. The environmental information and data developed under the countywide EA Program is used to supplement the individual Environmental Information Document (EID) for each colonia project. The EPA has awarded additional funds in the amount of \$300,000 along with \$15,790 of State Match for the tri-county preliminary EA task. This Environmental Review System project has been completed and closed out.

- G. TWDB will comply with the applicable crosscutter Federal authorities as included under Appendix A to this agreement as well as the applicable EPA regulations, such as 40 CFR Part 29, 31 and 32. TWDB has established rules and policies, program guidelines and checklists to assure compliance.
- H. TWDB will notify EPA and request concurrence on proposed amendments to any section of its rules and procedures affecting the CWTAP IV.
- I. The CWTAP IV grant award process will include acknowledgment of EPA's participation in the Program. In all of its press releases for commitments utilizing federal portion of the CWTAP funds, TWDB has stated the amount and percent of federal funds being used in the project. This requirement is incorporated into contracts with local sponsors.
- J. Ongoing coordination and open communication with other Federal and State agencies. TWDB has been the lead agency in the Texas Border Infrastructure Group, a conglomerate of state, federal and international agencies involved in infrastructure financing along the Texas-Mexico Border. As of September 1, 2003 this role lies with the Office of the Governor's Secretary of State's Office. TWDB communicates directly with state and federal agencies on specific projects that may require funding from various sources. TWDB has also entered into a Memorandum of Understanding with the Texas Department of Rural Affairs, to coordinate plumbing improvements and connections of residents funded under the EDAP program.
- K. Has followed the agreed-upon funding distribution. As per the original Grant Agreement, the State was allocated up to \$2,000,000 for administrative expenses, to be paid from the CWTAP III grant. In SFY 2007, a grant amendment increased administrative funds by \$3,375,162 and decreased project funds by the same amount. These additional administrative funds will be used to ensure completion of all outstanding CWTAP projects.
- L. Recipients have met all the conditions required of political subdivisions listed in the OA, Item M, 1-8:
 - 1. Under this program, as per the OA, the State has only accepted applications from political subdivisions, pursuant to the rules of TWDB, for projects in unincorporated colonias, or other colonias as approved by EPA, in counties that are within 100 kilometers of the international boundary.
 - 2. The Federal funds and the state matching funds have only been expended on wastewater treatment improvements to be used for the existing needs of unincorporated colonias, or other colonias as approved by EPA, that existed on November 9, 1989. The State's program contains a similar provision in that a basic eligibility requirement was that 80% of the dwellings in the project area were required to be occupied on or before June 1, 1989. This condition was changed by the legislature, effective September 1, 2000, to

remove the 80% requirement portion only. Additional State legislative changes, only impacting the non-match state portion of EDAP, were made effective September 1, 2005, that changed the date of existence from on or before June 1, 1989 to June 1, 2005. Therefore, the State has met the EPA's requirement on all CWTAP projects.

3. The political subdivisions will administer the grant funds and oversee the resulting water and wastewater facility to assure proper operation and maintenance of the facility for the design life of the project. As part of the financial application process, TWDB looks at the financial condition of each applicant to determine grant to loan ratios and the ability to pay of the customers in the area. This process allows TWDB to determine the operation and plan that satisfies 31 Texas Administrative Code Section 363.15 as part of maintenance needs of the political subdivision and allows TWDB to make recommendations on the rate structure. In addition, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.
 4. Compliance with Model Subdivision Rules requirements. TWDB has only awarded grants to political subdivisions that have adopted and are enforcing the Model Subdivision Rules or their equivalent and for which the corresponding county has also adopted and are enforcing the Model Subdivision Rules.
 5. TWDB has only awarded grants to political subdivisions that are, or are in an area within the jurisdiction of an authorized agent of the Texas Commission on Environmental Quality, formerly the Texas Natural Resource Conservation Commission. This is an application requirement.
 6. Adoption of a water conservation and drought contingency plan. The State requires that each applicant for CWTAP funds adopt a water conservation and drought contingency the application process for construction funds.
 7. Establishment of a separate account for program funds and maintenance of program accounts in accordance with generally accepted government accounting standards. The State has established a separate account for each federal grant and maintains its program accounts in accordance with generally accepted government accounting standards. The State is audited by the State Auditors once a year to ensure compliance with appropriate standards.
 8. Certification of project performance as required by 40 CFR Section 35.2218(c) or 31 TAC Section 375.102. TWDB requires that each applicant must certify project performance one year after the initiation of the operation of the CWTAP-funded project.
- M. Compliance with Federal crosscutting authorities. Recipients have complied with applicable Federal Authorities by completing the Texas Review and Comment System process and by executing the following forms: (1) Pre-award Compliance

Review Report; (2) Assurances of Construction Programs; (3) Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP; (4) Certification Regarding Lobbying; (5) Certification Regarding Debarment, Suspension, and Other Responsibility Matters; (6) Affirmative Action Plan for Meeting CWTAP Minority and Women's Business Enterprise Participation Goal; (7) MWBE Certification and Participation Summary; (8) Procurement System Certification; and (9) Cost or Price Summary. In addition, local sponsors are subject to the Single Audit Act.

- N. Compliance with requirement for condition that recipient assures operation and maintenance for the design life of the project as a condition for CWTAP grants. As stated in L-3, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.
- O. Requirement that as a condition of CWTAP grants that the recipient assure the project will initiate construction within one year of the date the contract is executed by TWDB. TWDB has implemented this condition for recipients.

CWTAP V

The State of Texas agreed to 16 conditions in the Grant Agreement associated with CWTAP V. The following conditions have been met:

1. Agreement to expeditiously initiate and timely complete the project work
2. Agreement to audit and inspection
3. Agreement to purchase items containing recovered materials
4. Agreement to use recycled paper for all reports prepared for and delivered to EPA
5. Agreement to submit all reports, except financial and MBE/WBE, to the attention of the EPA Project Officer
6. Agreement to submit the Annual and final Financial Status Reports
7. Agreement to submit SF-334s
8. Agreement to charge indirect costs as per an agreed-upon Indirect Cost Negotiation Agreement
9. Agreement to follow the accounting and reporting procedures associated with the EPA's ACH payment system
10. Agreement to follow the required provisions of Hotel and Motel Fire Safety Act of 1990
11. Agreement to administer the CWTAP in accordance with presentations made within the application for Federal Assistance dated January 24, 1996 and amended February 16, 1996
12. Agreement to not expend the subject grant funds until the final execution of State/EPA Operating Agreement and EPA acceptance of state rules and procedures governing the CWTAP
13. Agreement to submit an annual disbursement schedule
14. Agreement to provide a 20 percent match
15. Agreement to submit an Annual Report
16. Agreement to accept payments from EPA

An Operating Agreement was signed by EPA on February 15, 2000 and by TWDB on March 7, 2000. We offer further description on the following specific requirements listed in the Operating Agreement ("OA") for CWTAP V:

- A. Joint establishment of schedule of payments. The Grant Agreement governing CWTAP V established a payment schedule for TWDB to accept payments from the EPA's ACH account. In addition, each year, the State is required to submit a proposed disbursement schedule for the next year. The State has met this requirement.
- B. Expeditious quarterly advance of payments to the State. The State has requested funds on an as-needed basis from the EPA and the EPA has disbursed the funds to the State in an expeditious and timely manner.
- C. Agreement to provide a 20% direct match (\$10,000,000) to the \$50,000,000 made available to the State of Texas under SFY 1997 Appropriations Act (PL 104-204) and subsequent amendment and further pursuant to the Federal grant executed by

EPA and TWDB.

This match includes deposits through September 30, 2009. Matching funds were deposited on August 28, 2009 with respect to this specific grant. A cumulative match of \$10,000,000.00 (\$9,580,503.53 for State Principal Match and \$419,496.47 as State Interest Match) has been deposited for CWTAP V. (*Attachments F and G*)

- D. Compliance with 40 CFR Part 31, particularly, all payments, cash draw downs, and disbursements comply with general grant regulations of 40 CFR Part 31. TWDB has implemented a Grant Closing Information sheet that requires a multi-divisional sign-off prior to the authorization for request from funds from the EPA ACH account. The form has been implemented to ensure that all the project elements for which funding is requested are eligible as per the relevant regulations. TWDB has implemented payment procedures to ensure that disbursements received by TWDB from the EPA-ACH account are sent to the recipient the day they are received by TWDB.
- E. The State has established and utilizes fiscal controls and auditing procedures in accordance with the generally accepted accounting principles for (1) payments received by TWDB, (2) disbursements of Federal and matching state funds made by TWDB, and (3) has required fund balances at the beginning and end of the accounting period which shall be the State of Texas fiscal year, September 1 through August 31. Each year, TWDB prepares an annual financial report, which addresses the utilization of fiscal controls, and auditing procedures in accordance with generally accepted accounting principles. TWDB's annual financial report covers all TWDB's programs. Each year, the State Auditors audit TWDB's annual financial report for compliance. TWDB maintains fund balances at the beginning and end of the accounting period for September 1 through August 31.
- F. All construction activities funded shall comply with the National Environmental Policy Act (NEPA). TWDB developed a countywide preliminary environmental assessment (EA). The task for this countywide EA Program included collecting and analyzing the baseline environmental information and data, coordinating and consulting with interested regulatory agencies and public groups. The environmental information and data developed under the countywide EA Program is used to supplement the individual Environmental Information Document (EID) for each colonia project. This Environmental Review System project has been completed and closed out.
- G. TWDB will comply with the applicable crosscutter Federal authorities as included under Appendix A to this agreement as well as the applicable EPA regulations, such as 40 CFR Part 29, 31 and 32. TWDB has established rules and policies, program guidelines and checklists to assure compliance.
- H. TWDB will notify EPA and request concurrence on proposed amendments to any

section of its rules and procedures affecting the CWTAP V.

- I. The CWTAP V grant award process will include acknowledgment of EPA's participation in the Program. In all of its press releases for commitments utilizing federal portion of the CWTAP funds, TWDB has stated the amount and percent of federal funds being used in the project. This requirement is incorporated into contracts with local sponsors.
- J. Ongoing coordination and open communication with other Federal and State agencies. TWDB has been the lead agency in the Texas Border Infrastructure Group, a conglomerate of state, federal and international agencies involved in infrastructure financing along the Texas-Mexico Border. As of September 1, 2003 this role will lie with the Office of the Governor's Secretary of State's Office. TWDB communicates directly with state and federal agencies on specific projects that may require funding from various sources. TWDB has also entered into a Memorandum of Understanding with the Texas Department of Rural Affairs (formally the Office of Rural Community Affairs), to coordinate plumbing improvements and connections of residents funded under the EDAP program.
- K. Has followed the agreed-upon funding distribution. As per the original Grant Agreement, the State was allocated up to \$2,000,000 for administrative expenses, to be paid from the CWTAP III grant. In SFY 2007, a grant amendment increased administrative funds by \$3,375,162 and decreased project funds by the same amount. These additional administrative funds will be used to ensure completion of all outstanding CWTAP projects.
- L. Recipients have met all the conditions required of political subdivisions listed in the OA, Item M, 1-8:
 - 1. Under this program, as per the OA, the State has only accepted applications from political subdivisions, pursuant to the rules of TWDB, for projects in unincorporated colonias, or other colonias as approved by EPA, in counties that are within 100 kilometers of the international boundary.
 - 2. The Federal funds and the state matching funds have only been expended on wastewater treatment improvements to be used for the existing needs of unincorporated colonias, or other colonias as approved by EPA, that existed on November 9, 1989. The State's program contains a similar provision in that a basic eligibility requirement was that 80% of the dwellings in the project area were required to be occupied on or before June 1, 1989. This condition was changed by the legislature, effective September 1, 2000, to remove the 80% requirement portion only. Additional State legislative changes, only impacting the non-match state portion of EDAP, were made effective September 1, 2005, that changed the date of existence from on or before June 1, 1989 to June 1, 2005. Therefore, the State has met the EPA's requirement on all CWTAP projects.

3. The political subdivisions will administer the grant funds and oversee the resulting water and wastewater facility to assure proper operation and maintenance of the facility for the design life of the project. As part of the financial application process, TWDB looks at the financial condition of each applicant to determine grant to loan ratios and the ability to pay of the customers in the area. This process allows TWDB to determine the operation and plan that satisfies 31 Texas Administrative Code Section 363.15 as part of maintenance needs of the political subdivision and allows TWDB to make recommendations on the rate structure. In addition, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.
 4. Compliance with Model Subdivision Rules requirements. TWDB has only awarded grants to political subdivisions that have adopted and are enforcing the Model Subdivision Rules or their equivalent and for which the corresponding county has also adopted and are enforcing the Model Subdivision Rules.
 5. TWDB has only awarded grants to political subdivisions that are, or are in an area within the jurisdiction of an authorized agent of the Texas Commission On Environmental Quality. This is an application requirement.
 6. Adoption of a water conservation and drought contingency plan. The State requires that each applicant for CWTAP funds adopt a water conservation and drought contingency the application process for construction funds.
 7. Establishment of a separate account for program funds and maintenance of program accounts in accordance with generally accepted government accounting standards. The State has established a separate account for each federal grant and maintains its program accounts in accordance with generally accepted government accounting standards. The State is audited by the State Auditors once a year to ensure compliance with appropriate standards.
 8. Certification of project performance as required by 40 CFR Section 35.2218(c) or 31 TAC Section 375.102. TWDB requires that each applicant must certify project performance one year after the initiation of the operation of the CWTAP-funded project.
- M. Compliance with Federal crosscutting authorities. Recipients have complied with applicable Federal Authorities by completing the Texas Review and Comment System process and by executing the following forms: (1) Pre-award Compliance Review Report; (2) Assurances of Construction Programs; (3) Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP; (4) Certification Regarding Lobbying; (5) Certification Regarding Debarment, Suspension, and Other Responsibility Matters; (6) Affirmative Action Plan for Meeting CWTAP Minority and Women's Business Enterprise Participation Goal; (7) MWBE Certification and Participation Summary; (8) Procurement System Certification; and (9) Cost or Price Summary. In addition,

local sponsors are subject to the Single Audit Act.

- N. Compliance with requirement for condition that recipient assures operation and maintenance for the design life of the project as a condition for CWTAP grants. As stated in L-3, recipients are required to execute the Assurance Regarding Operation and Maintenance of Treatment Works Funded by the CWTAP.
- O. Requirement that as a condition of CWTAP grants that the recipient assure the project will initiate construction within one year of the date the contract is executed by TWDB. TWDB has implemented this condition for recipients.

VI. PROGRAM CHANGES

Grant Agreement Changes

The EPA amended the grant agreement to reflect the discontinuation of the Innovative/Alternative Program. This budget amendment to reflect the program changes was signed on August 28, 2003. In the summer of SFY 2006, a budget amendment was requested to increase administrative funds to ensure appropriate staffing levels required to successfully complete all CWTAP projects. This amendment was approved in SFY 2007. On August 12, 2008, in response to the EPA Office of Inspector General's June 2008 Report, TWDB requested modifications to the CWTAP III, IV and V Work Plans to include specific project, schedule and dollar amount information. In addition, EPA Region 6 requested the administration funds in CWTAP III be re-allocated to all three remaining CWTAP grants (III, IV and V). This amendment was processed in SFY 2009. In SFY 2009, the State Auditor's Office had a finding based on their SFY 2008 Statewide Audit, which included CWTAP, citing concerns with the state match calculation. As a corrective action, TWDB and EPA Region VI agreed that TWDB can meet the state match requirements in arrears for SFY 09 draws and in advance for remaining balances.

Operating Agreement Changes

No changes to the Operating Agreement were made during this fiscal year.

VII. SFY 2009 DBE UTILIZATION

During SFY 2009 there were no additional contracts bid on current CWTAP construction projects. Therefore, no procurement or accomplishments were made during this reporting period.

VIII. SFY 2010 GOALS

Since all CWTAP funds are committed to existing projects currently under construction, TWDB's goal is to expedite completion of all projects by March 31, 2010, and to fully draw the remaining federal funds to pay for allowable project outlay requests.

IX. COMMENTS ON ATTACHMENTS PROVIDED

- **Attachment A List of Commitments CWTAP and EDAP**
The attachment is a summary report of the List of Commitments.
- **Attachment BStatus of Active Projects with Commitments**
The attachment is a summary report of the CWTAP Work Plans.
- **Attachment C CWTAP SFY 2009 Federal Administrative Draws**
- **Attachment D CWTAP SFY 2009 Federal Project Draws**

- **Attachment E..... Details of Expenses Relating to Administration**

- **Attachment F..... CWTAP State Match Transfers**
The table provides the date and amount of each match and details the principle and interest component of each match deposit.

- **Attachment G CWTAP State Match Projections**

- **Attachment H TWDB Annual Financial Statements related to CWTAP**
(To be sent at a later date)

- **Attachment I..... Indirect Cost Rate Approval for SFY 2009**

ATTACHMENT A

*List of Commitments
CWTAP and EDAP*

**List of Commitments
CWTAP and EDAP**

Attachment A

| Texas Water Development Board Funding | | | | | | | | | | |
|---------------------------------------|--------------------|---|-----------|--------|-------|------------|-----------------------|-------------|--------------|-----------------------|
| Project # | Applicant | Project Title | County | Status | Water | Wastewater | TWDB Other Assistance | EDAP TOTAL | CWTAP Total | Total TWDB Assistance |
| 10365 | Agua SUD | Eastern Wastewater System | Hidalgo | A | | Y | \$0 | \$174,000 | \$0 | \$174,000 |
| 10370 | Agua SUD | Western Wastewater System | Hidalgo | A | | Y | \$0 | \$818,000 | \$0 | \$818,000 |
| 10030 | Alamo | South Tower Estates Planning | Hidalgo | C | | Y | \$0 | \$24,000 | \$0 | \$24,000 |
| 10372 | Alpine | Southeast Interceptor | Brewster | A | | Y | \$0 | \$86,000 | \$0 | \$86,000 |
| 10025 | Alton | Alton I - New Wastewater System | Hidalgo | C | | Y | \$0 | \$417,226 | \$11,076,074 | \$11,493,300 |
| 10233 | Alton | Alton II - Wastewater System Expansion | Hidalgo | C | | Y | \$0 | \$46,181 | \$0 | \$46,181 |
| 10248 | Asherton | Water & Wastewater Improvements | Dimmit | C | Y | Y | \$0 | \$196,000 | \$1,961,594 | \$2,157,594 |
| 10341 | Batesville WSC | Water Supply & Wastewater Improvements | Zavala | C | Y | Y | \$0 | \$341,469 | \$4,019,269 | \$4,360,738 |
| 10383 | Bedias | New Wastewater System | Grimes | A | | Y | \$0 | \$845,000 | \$0 | \$845,000 |
| 10229 | Bee County | Water & Wastewater Planning | Bee | C | Y | Y | \$0 | \$228,900 | \$0 | \$228,900 |
| 10347 | Border Water Works | Wisconsin Road Project | Hidalgo | C | Y | Y | \$0 | \$14,862 | \$0 | \$14,862 |
| 10351 | Border Water Works | Mile 17 1/2 Project | Hidalgo | C | Y | | \$0 | \$18,918 | \$0 | \$18,918 |
| 10333 | Brookeland FWSD | New Wastewater Systems | Sabine | C | | Y | \$382,322 | \$0 | \$0 | \$382,322 |
| 10337 | Brookeland FWSD | Purchase & Improve Water Systems | Sabine | C | Y | Y | \$2,295,000 | \$1,040,000 | \$0 | \$3,335,000 |
| 10014 | Brownsville | Cameron Park | Cameron | C | Y | Y | \$0 | \$3,708,500 | \$2,856,751 | \$6,565,251 |
| 10015 | Brownsville | Hacienda Gardens | Cameron | C | | Y | \$0 | \$110,511 | \$275,592 | \$386,103 |
| 10063 | Brownsville | Valle Hermosa & Valle Escondido | Cameron | A | | Y | \$0 | \$690,250 | \$4,897,137 | \$5,587,387 |
| 10344 | Brownsville | FM 511-802 Project | Cameron | A | | Y | \$0 | \$1,710,800 | \$0 | \$1,710,800 |
| 10378 | Brownsville | Villa Nueva Colonia | Cameron | A | | Y | \$0 | \$273,000 | \$0 | \$273,000 |
| 10067 | Cameron County | Cameron Urban Regional Planning | Cameron | C | | Y | \$0 | \$0 | \$456,684 | \$456,684 |
| 10073 | Cameron County | Cameron County Rural Planning | Cameron | C | | Y | \$0 | \$0 | \$600,000 | \$600,000 |
| 10278 | Carrizo Hill WSC | Water & Wastewater Systems | Dimmit | C | Y | Y | \$0 | \$1,112,876 | \$1,315,200 | \$2,428,076 |
| 10247 | Catarina WSC | Water System Construction | Dimmit | C | Y | Y | \$0 | \$1,114,185 | \$0 | \$1,114,185 |
| 10246 | Combes | New Wastewater System | Cameron | C | Y | Y | \$0 | \$1,923,805 | \$11,297,470 | \$13,221,275 |
| 10072 | Copperas Cove | Wastewater Collection Planning | Coryell | C | | Y | \$0 | \$37,500 | \$0 | \$37,500 |
| 10253 | Crystal City | Colonia Wastewater Service | Zavala | C | | Y | \$0 | \$19,126 | \$646,184 | \$665,310 |
| 10051 | Del Rio | Cienegas Terrace | Val Verde | C | Y | Y | \$0 | \$1,492,991 | \$2,039,325 | \$3,532,316 |
| 10052 | Del Rio | Val Verde Park Estates | Val Verde | C | Y | Y | \$0 | \$5,773,272 | \$6,273,301 | \$12,046,573 |
| 10046 | Dimmit County | Asherton, Carrizo Hills & Catarina | Dimmit | C | Y | Y | \$0 | \$24,750 | \$0 | \$24,750 |
| 10037 | Donna | Colonia Water & Wastewater Service | Hidalgo | C | Y | Y | \$9,570,000 | \$3,121,648 | \$4,939,383 | \$17,631,031 |
| 10371 | Donna | Western Colonias Project | Hidalgo | A | | Y | \$5,500,000 | \$956,000 | \$12,222,000 | \$18,678,000 |
| 10237 | Duval County | Water & Wastewater Planning | Duval | C | Y | Y | \$0 | \$177,800 | \$0 | \$177,800 |
| 10049 | Eagle Pass | Eidson Road Collection System | Maverick | C | | Y | \$2,795,000 | \$9,615,756 | \$0 | \$12,410,756 |
| 10363 | Eagle Pass | Regional Systems Phase II | Maverick | A | Y | Y | \$0 | \$485,000 | \$0 | \$485,000 |
| 60813 | Eagle Pass | Regional Water System | Maverick | A | Y | | \$42,135,000 | \$0 | \$23,016,581 | \$65,151,581 |
| 71533 | Eagle Pass | Regional Wastewater System | Maverick | A | | Y | \$17,340,000 | \$3,920,000 | \$20,828,823 | \$42,088,823 |
| 10384 | East Aldine MD | Sherwood & Benton Place Water & Sewer | Harris | A | Y | Y | \$0 | \$450,000 | \$0 | \$450,000 |
| 10024 | Edinburg | Lull Water & Wastewater Systems | Hidalgo | C | Y | Y | \$0 | \$1,468,248 | \$0 | \$1,468,248 |
| 10033 | Edinburg | Faysville Area Water & Wastewater | Hidalgo | C | Y | Y | \$0 | \$4,700,170 | \$5,979,446 | \$10,679,616 |
| 10065 | Edinburg | Colonia Plumbing Fixtures | Hidalgo | C | | | \$0 | \$978,200 | \$0 | \$978,200 |
| 10091 | Edinburg | Northwest Water & Wastewater Plans | Hidalgo | C | Y | Y | \$0 | \$46,286 | \$0 | \$46,286 |
| 10252 | Edinburg | Colonia Assistance & Management Support | Hidalgo | C | | | \$135,050 | \$0 | \$0 | \$135,050 |
| 10058 | El Paso | Westway Water Supply | El Paso | C | Y | | \$0 | \$1,437,541 | \$0 | \$1,437,541 |
| 10060 | El Paso | East Montana Water System (Phase 0) | El Paso | C | Y | | \$0 | \$441,942 | \$0 | \$441,942 |

**List of Commitments
CWTAP and EDAP**

Attachment A

| Texas Water Development Board Funding | | | | | | | | | | |
|---------------------------------------|-------------------------|---|--------------|--------|-------|------------|-----------------------|--------------|--------------|-----------------------|
| Project # | Applicant | Project Title | County | Status | Water | Wastewater | TWDB Other Assistance | EDAP TOTAL | CWTAP Total | Total TWDB Assistance |
| 10062 | El Paso | Canutillo Project | El Paso | C | Y | Y | \$1 | \$2,131,174 | \$9,177,434 | \$11,308,608 |
| 10195 | El Paso | Westway II | El Paso | C | Y | Y | \$102,500 | \$1,777,948 | \$3,869,993 | \$5,750,441 |
| 10196 | El Paso | Colonia Assistance & Management Support | El Paso | C | | | \$106,750 | \$0 | \$0 | \$106,750 |
| 10059 | El Paso Co Tornillo WID | Tornillo Wastewater System | El Paso | A | | Y | \$0 | \$469,093 | \$13,278,497 | \$13,747,590 |
| 10066 | El Paso County | Colonia Plumbing Fixtures | El Paso | A | | | \$0 | \$1,608,557 | \$0 | \$1,608,557 |
| 10228 | El Paso County | East Montana Water (Phases 2 & 3) | El Paso | C | Y | | \$150,000 | \$13,581,408 | \$0 | \$13,731,408 |
| 10394 | Eldorado | Water & Sewer Extension | Schleicher | A | Y | Y | \$0 | \$90,000 | \$0 | \$90,000 |
| 10036 | Elsa | Water & Wastewater Plans | Hidalgo | C | Y | Y | \$0 | \$37,500 | \$0 | \$37,500 |
| 10092 | Gatesville | Water & Wastewater Extensions | Coryell | C | Y | Y | \$205,000 | \$2,946,565 | \$0 | \$3,151,565 |
| 61314 | Groveton | Water System Improvements | Trinity | A | Y | | \$0 | \$105,500 | \$0 | \$105,500 |
| 10283 | Harlingen | Arroyo Colorado & Colonia Bishop | Cameron | C | | Y | \$0 | \$150,000 | \$1,220,459 | \$1,370,459 |
| 10027 | Hidalgo County | El Paraiso Wastewater Planning | Hidalgo | C | | Y | \$0 | \$179,631 | \$0 | \$179,631 |
| 10038 | Hidalgo County | DeAnda and Saenz (Facilities Planning) | Hidalgo | C | | Y | \$0 | \$0 | \$75,000 | \$75,000 |
| 10040 | Hidalgo County | Sanchez Ranch Plan | Hidalgo | C | | Y | \$0 | \$32,690 | \$0 | \$32,690 |
| 10068 | Hidalgo County | Urban Regional Planning | Hidalgo | C | | Y | \$0 | \$0 | \$900,000 | \$900,000 |
| 10158 | Homestead MUD | East Montana Water System (Phase 1) | El Paso | C | Y | | \$1,700,000 | \$7,544,300 | \$0 | \$9,244,300 |
| 10054 | Hudspeth Co WCID # 1 | Sierra Blanca Wastewater System | Hudspeth | C | | Y | \$1 | \$176,000 | \$2,069,999 | \$2,245,999 |
| 10170 | Ingleside | Water & Wastewater System Expansion | San Patricio | C | Y | Y | \$2,915,000 | \$4,640,484 | \$0 | \$7,555,484 |
| 10168 | Ingleside On The Bay | New Wastewater System | San Patricio | C | | Y | \$0 | \$2,589,194 | \$0 | \$2,589,194 |
| 10070 | Jefferson | Water & Wastewater Improvements | Marion | C | Y | Y | \$0 | \$42,375 | \$0 | \$42,375 |
| 10366 | Kerr County | Center Point Wastewater System | Kerr | A | | Y | \$0 | \$178,500 | \$0 | \$178,500 |
| 10231 | La Feria | Water & Wastewater System Expansion | Cameron | A | Y | Y | \$385,000 | \$2,559,311 | \$8,938,359 | \$11,882,670 |
| 10368 | La Grulla | Regional Wastewater System | Starr | A | | Y | \$0 | \$1,842,300 | \$0 | \$1,842,300 |
| 10031 | La Joya WSC | Eastern Project Area (Palmview) | Hidalgo | C | | Y | \$0 | \$224,457 | \$5,688,108 | \$5,912,565 |
| 10034 | La Joya WSC | Western Service Area (Sullivan City) | Hidalgo | C | | Y | \$0 | \$79,500 | \$0 | \$79,500 |
| 10069 | La Salle County | Encinal Wastewater Planning | La Salle | C | | Y | \$0 | \$25,686 | \$0 | \$25,686 |
| 10045 | Laredo | Mines Road & State Highway 359 | Webb | A | Y | Y | \$0 | \$2,563,202 | \$25,370,151 | \$27,933,353 |
| 10409 | Laredo | Municipal Water Rights | Webb | A | Y | | \$0 | \$15,000,000 | \$0 | \$15,000,000 |
| 10322 | Los Fresnos | Wastewater System Expansion | Cameron | A | | Y | \$360,000 | \$413,500 | \$16,849,761 | \$17,623,261 |
| 10055 | Lower Valley WD | LVWD Phase I - Bauman Water Project | El Paso | C | Y | | \$0 | \$1,800,608 | \$0 | \$1,800,608 |
| 10056 | Lower Valley WD | LVWD Phase II - Socorro | El Paso | C | Y | Y | \$3,857,000 | \$1,793,903 | \$16,623,930 | \$22,274,833 |
| 10057 | Lower Valley WD | LVWD Phase III - San Elizario | El Paso | C | Y | Y | \$8,245,000 | \$17,383,297 | \$30,774,463 | \$56,402,760 |
| 10061 | Lower Valley WD | Las Azaleas Planning | El Paso | C | | Y | \$0 | \$0 | \$50,000 | \$50,000 |
| 10315 | Lower Valley WD | Cultural Resource Mgmt - Socorro | El Paso | C | | | \$0 | \$88,000 | \$0 | \$88,000 |
| 10093 | Marion County | Water & Wastewater Planning | Marion | C | Y | Y | \$0 | \$45,000 | \$0 | \$45,000 |
| 10050 | Maverick County | Quemado | Maverick | C | Y | Y | \$0 | \$28,125 | \$0 | \$28,125 |
| 10039 | McAllen | Colonia Water/Wastewater Service | Hidalgo | C | Y | Y | \$0 | \$46,125 | \$0 | \$46,125 |
| 10029 | Mercedes | Colonia Water & Wastewater Service | Hidalgo | C | Y | Y | \$440,000 | \$611,531 | \$8,237,785 | \$9,289,316 |
| 10198 | Mercedes | DeAnda and Saenz | Hidalgo | C | | Y | \$0 | \$0 | \$602,400 | \$602,400 |
| 10284 | Military Highway WSC | South Tower Estates Collection System | Hidalgo | C | | Y | \$0 | \$107,000 | \$667,000 | \$774,000 |
| 10023 | Mission | Madero and Granjeno | Hidalgo | C | Y | Y | \$2,032,000 | \$1,146,511 | \$1,625,422 | \$4,803,933 |
| 10200 | Mission | Northwest Mission Wastewater System | Hidalgo | C | | Y | \$14,645,000 | \$651,750 | \$18,422,341 | \$33,719,091 |
| 10321 | Mission | Colonia Assistance & Management Support | Hidalgo | C | | | \$25,000 | \$0 | \$0 | \$25,000 |
| 10238 | Moore WSC | New Wastewater System | Frio | C | | Y | \$0 | \$1,958,960 | \$0 | \$1,958,960 |
| 10164 | Newton County | Water & Wastewater Systems | Newton | C | Y | Y | \$0 | \$376,125 | \$0 | \$376,125 |
| 10042 | North Alamo WSC | La Sara Wastewater System | Willacy | C | | Y | \$0 | \$1,685,186 | \$0 | \$1,685,186 |

**List of Commitments
CWTAP and EDAP**

Attachment A

| Texas Water Development Board Funding | | | | | | | | | | |
|---------------------------------------|-------------------------------|--------------------------------------|--------------|--------|-------|------------|-----------------------|--------------|--------------|-----------------------|
| Project # | Applicant | Project Title | County | Status | Water | Wastewater | TWDB Other Assistance | EDAP TOTAL | CWTAP Total | Total TWDB Assistance |
| 10251 | North Alamo WSC | Doolittle Area Water Supply | Hidalgo | C | Y | | \$380,000 | \$2,004,302 | \$0 | \$2,384,302 |
| 10274 | North Alamo WSC | San Juan Area Water Supply | Hidalgo | C | Y | | \$205,000 | \$3,159,046 | \$0 | \$3,364,046 |
| 10343 | North Alamo WSC | San Carlos West Wastewater System | Hidalgo | C | | Y | \$0 | \$757,011 | \$0 | \$757,011 |
| 72045 | Nueces River Authority | Leakey Wastewater System | Real | A | | Y | -\$45 | \$456,250 | \$0 | \$456,205 |
| 10306 | Odem | Bethel Estates & SE Odem Projects | San Patricio | A | Y | Y | \$1,940,000 | \$4,718,616 | \$0 | \$6,658,616 |
| 10017 | Olmito WSC | Olmito Water & Wastewater Systems | Cameron | C | Y | Y | \$0 | \$128,569 | \$6,995,603 | \$7,124,172 |
| 10377 | Olmito WSC | Collection System Expansion | Cameron | A | | Y | \$0 | \$300,000 | \$0 | \$300,000 |
| 21636 | Palo Pinto Co MWD # 1 | Turkey Peak Reservoir | Palo Pinto | A | Y | | \$0 | \$8,000,000 | \$0 | \$8,000,000 |
| 10241 | Pecos City | Collection System Extensions | Reeves | C | | Y | \$0 | \$369,339 | \$0 | \$369,339 |
| 10028 | Pharr | Las Milpas | Hidalgo | C | Y | Y | \$6,390,000 | \$17,320,907 | \$6,192,295 | \$29,903,202 |
| 10163 | Pineland | Delta Heights & Highway 96 | Sabine | C | Y | Y | \$0 | \$1,358,484 | \$0 | \$1,358,484 |
| 10373 | Portland | Doyle Wastewater Collection System | San Patricio | A | | Y | \$322,000 | \$333,000 | \$0 | \$655,000 |
| 10250 | Primera | New Wastewater Collection System | Cameron | C | | Y | \$0 | \$877,675 | \$9,387,149 | \$10,264,824 |
| 10386 | Richland SUD | McCulloch County Transmission Line | McCulloch | A | Y | | \$0 | \$604,000 | \$0 | \$604,000 |
| 10275 | Rincon WSC | East Side Rural Water System | San Patricio | C | Y | | \$0 | \$1,789,911 | \$0 | \$1,789,911 |
| 10044 | Rio Grande City | Las Lomas Colonia | Starr | C | Y | Y | \$0 | \$849,268 | \$324,779 | \$1,174,047 |
| 10160 | Rio Hondo | Colonia Water & Wastewater Service | Cameron | C | Y | Y | \$0 | \$108,827 | \$406,089 | \$514,916 |
| 10242 | Rio WSC | Hernandez Road Pump Station | Starr | C | Y | | \$0 | \$52,131 | \$0 | \$52,131 |
| 10043 | Roma | Water & Wastewater System Expansion | Starr | C | | Y | \$4,185,000 | \$1,284,700 | \$21,824,795 | \$27,294,495 |
| 10076 | Roma | Water System Improvements | Starr | C | Y | | \$5,555,000 | \$4,490,380 | \$0 | \$10,045,380 |
| 10350 | Roma | Water System Upgrades | Starr | C | Y | | \$0 | \$873,000 | \$4,513,000 | \$5,386,000 |
| 10364 | Roma | SB 1421 Wastewater Improvements | Starr | A | | Y | \$0 | \$283,000 | \$5,204,116 | \$5,487,116 |
| 10165 | Sabine County | Bronson, Brookeland, Toledo Bend | Sabine | C | Y | Y | \$0 | \$312,475 | \$0 | \$312,475 |
| 10296 | Saint Paul WSC | New Wastewater System | San Patricio | C | | Y | \$0 | \$1,435,323 | \$0 | \$1,435,323 |
| 10018 | San Benito | Colonia Water & Wastewater Service | Cameron | C | Y | Y | \$0 | \$1,151,629 | \$1,076,767 | \$2,228,396 |
| 10032 | San Juan | Northside Wastewater System | Hidalgo | C | | Y | \$0 | \$974,500 | \$9,869,257 | \$10,843,757 |
| 10189 | San Patricio County | San Patricio County Regional Plan | San Patricio | C | Y | Y | \$0 | \$389,750 | \$0 | \$389,750 |
| 10016 | Santa Rosa | Water System Improvements | Cameron | C | Y | | \$1,475,000 | \$38,250 | \$107,492 | \$1,620,742 |
| 10020 | Santa Rosa | Wastewater Improvements | Cameron | C | | Y | \$0 | \$0 | \$700,342 | \$700,342 |
| 10041 | Sebastian MUD | Wastewater Service | Willacy | C | | Y | \$0 | \$2,972,194 | \$0 | \$2,972,194 |
| 10156 | Siesta Shores WCID | Water System Improvements | Zapata | C | Y | | \$0 | \$814,377 | \$0 | \$814,377 |
| 10345 | Skidmore WSC | New Water & Wastewater Systems | Bee | C | Y | Y | \$175,000 | \$4,660,613 | \$0 | \$4,835,613 |
| 21634 | Somervell County WD | Wheeler Branch Reservoir WTP | Somervell | A | Y | | \$18,861,000 | \$12,174,000 | \$0 | \$31,035,000 |
| 10307 | South Newton WSC | Community Water & Wastewater Systems | Newton | A | Y | Y | \$7,045,000 | \$14,864,853 | \$0 | \$21,909,853 |
| 10167 | Spofford | Brackettville Transmission Line | Kinney | C | Y | | \$0 | \$417,079 | \$0 | \$417,079 |
| 10053 | Terrell Co WCID # 1 | Sanderson Wastewater System | Terrell | C | | Y | \$0 | \$843,175 | \$3,389,000 | \$4,232,175 |
| 10349 | The Rensselaerville Institute | Lucky J Street Water Line | Hidalgo | C | Y | | \$0 | \$15,759 | \$0 | \$15,759 |
| 10353 | The Rensselaerville Institute | Proyecto Vecinos Unidos | Hidalgo | C | | Y | \$0 | \$63,418 | \$0 | \$63,418 |
| 10354 | The Rensselaerville Institute | Proyecto Bella Vista | Hidalgo | C | | Y | \$0 | \$33,525 | \$0 | \$33,525 |
| 10357 | The Rensselaerville Institute | Proyecto Botello | Hidalgo | C | Y | | \$0 | \$25,195 | \$0 | \$25,195 |
| 10359 | The Rensselaerville Institute | Taylor Road Collection Lines | Hidalgo | C | | Y | \$0 | \$25,277 | \$0 | \$25,277 |
| 10360 | The Rensselaerville Institute | Mike Cruz Road Water Service | Hidalgo | C | Y | | \$0 | \$16,840 | \$0 | \$16,840 |
| 10361 | The Rensselaerville Institute | Project Big 5 | Hidalgo | C | Y | | \$0 | \$35,021 | \$0 | \$35,021 |
| 10382 | The Rensselaerville Institute | Unidos en Hargill - Wastewater | Hidalgo | A | | Y | \$0 | \$88,609 | \$0 | \$88,609 |

**List of Commitments
CWTAP and EDAP**

Attachment A

| Texas Water Development Board Funding | | | | | | | | | | |
|---------------------------------------|-------------------------------|---|-----------|--------|-------|------------|-----------------------|----------------------|----------------------|-----------------------|
| Project # | Applicant | Project Title | County | Status | Water | Wastewater | TWDB Other Assistance | EDAP TOTAL | CWTAP Total | Total TWDB Assistance |
| 10385 | The Rensselaerville Institute | Unidos en Hargill - Water | Hidalgo | A | Y | | \$0 | \$111,446 | \$0 | \$111,446 |
| 10395 | The Rensselaerville Institute | Tri-City Acres Wastewater | Hidalgo | A | Y | Y | \$0 | \$44,000 | \$0 | \$44,000 |
| 10346 | Tynan WSC | Water & Wastewater System Improvements | Bee | C | Y | Y | \$185,000 | \$351,454 | \$0 | \$536,454 |
| 10367 | Upper Guadalupe RA | Center Point Water System | Kerr | A | Y | | \$0 | \$51,750 | \$0 | \$51,750 |
| 10169 | Uvalde County | Water & Wastewater Improvements | Uvalde | C | Y | Y | \$0 | \$198,939 | \$0 | \$198,939 |
| 10244 | Val Verde County | Water & Wastewater Planning | Val Verde | C | Y | Y | \$0 | \$283,284 | \$0 | \$283,284 |
| 10369 | Val Verde County | Lakeview Estates Water & Wastewater | Val Verde | A | Y | Y | \$0 | \$460,000 | \$0 | \$460,000 |
| 10162 | Vinton | Water Improvements & Wastewater System | El Paso | C | Y | Y | \$0 | \$39,100 | \$0 | \$39,100 |
| 10197 | Webb County | Colonia Assistance & Management Support | Webb | C | | | \$49,200 | \$0 | \$0 | \$49,200 |
| 10199 | Webb County | Larga Vista Collection System | Webb | C | | Y | \$0 | \$0 | \$1,570,120 | \$1,570,120 |
| 10201 | Webb County | Southwest Webb County | Webb | A | Y | Y | \$3,060,000 | \$1,311,000 | \$26,691,923 | \$31,062,923 |
| 10309 | Webb County | Colonia Assistance & Management Support | Webb | C | | | \$55,000 | \$0 | \$0 | \$55,000 |
| 10342 | Webb County | SH 59 Water & Wastewater | Webb | A | Y | Y | \$0 | \$71,250 | \$0 | \$71,250 |
| 10026 | Weslaco | Southwest Wastewater Treatment Plant | Hidalgo | C | | Y | \$5,930,000 | \$397,805 | \$3,304,543 | \$9,632,348 |
| 10295 | Weslaco | Sun Country Estates | Hidalgo | C | | Y | \$0 | \$40,704 | \$0 | \$40,704 |
| 10090 | Willacy County | Water Supply and Wastewater Planning | Willacy | C | Y | Y | \$0 | \$56,250 | \$0 | \$56,250 |
| 10308 | Windmill WSC | Uvalde Estates Water Improvements | Uvalde | C | Y | | \$0 | \$2,532,617 | \$0 | \$2,532,617 |
| 10340 | Zavala Co WCID # 1 | La Pryor Water & Wastewater Systems | Zavala | A | Y | Y | \$0 | \$1,198,786 | \$7,492,219 | \$8,691,005 |
| 10402 | Zavala Co WCID # 1 | La Pryor Water Treatment Plant | Zavala | A | Y | | \$0 | \$101,000 | \$0 | \$101,000 |
| 10047 | Zavala County | Batesville | Zavala | C | Y | Y | \$0 | \$23,625 | \$0 | \$23,625 |
| 10048 | Zavala County | La Pryor Facilities Planning | Zavala | C | | Y | \$0 | \$22,488 | \$0 | \$22,488 |
| | | | | | | | \$171,132,778 | \$237,517,484 | \$388,191,405 | \$796,841,667 |

Legend: A= Active Project C= Completed Project Note: The above information reflects initial commitment dates and commitment amounts. Subsequent TWDB Board actions or commitment lapses are not reflected.

ATTACHMENT B

Status of Active Projects with Commitments

| Status of Active Projects With Commitments | | | | | | |
|---|-----------|-----------------------------|---|--------------------|--------------------------|-----------------------|
| Status as of August 31, 2009 | | | | | | |
| Commitment # | Project # | Recipient | Project Title | Status | CWTAP Commitment Balance | Construction End Date |
| G16800 | 10063 | Brownsville | Valle Hermosa & Valle Escondido | Under Construction | \$ 2,183,242 | 11/15/2009 |
| G090010 | 10371 | Donna | Westside Wastewater System Improvements | Under Construction | \$ 12,222,000 | 9/7/2010 |
| G15800 | 60813 | Eagle Pass | Regional Water & Wastewater | Under Construction | \$ 3,322,724 | 12/31/2009 |
| G15900 | 60813 | Eagle Pass | Regional Water & Wastewater | Under Construction | \$ 2,792,758 | 12/31/2009 |
| G20000 | 10059 | El Paso Co-Tornillo WID (b) | Tornillo Wastewater System | Under Construction | \$ 979,763 | 12/31/2009 |
| 20500/G2040 | 10231 | La Feria | Water & Wastewater System | Under Construction | \$ 1,375,394 | 12/2/2009 |
| G13600 | 10045 | Laredo | Mines Road & State Highway 359 | Under Construction | \$ 4,528,606 | 1/31/2010 |
| G17000 | 10045 | Laredo | Mines Road & State Highway 359 | Under Construction | \$ 4,837,446 | 1/31/2010 |
| G12500 | 10322 | Los Fresnos | Wastewater System Expansion | Under Construction | \$ 13,397,107 | 2/28/2010 |
| 06400/G0660 | 10029 | Mercedes | Water & Wastewater System | Complete | \$ 114,555 | 3/18/2008 |
| G07000 | 10364 | Roma (a) | Wastewater - SB1421 Colonias | Design-Complete | \$67,742 | 12/31/2009 |
| G17100 | | | | | | |
| G11900 | | | | | | |
| G11800 | 10201 | Webb County (b) | Rio Bravo/El Cenizo | Under Construction | \$ 1,685,982 | 12/31/2009 |
| G14600 | 10340 | Zavala Co.WCID #1 | La Pryor Wastewater | Under Construction | \$ 6,515,000 | 9/10/2010 |
| | | | | Total | \$ 54,022,319 | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Summary | | | | | | |
| | | | TOTAL CONSTRUCTION BALANCE (CWTAP 4 & 5) | \$ | 37,644,515 | |
| | | | TOTAL CWTAP FUND BALANCE (c) | \$ | 16,377,804 | |
| | | | | | | |
| | | | | | | |
| NOTE: "Excerpted from 8/31/09 CWTAP Workplan" | | | | | | |
| | | | | | | |
| | | | | | | |

ATTACHMENT C

CWTAP SFY 2009 Federal Administrative Draws

CWTAP SFY 2009 Federal Administrative Draws

| Draw # | Draw Date | Program Code | Loan/Grant | Grant Number | State Totals | CWTAP Federal Totals | Entity | Program Totals |
|--------|-----------|--------------|------------|--------------|--------------|----------------------|--------|-----------------|
| 2859 | 09/15/08 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 52,827.49 | Admin | \$ 52,827.49 |
| 2878 | 11/24/08 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 101,271.92 | Admin | \$ 101,271.92 |
| 2885 | 12/22/08 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 60,477.18 | Admin | \$ 60,477.18 |
| 2892 | 01/27/09 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 59,747.99 | Admin | \$ 59,747.99 |
| 2898 | 02/24/09 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 53,370.93 | Admin | \$ 53,370.93 |
| 2905 | 03/18/09 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 44,729.15 | Admin | \$ 44,729.15 |
| 2914 | 04/20/09 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 38,940.15 | Admin | \$ 38,940.15 |
| 2924 | 05/26/09 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 40,043.45 | Admin | \$ 40,043.45 |
| 2934 | 06/23/09 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ 35,592.40 | Admin | \$ 35,592.40 |
| 2953 | 08/20/09 | CWTAP-3 | Admin | C-480001-05 | \$ - | \$ (460,159.64) | Admin | \$ (460,159.64) |
| 2953 | 08/20/09 | CWTAP-4 | Admin | C-480001-06 | \$ - | \$ 460,159.64 | Admin | \$ 460,159.64 |
| 2956 | 08/24/09 | CWTAP-4 | Admin | C-480001-06 | \$ - | \$ 1,467.36 | Admin | \$ 1,467.36 |
| 2942 | 07/21/09 | CWTAP-5 | Admin | C-480001-07 | \$ - | \$ 38,735.43 | Admin | \$ 38,735.43 |
| 2956 | 08/24/09 | CWTAP-5 | Admin | C-480001-07 | \$ - | \$ 37,947.74 | Admin | \$ 37,947.74 |
| | | | | | \$ - | \$ 565,151.19 | Admin | \$ 565,151.19 |

ATTACHMENT D

CWTAP SFY 2009 Federal Project Draws

CWTAP SFY 2009 Federal Project Draws

| Draw No. | Draw Date | Program Code | TWDB Grant Number | CWTAP Grant Number | State Totals | CWTAP Federal Totals | Entity | Program Totals |
|----------|-----------|--------------|-------------------|--------------------|---------------|----------------------|--------------------------|------------------|
| 2858 | 09/11/08 | CWTAP-3 | G17400 | C-480001-05 | \$ - | \$ 7,077.00 | Mission, City of | \$ 7,077.00 |
| 2859 | 09/15/08 | CWTAP-3 | G070003 | C-480001-05 | \$ - | \$ 47,647.60 | Roma, City of | \$ 47,647.60 |
| 2861 | 09/19/08 | CWTAP-3 | G14600 | C-480001-05 | \$ - | \$ 304,036.05 | Zaval County WCID #1 | \$ 304,036.05 |
| 2862 | 09/24/08 | CWTAP-3 | G15900 | C-480001-05 | \$ - | \$ 1,973,646.84 | Eagle Pass, City of | \$ 1,973,646.84 |
| 2938 | 07/13/09 | CWTAP-3 | G20500 | C-480001-05 | \$ - | \$ 1,085,625.73 | La Feria, City of | \$ 1,085,625.73 |
| 2945 | 07/27/09 | CWTAP-3 | G20500 | C-480001-05 | \$ - | \$ 646,352.29 | La Feria, City of | \$ 646,352.29 |
| 2957 | 08/25/09 | CWTAP-3 | G06400 | C-480001-05 | \$ - | \$ 670,772.98 | Mercedes, City of | \$ 670,772.98 |
| | | | | | \$ - | \$ 4,735,158.49 | CWTAP - 3 | \$ 4,735,158.49 |
| Draw No. | Draw Date | Program Code | TWDB Grant Number | CWTAP Grant Number | State Totals | CWTAP Federal Totals | Entity | Program Totals |
| 2859 | 09/15/08 | CWTAP-4 | G17100 | C-480001-06 | \$ - | \$ 118,425.00 | Webb County | \$ 118,425.00 |
| 2862 | 09/24/08 | CWTAP-4 | G15800 | C-480001-06 | \$ - | \$ 2,360,152.00 | Eagle Pass, City of | \$ 2,360,152.00 |
| 2862 | 09/24/08 | CWTAP-4 | G15900 | C-480001-06 | \$ - | \$ 236,581.16 | Eagle Pass, City of | \$ 236,581.16 |
| 2863 | 09/25/08 | CWTAP-4 | G12500 | C-480001-06 | \$ - | \$ 1,246.69 | Los Fresnos, City of | \$ 1,246.69 |
| 2868 | 10/15/08 | CWTAP-4 | G070003 | C-480001-06 | \$ - | \$ 25,000.60 | Roma, City of | \$ 25,000.60 |
| 2868 | 10/15/08 | CWTAP-4 | G17400 | C-480001-06 | \$ 588.48 | \$ 411.52 | Mission, City of | \$ 1,000.00 |
| 2875 | 11/10/08 | CWTAP-4 | G17400 | C-480001-06 | \$ - | \$ 74,685.00 | Mission, City of | \$ 74,685.00 |
| 2876 | 11/17/08 | CWTAP-4 | G16800 | C-480001-06 | \$ - | \$ 113,580.00 | Brownsville, PUB | \$ 113,580.00 |
| 2877 | 11/20/08 | CWTAP-4 | G15900 | C-480001-06 | \$ 2,893.06 | \$ 2,670,991.94 | Eagle Pass, City of | \$ 2,673,885.00 |
| 2886 | 01/06/09 | CWTAP-4 | G17400 | C-480001-06 | \$ 14,688.91 | \$ 8,754.09 | Mission, City of | \$ 23,443.00 |
| 2886 | 01/06/09 | CWTAP-4 | G20400 | C-480001-06 | \$ - | \$ 188,285.40 | La Feria, City of | \$ 188,285.40 |
| 2888 | 01/15/09 | CWTAP-4 | G20000 | C-480001-06 | \$ - | \$ 2,000,000.00 | El Paso Co. Tornillo WID | \$ 2,000,000.00 |
| 2895 | 02/17/09 | CWTAP-4 | G12500 | C-480001-06 | \$ - | \$ 8,274.53 | Los Fresnos, City of | \$ 8,274.53 |
| 2901 | 03/05/09 | CWTAP-4 | G16800 | C-480001-06 | \$ - | \$ 49,159.00 | Brownsville, PUB | \$ 49,159.00 |
| 2907 | 04/01/09 | CWTAP-4 | G17400 | C-480001-06 | \$ 5,989.05 | \$ 38,088.95 | Mission, City of | \$ 44,078.00 |
| 2907 | 04/01/09 | CWTAP-4 | G15200 | C-480001-06 | \$ 110.00 | \$ - | Batesville WSC | \$ 110.00 |
| 2908 | 04/01/09 | CWTAP-4 | G11900 | C-480001-06 | \$ 6,099.05 | \$ 57,083.95 | Webb County | \$ 63,183.00 |
| 2908 | 04/01/09 | CWTAP-4 | G11900 | C-480001-06 | \$ (6,099.05) | \$ 6,099.05 | Webb County | \$ - |
| 2908 | 04/01/09 | CWTAP-4 | G15200 | C-480001-06 | \$ - | \$ (6,099.05) | Batesville WSC | \$ (6,099.05) |
| 2910 | 04/07/09 | CWTAP-4 | G20400 | C-480001-06 | \$ - | \$ 9,615.61 | La Feria, City of | \$ 9,615.61 |
| 2910 | 04/07/09 | CWTAP-4 | G20400 | C-480001-06 | \$ - | \$ 8,099.69 | La Feria, City of | \$ 8,099.69 |
| 2910 | 04/07/09 | CWTAP-4 | G15200 | C-480001-06 | \$ - | \$ (8,099.69) | Batesville WSC | \$ (8,099.69) |
| 2910 | 04/07/09 | CWTAP-4 | G20500 | C-480001-06 | \$ - | \$ 212,666.77 | La Feria, City of | \$ 212,666.77 |
| 2915 | 04/21/09 | CWTAP-4 | G20500 | C-480001-06 | \$ - | \$ 823,491.19 | La Feria, City of | \$ 823,491.19 |
| 2917 | 05/05/09 | CWTAP-4 | G16800 | C-480001-06 | \$ 6,126.65 | \$ 322,532.35 | Brownsville, PUB | \$ 328,659.00 |
| 2923 | 05/20/09 | CWTAP-4 | G20500 | C-480001-06 | \$ - | \$ 532,485.80 | La Feria, City of | \$ 532,485.80 |
| 2929 | 06/10/09 | CWTAP-4 | G20000 | C-480001-06 | \$ - | \$ 182,281.00 | El Paso Co. Tornillo WID | \$ 182,281.00 |
| 2932 | 06/17/09 | CWTAP-4 | G16800 | C-480001-06 | \$ - | \$ 79,238.00 | Brownsville, PUB | \$ 79,238.00 |
| 2957 | 08/25/09 | CWTAP-4 | G06400 | C-480001-06 | \$ - | \$ 17,094.33 | Mercedes, City of | \$ 17,094.33 |
| 2957 | 0/25/09 | CWTAP-4 | G06600 | C-480001-06 | \$ - | \$ 36,563.26 | Mercedes, City of | \$ 36,563.26 |
| | | | | | \$ 30,396.15 | \$ 10,166,688.14 | CWTAP - 4 | \$ 10,197,084.29 |

CWTAP SFY 2009 Federal Project Draws

| Draw No. | Draw Date | Program Code | TWDB Grant Number | CWTAP Grant Number | State Totals | CWTAP Federal Totals | Entity | Program Totals |
|----------|-----------|--------------|-------------------|--------------------|---------------|----------------------|---------------------|------------------|
| 2868 | 10/15/08 | CWTAP-5 | G15800 | C-480001-07 | \$ - | \$ 1,325,121.00 | Eagle Pass, City of | \$ 1,325,121.00 |
| 2870 | 10/22/08 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 202,276.44 | Laredo, City of | \$ 202,276.44 |
| 2870 | 10/22/08 | CWTAP-5 | G13600 | C-480001-07 | \$ - | \$ 2,295.00 | Laredo, City of | \$ 2,295.00 |
| 2870 | 10/22/08 | CWTAP-5 | G13600 | C-480001-07 | \$ - | \$ (0.60) | Roma, City of | \$ (0.60) |
| 2873 | 11/03/08 | CWTAP-5 | G17100 | C-480001-07 | \$ - | \$ 49,876.00 | Webb County | \$ 49,876.00 |
| 2875 | 11/10/08 | CWTAP-5 | G13600 | C-480001-07 | \$ - | \$ 1,529.00 | Laredo, City of | \$ 1,529.00 |
| 2875 | 11/10/08 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 161,804.12 | Laredo, City of | \$ 161,804.12 |
| 2891 | 01/27/09 | CWTAP-5 | G13600 | C-480001-07 | \$ - | \$ 9,800.00 | Laredo, City of | \$ 9,800.00 |
| 2891 | 01/27/09 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 204,447.86 | Laredo, City of | \$ 204,447.86 |
| 2893 | 02/02/09 | CWTAP-5 | G17100 | C-480001-07 | \$ 8,278.47 | \$ 27,976.53 | Webb County | \$ 36,255.00 |
| 2900 | 03/04/09 | CWTAP-5 | G15900 | C-480001-07 | \$ - | \$ 71,992.22 | Eagle Pass, City of | \$ 71,992.22 |
| 2900 | 03/04/09 | CWTAP-5 | G15800 | C-480001-07 | \$ 61,061.67 | \$ 1,184,201.21 | Eagle Pass, City of | \$ 1,245,262.88 |
| 2900 | 03/04/09 | CWTAP-5 | G15800 | C-480001-07 | \$ 6,985.12 | \$ - | Eagle Pass, City of | \$ 6,985.12 |
| 2900 | 03/04/09 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 357.89 | Laredo, City of | \$ 357.89 |
| 2904 | 03/17/09 | CWTAP-5 | G15800 | C-480001-07 | \$ - | \$ 353,649.00 | Eagle Pass, City of | \$ 353,649.00 |
| 2904 | 03/17/09 | CWTAP-5 | G15900 | C-480001-07 | \$ - | \$ 648,575.22 | Eagle Pass, City of | \$ 648,575.22 |
| 2908 | 04/01/09 | CWTAP-5 | G17100 | C-480001-07 | \$ - | \$ 431,990.00 | Webb County | \$ 431,990.00 |
| 2919 | 05/06/09 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 351,258.82 | Laredo, City of | \$ 351,258.82 |
| 2923 | 05/20/09 | CWTAP-5 | G13600 | C-480001-07 | \$ - | \$ 146,987.00 | Laredo, City of | \$ 146,987.00 |
| 2927 | 06/04/09 | CWTAP-5 | G15800 | C-480001-07 | \$ - | \$ 1,212,471.00 | Eagle Pass, City of | \$ 1,212,471.00 |
| 2927 | 06/04/09 | CWTAP-5 | G13600 | C-480001-07 | \$ 6,614.83 | \$ 13,148.17 | Laredo, City of | \$ 19,763.00 |
| 2927 | 06/04/09 | CWTAP-5 | G15900 | C-480001-07 | \$ - | \$ 1,171,419.43 | Eagle Pass, City of | \$ 1,171,419.43 |
| 2927 | 06/04/09 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 21,683.04 | Laredo, City of | \$ 21,683.04 |
| 2928 | 06/09/09 | CWTAP-5 | G17100 | C-480001-07 | \$ - | \$ 695,459.00 | Webb County | \$ 695,459.00 |
| 2932 | 06/17/09 | CWTAP-5 | G13600 | C-480001-07 | \$ - | \$ 1,946.00 | Laredo, City of | \$ 1,946.00 |
| 2932 | 06/17/09 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 5,813.38 | Laredo, City of | \$ 5,813.38 |
| 2941 | 07/20/09 | CWTAP-5 | G13600 | C-480001-07 | \$ - | \$ 11,265.00 | Laredo, City of | \$ 11,265.00 |
| 2945 | 07/27/09 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 22,721.11 | Laredo, City of | \$ 22,721.11 |
| 2951 | 08/18/09 | CWTAP-5 | G15800 | C-480001-07 | \$ - | \$ 119,493.00 | Eagle Pass, City of | \$ 119,493.00 |
| 2954 | 08/20/09 | CWTAP-5 | G17000 | C-480001-07 | \$ - | \$ 261,117.80 | Laredo, City of | \$ 261,117.80 |
| 2954 | 08/20/09 | CWTAP-5 | G13600 | C-480001-07 | \$ - | \$ 7,925.00 | Laredo, City of | \$ 7,925.00 |
| 2955 | 08/24/09 | CWTAP-5 | G17100 | C-480001-07 | \$ - | \$ 247,859.93 | Webb County | \$ 247,859.93 |
| | | | | | \$ 82,940.09 | \$ 8,966,458.57 | CWTAP - 5 | \$ 9,049,398.66 |
| | | | | | \$ 113,336.24 | \$ 23,868,305.20 | Program All Total | \$ 23,981,641.44 |

ATTACHMENT E

Details of Expenses Relating to Administration

CWTAP SFY 2009 TWDB Administrative Expenses

| | Object Class Category (Non-Construction) | SFY 2009 | Prior Years Totals | Total Expenses |
|----|---|----------------------|-------------------------------|---------------------------|
| 1 | Personnel | \$ 327,717.58 | \$ 7,875,410.01 | \$ 8,657,265.87 |
| 2 | Fringe | \$ 80,749.61 | \$ 786,100.77 | \$ 953,182.07 |
| 3 | Travel | \$ 3,306.37 | \$ 290,356.57 | \$ 297,398.32 |
| 4 | Equipment | \$ 2,293.00 | \$ 174,649.94 | \$ 177,849.30 |
| 5 | Supplies | \$ 3,967.05 | \$ 81,622.85 | \$ 88,198.16 |
| 6 | Contractual | \$ 1,080.00 | \$ 146,819.38 | \$ 157,206.82 |
| 7 | Other | \$ 7,756.60 | \$ 275,257.09 | \$ 293,981.68 |
| 8 | Total Direct Charges | \$ 426,870.21 | \$ 9,630,216.61 | \$ 10,625,082.22 |
| 9 | Indirect Costs | \$ 93,923.86 | \$ 3,193,520.87 | \$ 3,426,910.60 |
| 10 | Overall Totals | \$ 520,794.07 | \$ 12,823,737.48 | \$ 14,051,992.82 |

ATTACHMENT F

CWTAP State Match Transfers

CWTAP MATCH TRANSFERS

| CWTAP Grant # | Date of Transfer | EDAP-WQE Source Series | Principal Amount of Transfer | Interest Match Accrued | EDAP Funds Spent Match Provided | Match Provided | Cumulative ACH Draws To Date | Cumulative Match Required | Cumulative Match Provided | Match As Percentage of Total Funds | Total Grant Amount | Balance Remaining At Transfer Date |
|----------------------|-------------------------------|------------------------|------------------------------|------------------------|---------------------------------|----------------------|------------------------------|---------------------------|---------------------------|------------------------------------|--------------------|------------------------------------|
| I | 8/31/1994 | 92D | 120,155.00 | 26,202.81 | | 146,357.81 | | 146,357.81 | | | | |
| I | 8/31/1994 | 93E | 3,216,303.01 | 684,990.70 | | 3,901,293.71 | | 4,047,651.53 | | | | |
| I | 9/30/1996 | 93E | 4,837,163.98 | 445,299.10 | | 5,282,463.08 | | 9,330,114.61 | | | | |
| I | 9/30/1996 | 94D | 4,922,348.65 | 527,935.84 | | 5,450,284.49 | | 14,780,399.10 | | | | |
| I | 9/30/1996 | 96D | 4,530,495.90 | 401,309.28 | | 4,931,805.18 | 17,626,466.54 | 17,626,466.54 | 19,712,204.27 | | | |
| | Total Prior to 98 Refunding * | | 17,626,466.54 | 2,085,737.73 | | 19,712,204.27 | | | | | | |
| I | 5/28/1998 | 98 Transfer * | 17,626,466.54 | 12,904,071.82 | | 30,530,538.36 | 17,626,466.54 | 17,626,466.54 | 30,530,538.36 | 63.40% | 50,000,000.00 | 32,373,533.46 |
| I | 9/30/1998 | 98C | 3,744,979.64 | 2,221,536.31 | | 5,966,515.95 | 36,497,054.31 | 36,497,054.31 | 36,497,054.31 | 50.00% | 50,000,000.00 | 13,502,945.69 |
| I | 9/30/1999 | 98C | 7,581,476.79 | 4,122,210.73 | | 11,703,687.52 | 48,200,741.83 | 48,200,741.83 | 48,200,741.83 | 50.00% | 50,000,000.00 | 1,799,258.17 |
| I | 9/30/2000 | 98C | 7,075.24 | 3,504.76 | | 10,580.00 | 48,211,321.83 | 48,211,321.83 | 48,211,321.83 | 50.00% | 50,000,000.00 | 1,788,678.17 |
| I | 9/30/2001 | 99B | 5,467.16 | 3,311.44 | | 8,778.60 | 48,220,100.43 | 48,220,100.43 | 48,220,100.43 | 50.00% | 50,000,000.00 | 1,779,899.57 |
| I | 9/30/2004 | 01A | 921,810.72 | 858,088.85 | | 1,779,899.57 | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 | 50.00% | 50,000,000.00 | - |
| CWTAP I Total | | | 29,887,276.09 | 20,112,723.91 | | 50,000,000.00 | | | | | | |

| CWTAP Grant # | Date of Transfer | EDAP-WQE Source Series | Principal Amount of Transfer | Interest Match Accrued | EDAP Funds Spent Match Provided | Match Provided | Cumulative ACH Draws To Date | Cumulative Match Required | Cumulative Match Provided | Match As Percentage of Total Funds | Total Grant Amount | Balance Remaining At Transfer Date |
|-----------------------|------------------|------------------------|------------------------------|------------------------|---------------------------------|----------------------|------------------------------|---------------------------|---------------------------|------------------------------------|--------------------|------------------------------------|
| II | 9/30/1998 | 98C | 284,941.79 | 169,028.56 | | 453,970.35 | 2,269,851.75 | 453,970.35 | 453,970.35 | 16.67% | 100,000,000.00 | 97,730,148.25 |
| II | 9/30/1999 | 98C | 939,961.55 | 511,077.15 | | 1,451,038.70 | 9,525,045.26 | 1,905,009.05 | 1,905,009.05 | 16.67% | 100,000,000.00 | 90,474,954.74 |
| II | 9/30/2000 | 98C | 2,268,331.47 | 1,123,632.63 | | 3,391,964.10 | 26,484,865.81 | 5,296,973.16 | 5,296,973.16 | 16.67% | 100,000,000.00 | 73,515,134.19 |
| II | 9/30/2001 | 99B | 2,343,682.17 | 1,419,557.83 | | 3,763,240.00 | 45,301,065.80 | 9,060,213.16 | 9,060,213.16 | 16.67% | 100,000,000.00 | 54,698,934.20 |
| II | 9/30/2002 | 99B | 2,475,564.88 | 1,408,967.32 | | 3,884,532.20 | 64,723,726.80 | 12,944,745.36 | 12,944,745.36 | 16.67% | 100,000,000.00 | 35,276,273.20 |
| II | 9/30/2003 | 01A | 1,696,802.25 | 1,669,266.22 | | 3,366,068.47 | 81,554,069.13 | 16,310,813.83 | 16,310,813.83 | 16.67% | 100,000,000.00 | 18,445,930.87 |
| II | 9/30/2004 | 01A | 1,275,848.92 | 1,187,653.52 | | 2,463,502.44 | 93,871,581.37 | 18,774,316.27 | 18,774,316.27 | 16.67% | 100,000,000.00 | 6,128,418.63 |
| II | 9/28/2005 | 02C | 802,134.92 | 423,548.81 | | 1,225,683.73 | 100,000,000.00 | 20,000,000.00 | 20,000,000.00 | 16.67% | 100,000,000.00 | - |
| | | | - | - | | - | 100,000,000.00 | 20,000,000.00 | 20,000,000.00 | 16.67% | 100,000,000.00 | - |
| | | | - | - | | - | 100,000,000.00 | 20,000,000.00 | 20,000,000.00 | 16.67% | 100,000,000.00 | - |
| | | | - | - | | - | 100,000,000.00 | 20,000,000.00 | 20,000,000.00 | 16.67% | 100,000,000.00 | - |
| CWTAP II Total | | | 12,087,267.97 | 7,912,732.03 | | 20,000,000.00 | | | | | | |

| CWTAP Grant # | Date of Transfer | EDAP-WQE Source Series | Principal Amount of Transfer | Interest Match Accrued | EDAP Funds Spent Match Provided | Match Provided | Cumulative ACH Draws To Date | Cumulative Match Required | Cumulative Match Provided | Match As Percentage of Total Funds | Total Grant Amount | Balance Remaining At Transfer Date |
|------------------------|------------------|------------------------|------------------------------|------------------------|---------------------------------|----------------------|------------------------------|---------------------------|---------------------------|------------------------------------|--------------------|------------------------------------|
| III | 9/30/2001 | 99B | 411,623.48 | 140,128.50 | | 551,751.98 | 1,014,960.04 | 661,166.48 | 551,751.98 | 35.22% | 50,000,000.00 | 48,985,039.96 |
| III | 9/30/2002 | 99B | 408,793.35 | 124,225.40 | | 533,018.75 | 2,000,000.00 | 1,302,842.38 | 1,084,770.73 | 35.17% | 50,000,000.00 | 48,000,000.00 |
| III | 9/28/2005 | 02C | 6,584,822.82 | 1,108,217.71 | | 7,693,040.53 | 17,451,146.18 | 11,368,046.42 | 8,777,811.26 | 33.47% | 50,000,000.00 | 32,548,853.82 |
| III | 9/25/2006 | 01A | 352,311.17 | 53,114.84 | | 405,426.01 | 21,735,312.90 | 14,158,843.40 | 9,183,237.27 | 29.70% | 50,000,000.00 | 28,264,687.10 |
| III | 9/25/2006 | 02C | 1,976,410.95 | 43,448.73 | | 2,019,859.68 | 21,735,312.90 | 14,158,843.40 | 11,203,096.95 | 34.01% | 50,000,000.00 | 28,264,687.10 |
| III | 9/28/2007 | 04C | 3,817,621.02 | 307,640.37 | | 4,125,261.39 | 31,145,467.42 | 20,281,941.55 | 15,328,358.34 | 32.98% | 50,000,000.00 | 18,854,532.58 |
| III | 9/29/2008 | 07C | 5,555,300.14 | 187,107.91 | 1,341,000.00 | 7,083,408.05 | 47,623,235.47 | 31,012,271.07 | 22,411,766.39 | 32.00% | 50,000,000.00 | 2,376,764.53 |
| III | 4/29/2009 | 07C | 5,479,859.74 | 56,225.71 | 4,623,207.68 | 10,159,293.13 | 50,000,000.00 | 32,560,021.14 | 32,571,059.52 | 39.45% | 50,000,000.00 | - |
| III | 8/28/2009 | 04C | - | - | - | - | 50,000,000.00 | 32,560,021.14 | 32,571,059.52 | 39.45% | 50,000,000.00 | - |
| CWTAP III Total | | | 24,586,742.67 | 2,020,109.17 | 5,964,207.68 | 32,571,059.52 | | | | | | |

| CWTAP Grant # | Date of Transfer | EDAP-WQE Source Series | Principal Amount of Transfer | Interest Match Accrued | EDAP Funds Spent Match Provided | Match Provided | Cumulative ACH Draws To Date | Cumulative Match Required | Cumulative Match Provided | Match As Percentage of Total Funds | Total Grant Amount | Balance Remaining At Transfer Date |
|-----------------------|------------------|------------------------|------------------------------|------------------------|---------------------------------|----------------------|------------------------------|---------------------------|---------------------------|------------------------------------|--------------------|------------------------------------|
| IV | 9/30/2002 | 99B | 87,786.78 | 29,962.54 | | 117,749.32 | 688,753.05 | 137,750.61 | 117,749.32 | 14.60% | 50,000,000.00 | 49,311,246.95 |
| IV | 9/30/2002 | 01A | 19,380.76 | 9,397.81 | | 28,778.58 | 892,934.70 | 178,586.94 | 146,527.89 | 14.10% | 50,000,000.00 | 49,107,065.30 |
| IV | 9/30/2003 | 01A | 285,330.84 | 103,181.64 | | 388,512.48 | 3,723,091.10 | 744,618.22 | 535,040.37 | 12.57% | 50,000,000.00 | 46,276,908.90 |
| IV | 9/30/2004 | 01A | 829,385.42 | 256,049.86 | | 1,085,435.28 | 11,730,281.32 | 2,346,056.26 | 1,620,475.65 | 12.14% | 50,000,000.00 | 38,269,718.68 |
| IV | 9/28/2005 | 02C | 1,364,490.36 | 284,816.02 | | 1,649,306.39 | 22,155,171.18 | 4,431,034.24 | 3,269,782.04 | 12.86% | 50,000,000.00 | 27,844,828.82 |
| IV | 9/25/2006 | 02C | 1,108,535.55 | 164,249.58 | | 1,272,785.13 | 30,288,831.76 | 6,057,766.35 | 4,542,567.17 | 13.04% | 50,000,000.00 | 19,711,168.24 |
| IV | 9/28/2007 | 04C | 1,85,494.83 | 22,820.58 | | 208,315.41 | 31,776,817.46 | 6,355,516.02 | 4,750,882.58 | 13.01% | 50,000,000.00 | 18,223,182.54 |
| IV | 9/29/2008 | 07C | 1,269,746.76 | 92,685.53 | | 1,362,432.28 | 41,654,921.51 | 8,331,184.25 | 6,113,314.86 | 12.80% | 50,000,000.00 | 8,345,078.49 |
| IV | 4/29/2009 | 07C | 2,174,916.76 | 42,752.68 | | 2,217,669.44 | 41,654,921.51 | 8,330,984.30 | 8,330,984.30 | 16.67% | 50,000,000.00 | - |
| IV | 8/28/2009 | 04C | 1,522,607.48 | 59,774.58 | - | 1,582,382.06 | 49,566,831.80 | 9,913,366.36 | 9,913,366.36 | 16.67% | 50,000,000.00 | 433,168.20 |
| IV | 8/28/2009 | 04C | 83,361.05 | 3,272.59 | - | 86,633.64 | 50,000,000.00 | 10,000,000.00 | 10,000,000.00 | 16.67% | 50,000,000.00 | - |
| CWTAP IV Total | | | 8,931,036.59 | 1,068,963.41 | - | 10,000,000.00 | | | | | | |

| CWTAP Grant # | Date of Transfer | EDAP-WQE Source Series | Principal Amount of Transfer | Interest Match Accrued | EDAP Funds Spent Match Provided | Match Provided | Cumulative ACH Draws To Date | Cumulative Match Required | Cumulative Match Provided | Match As Percentage of Total Funds | Total Grant Amount | Balance Remaining At Transfer Date |
|----------------------|------------------|------------------------|------------------------------|------------------------|---------------------------------|----------------------|------------------------------|---------------------------|---------------------------|------------------------------------|--------------------|------------------------------------|
| V | 9/30/2003 | 01A | 9,355.69 | 3,383.21 | | 12,738.90 | 92,797.77 | 18,559.55 | 12,738.90 | 12.07% | 50,000,000.00 | 49,907,202.23 |
| V | 9/30/2004 | 01A | 87,726.94 | 27,083.27 | | 114,810.22 | 939,745.77 | 187,949.15 | 127,549.12 | 11.95% | 50,000,000.00 | 49,060,254.23 |
| V | 9/28/2005 | 02C | 66,190.86 | 13,816.31 | | 80,007.17 | 1,445,452.83 | 289,090.57 | 207,556.29 | 12.56% | 50,000,000.00 | 48,554,547.17 |
| V | 9/25/2006 | 02C | 42,543.16 | 6,303.54 | | 48,846.70 | 1,757,604.88 | 351,520.98 | 256,402.99 | 12.73% | 50,000,000.00 | 48,242,395.12 |
| V | 9/28/2007 | 04C | 30,207.90 | 4,172.65 | | 34,380.55 | 2,000,000.00 | 400,009.60 | 290,783.54 | 12.69% | 50,000,000.00 | 48,000,000.00 |
| V | 4/29/2009 | 07C | 107,567.89 | 2,114.48 | | 109,682.37 | 2,000,000.00 | 400,009.60 | 400,465.91 | 16.68% | 50,000,000.00 | 48,000,000.00 |
| V | 8/28/2009 | 04C | 2,075,773.99 | 81,490.81 | - | 2,157,264.80 | 12,788,653.57 | 2,557,730.71 | 2,557,730.71 | 16.67% | 50,000,000.00 | 37,211,346.43 |
| V | 8/28/2009 | 04C | 7,161,137.10 | 281,132.19 | - | 7,442,269.29 | 50,000,000.00 | 10,000,000.00 | 10,000,000.00 | 16.67% | 50,000,000.00 | - |
| CWTAP V Total | | | 9,580,503.53 | 419,496.47 | - | 10,000,000.00 | | | | | | |

Total Principal Amount of Transfer

85,072,826.86

* The refunding of Bonds which provided the matching funds, reduced the future interest costs component of the match after 5/28/1998 (the refunding date). \$10,818,334.08 of the interest match is based upon the refunding bonds interest attributable to the match funds and \$2,085,737.73 is attributable to the interest paid on bonds which provided match funds prior to the 5/28/1998 refunding bonds being issued, for a total interest match of \$12,904,071.82.

ATTACHMENT G

CWTAP Match Projections
(Assuming Match Includes Principal and Interest)

CWTAP MATCH PROJECTIONS
(Assuming Match Includes Principal and Interest)

Attachment G

| Grant # | P&I Hard Match % | State Principal Match | State Interest Match | EDAP Funds Spent Match | Total Hard Match | State Soft Match | Federal Funds | Total Program Funds |
|---------------------------|------------------------|-----------------------------|----------------------------|------------------------------|------------------------|------------------------|-----------------------|---------------------------|
| I | 50.000% | 29,887,276.09 | 20,112,723.91 | - | 50,000,000.00 | - | - | 50,000,000.00 |
| I | 50.000% | - | - | - | - | - | 50,000,000.00 | 50,000,000.00 |
| Total I | 50.000% | 29,887,276.09 | 20,112,723.91 | - | 50,000,000.00 | - | 50,000,000.00 | 100,000,000.00 |
| II | 16.667% | 12,087,267.97 | 7,912,732.03 | - | 20,000,000.00 | - | - | 20,000,000.00 |
| II | 16.667% | - | - | - | - | 25,000,000.00 | 100,000,000.00 | 125,000,000.00 |
| Total II | 16.667% | 12,087,267.97 | 7,912,732.03 | - | 20,000,000.00 | 25,000,000.00 | 100,000,000.00 | 145,000,000.00 |
| III | 39.438% | 24,586,742.67 | 2,020,109.17 | 5,964,207.68 | 32,571,059.52 | - | - | 32,571,059.52 |
| III | 39.438% | - | - | - | - | 5,450,000.00 | 50,000,000.00 | 55,450,000.00 |
| Total III | 39.446% | 24,586,742.67 | 2,020,109.17 | 5,964,207.68 | 32,571,059.52 | 5,450,000.00 | 50,000,000.00 | 88,021,059.52 |
| IV | 16.667% | 8,931,036.59 | 1,068,963.41 | - | 10,000,000.00 | - | - | 10,000,000.00 |
| IV | 16.667% | - | - | - | - | - | 50,000,000.00 | 50,000,000.00 |
| Total IV | 16.667% | 8,931,036.59 | 1,068,963.41 | - | 10,000,000.00 | - | 50,000,000.00 | 60,000,000.00 |
| V | 16.667% | 9,580,503.53 | 419,496.47 | - | 10,000,000.00 | - | - | 10,000,000.00 |
| V | 16.667% | - | - | - | - | - | 50,000,000.00 | 50,000,000.00 |
| Total V | 16.667% | 9,580,503.53 | 419,496.47 | - | 10,000,000.00 | - | 50,000,000.00 | 60,000,000.00 |
| Grand Total | | 85,072,826.86 | 31,534,024.99 | | 122,571,059.52 | 30,450,000.00 | 300,000,000.00 | 453,021,059.52 |
| Transferred | | 85,072,826.86 | | | | | | |
| Future Transfers Required | | 0.00 | | | | | | |

ATTACHMENT H

**TWDB Annual Financial Statements
Related to CWTAP**

These will be sent as soon as they are complete
under separate cover.

ATTACHMENT I

Indirect Cost Rate Approval for FY 2009



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 treated 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)

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

Chief Financial Officer
(Title)

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

Enclosure