

STATE OF TEXAS

Annual Report

Clean Water State Revolving Fund

www.twdb.texas.gov/financial/programs/cwsrf



SFY 2013

TEXAS WATER DEVELOPMENT BOARD
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1. Executive Summary

The purpose of the Clean Water State Revolving Fund (CWSRF) is to provide below market rate loans to assist applicants in meeting the wastewater needs of their communities. As of August 31, 2013, the Texas Water Development Board's (TWDB) CWSRF program had received a total of \$1,899,335,141 in U.S. Environmental Protection Agency (EPA) capitalization grants. Since the inception of the program in 1988, and through considerable leveraging of the capitalization grants, the State of Texas had made net binding loan commitments totaling \$6,408,069,566.

The TWDB provides this comprehensive annual report to the EPA and the public to detail the activities undertaken to reach the goals and objectives set forth in the State Fiscal Year (SFY) FY 2013 Intended Use Plan (IUP) and the activities and obligations under the CWSRF program. This report describes the progress made toward short-term and long-term program goals, the financial status of the CWSRF, and compliance with federal CWSRF requirements during SFY 2013, which was from September 1, 2012, through August 31, 2013.

The SFY 2013 IUP described the intended uses of the funds available in the CWSRF loan program and detailed how the CWSRF program planned to commit available funds. Eligible entities had through March 1, 2012 to submit a project information form expressing interest in assistance from the CWSRF. TWDB staff reviewed and ranked all submissions based on the requirements set forth in the TWDB rules found at Title 31, Chapter 375 of the Texas Administrative Code and criteria established for SFY 2013. This priority ranking process provided control over the amount and type of loans made and facilitated compliance with federally mandated requirements. As an indication of current interest in the program, the TWDB's CWSRF received 210 project information forms for the SFY 2013 IUP from eligible applicants in the total amount of over \$1.1 billion.

The federal capitalization grant used for the SFY 2013 IUP of \$64,597,000 was from the Federal Fiscal Year (FFY) 2012 Appropriations. The TWDB's Executive Administrator set the SFY 2013 CWSRF program capacity at \$325,000,000. Historically, applicants for funds that required compliance with federal requirements covering environmental review, social policy, and economic policy received an interest rate subsidy of 1.30 percent below market rates. Projects that did not need to comply with these federal requirements received an interest rate subsidy of 0.95 percent below market rates. During the summer of 2013 both of these subsidies were increased by 25 basis points to increase demand for the program.

In SFY 2013, the TWDB closed assistance agreements totaling \$127,163,670, which included additional subsidization of \$5,568,570. For a breakdown of the IUP years

associated with these loan closings, see Appendix B. As of August 31, 2013, there were 13 additional loan commitments totaling \$153,318,485 and three applications under review from the SFY 2013 IUP in the amount of \$9,918,631. All American Recovery and Reinvestment Act (ARRA) funds were disbursed by August 31, 2013.

In addition to the EPA capitalization grant, CWSRF program funds were made available from a required state match of 20 percent of the grant, principal repayments, and interest and investment earnings. Also, as necessary, revenue bonds are issued to fund projects. In SFY 2013, no revenue bonds were issued by the TWDB to provide additional funding for the CWSRF program.

2. Goals and Achievements

The primary mission of the Clean Water Act is to restore and maintain the chemical, physical, and biological integrity of the state's waters. The CWSRF program is available to provide financial support to achieve this mission. The TWDB provided effective and efficient administration of the CWSRF program, offering below-market interest rates, long-term financing, and loan forgiveness, to assist entities in protecting the water quality of the state.

Short-Term Goals of the CWSRF

Goal 1– Continue to monitor and manage for Unliquidated Obligations (i.e., unspent federal grant funds).

The TWDB reduced its unliquidated obligations in the CWSRF to the extent that only the administration from the FFY 2012 grant was outstanding. As of August 31, 2013, the outstanding CWSRF capitalization grant balance was \$6,137,545.86 of administration funds, which consisted of \$1,051,413.86 of banked administration from the FFY 2011 capitalization grant and \$5,086,132 of administration and banked administration from the FFY 2012 capitalization grant. The entire construction amount of the grant had been spent. The new FFY 2013 grant of \$61,021,000 was received on August 20, 2013 and had not been spent as of August 31, 2013.

Goal 2– Target SFY 2013 CWSRF loan projects by initial high ranking and ability to proceed to construction quickly.

Prior to the SFY 2011 IUP, TWDB offered applicants funding for both the initial Planning, Acquisition, and Design (PAD) and construction phases of a project in a single loan commitment. In SFY 2013, TWDB awarded funding only for the PAD phase unless the project was ready to proceed promptly to construction. Throughout the year, TWDB used a review process that targeted funds to those projects that were determined to be ready to proceed to construction.

Prospective applicants submitted for staff review a progress report of the project milestones completed to date to determine whether it was ready to proceed. Ready to proceed projects must have obtained all permits, legally required authorizations, and land and water rights, have completed design, and have complied with all program requirements, including all engineering and environmental planning review requirements. If the project had not completed these milestones, they were either limited to receiving PAD funds or were required to wait until further milestones had been met.

The initial round of SFY 2013 invitations included thirty-five highly ranked projects, fourteen of which were considered ready to proceed to construction, with twenty-one projects being invited for planning and design phases. All eligible projects were ultimately invited to apply for funding using a first-come, first-served process, with eligible phases determined using the readiness to proceed checklist. Of the 30 loans that closed in SFY 2013, 13 loans totaling \$6,790,990 were for PAD only, 10 loans totaling \$18,431,249 were for the pre-design option of funding both the PAD and construction, and seven loans totaling \$101,941,431 were for construction only.

Goal 3– Encourage entities to address water loss through re-scoping of the proposed project when the loss is greater than 25 percent.

No project was re-scoped to specifically address water loss greater than 25 percent. However, in most instances where an entity was experiencing high water loss, it was already working to address the issue.

Goal 4–Incentivize projects to provide thorough and accurate applications by inviting more projects than funding is available. Only complete applications will be reviewed. Any applications deemed incomplete will be returned to the applicant.

The TWDB invited 173 eligible projects totaling \$1.072 Billion to apply for funding. The agency instituted a first-come, first-served process in SFY 2013. Funding was allocated based on the date applications were determined to be administratively complete. Applications not considered administratively complete were given fourteen days to address deficiencies. TWDB's technical review of applications began after the application was deemed complete. During SFY 2013, one CWSRF application was returned due to an inability to meet the administratively complete requirements.

Goal 5– Increase the diversity and effectiveness of the CWSRF disadvantaged community funds by broadening the invited projects list.

All eligible projects were invited to apply for funding, thereby giving all eligible entities an opportunity to apply for disadvantaged community funding. The first-come, first-served process ensured that funding was not allocated until applications were deemed administratively complete, which encouraged communities to submit complete applications.

Goal 6– *Support components of the Clean Water Act by directing the necessary resources toward the state's most pressing compliance and water quality needs and readiness to proceed based on applications received.*

During SFY 2013, the TWDB continued to prioritize projects by using criteria that directed resources toward compliance and water quality needs. While promoting sustainable operations, the CWSRF program continued to ensure that greater weight in the overall rating criteria was given to wastewater compliance and public health issues. The rating criteria demonstrated the TWDB's priority for addressing the most pressing compliance and water quality needs while concurrently establishing rating criteria designed to ensure the improved wastewater system is sustainable. Of the loans that closed during SFY 2013, \$111.5 Million was provided to improve water quality and \$13.6 Million was provided to maintain water quality. Of the closed loans, \$125.1 Million was provided to maintain system compliance.

During SFY 2013, TWDB used a review process that targeted funds to those projects that were determined to be ready to proceed to construction. Prospective applicants submitted for staff review a progress report of the project milestones completed to date to determine whether it was ready to proceed. If the project had not completed these milestones, they were either limited to receiving PAD funds or were required to wait until further milestones had been met. For those that received only PAD funding, the construction phase will be included in subsequent Intended Use Plans.

As a result of this process, thirteen of the loans that closed during SFY 2013 were for the planning and design phases only, while seventeen of the loans included construction phase funding.

Goal 7– *Continue to move forward with the Texas Water Information System Expansion (TxWISE) project in partnership with Northbridge Environmental Consulting. TxWISE Phase 3 is approximately 52% complete and is projected to be approximately 80% complete by the end of SFY 2013. This year's focus is to integrate the Financial Information System (FIS) into TxWISE. The current FIS cannot meet the increased regulatory requirements required under the Finance Reform Bill, regulatory changes under the Depository Trust Corporation, and the Internal Revenue Service. Existing FIS data will be integrated with the current TxWISE database and the systems reporting functionality will be converted to SQL Server Reporting Services. This will integrate both financial management and project management into one system that provides TWDB a comprehensive resource to manage loans, grants, and debt. In addition, FIS functionality will be aligned with current, agency-supported technologies.*

TWDB continued to move forward with the Texas Water Information System Expansion (TxWISE) project in partnership with Northbridge Environmental Consulting. TxWISE Phase 1 was completed in October 2009; Phase 2, which integrated the Inspection and

Field Support System (IFSS) and Contract Administration System (CAS), was deployed to production on October 28, 2010. The major components of Phase 3 of the TxWISE project under development in SFY 2013 were:

1. Design, develop, and test the new web-enabled TxWISE functionality migrated to the TxWISE Cloud environment; and
2. Design, develop, and test the Financial Information System (FIS) integrated into the TxWISE Cloud environment.

The integration of the Financial Information System (FIS) into TxWISE is anticipated to be deployed in February 2014.

***Goal 8**– Encourage and increase project and system sustainability through: 1) promotion of asset management planning and training by awarding additional priority points; 2) promotion of effective management and/or other capacity development elements by awarding additional priority points; and, 3) repairing and/or maintaining existing system infrastructure.*

TWDB's implementation of EPA's sustainability policy provided additional points in the project rating criteria to entities that more efficiently manage and plan for current and future needs. The use of additional points prioritized the allocation of the subsidy to those entities that will develop and maintain sustainable projects.

Projects received additional points for the following areas:

- (a) an entity has adopted an asset management plan or plans to create one as part of its proposed project;
- (b) asset management training has been administered to the entity's governing body and employees;
- (c) the proposed project addresses a specific goal in a water conservation plan;
- (d) the proposed project addresses a specific goal in an energy assessment, audit, or optimization study conducted within the past three years;
- (e) the proposed project is consistent with a municipal and/or state watershed protection plan, water efficiency plan, integrated water resource management plan, or any plan developed pursuant to legislative authority; and
- (f) the project is consistent with a regional facility plan, regionalization or consolidation plan, or any plan developed pursuant to legislative authority.

Points awarded for effective management were supported in the entity's project proposal. Eighty-three proposed projects included in the SFY 2013 Project Priority List received priority points related to one of the above criteria. Of those, 17 projects received

commitments during SFY 2013. TWDB closed 19 loans totaling \$125.1 Million in SFY 2013 to maintain system compliance.

Goal 9– *Increase funding available for construction projects to a target of 70% of the capacity of the funds available, to increase the pace of the Program.*

For SFY 2013, the TWDB set the goal of reserving up to 70% of funds available to be used for Construction funding, provided there were projects deemed ready to proceed. During SFY 2013, the TWDB closed seventeen loans totaling \$120,372,680 for projects deemed ready to proceed to construction.

Goal 10– *Target loan forgiveness subsidies, as required by the federal appropriation, to: 1) help those communities that are economically disadvantaged; and, 2) encourage the use of green infrastructure and technologies by offering a limited amount of loan forgiveness for green infrastructure, energy efficiency, water efficiency, or environmentally innovative portions of projects.*

A total of \$5,385,101, or approximately 8.3% of the FFY 2012 capitalization grant, was made available as additional subsidy, which was the maximum amount of additional subsidy possible for the year. The majority of this subsidy, \$4,416,146, was offered as disadvantaged communities funding, with either 30%, 50%, or 70% in principal forgiveness being offered to those communities qualifying as economically disadvantaged. As of the end of SFY 2013, TWDB had closed on one loan and made four commitments to disadvantaged communities totaling \$3,392,851 from the FFY 2012 grant allocation.

In an effort to support green infrastructure technologies and encourage development of green options that are cost effective and sustainable, the remaining \$968,955 of additional subsidy was offered as green subsidy. The TWDB awarded green projects up to 15% of principal forgiveness of the green component costs, if those green costs were at least 30% of the total project cost. As of the end of SFY 2013, TWDB had closed on one loan and made one commitment for green subsidy totaling \$524,824 from the FFY 2012 grant allocation.

Goal 11– *The TWDB will apply for the FFY 2012 CWSRF Capitalization Grant during SFY 2012 for the amount of \$64,597,000. The TWDB expects to receive this grant award during September 2012.*

The TWDB applied for the FFY 2012 CWSRF allotment during July 2012 in the amount of \$64,597,000. The TWDB received this grant award in September 2012 and used the funds to implement the SFY 2013 CWSRF IUP.

Goal 12 – *The TWDB will apply for the FFY 2013 CWSRF Capitalization Grant for an estimated amount of \$64,597,000 during February/March of SFY 2013. TWDB intends to use \$492,000 of the FFY 2013 grant in support of meeting short-term goal number 7, as described above. The TWDB intends to use the remainder of the FFY 2013 CWSRF*

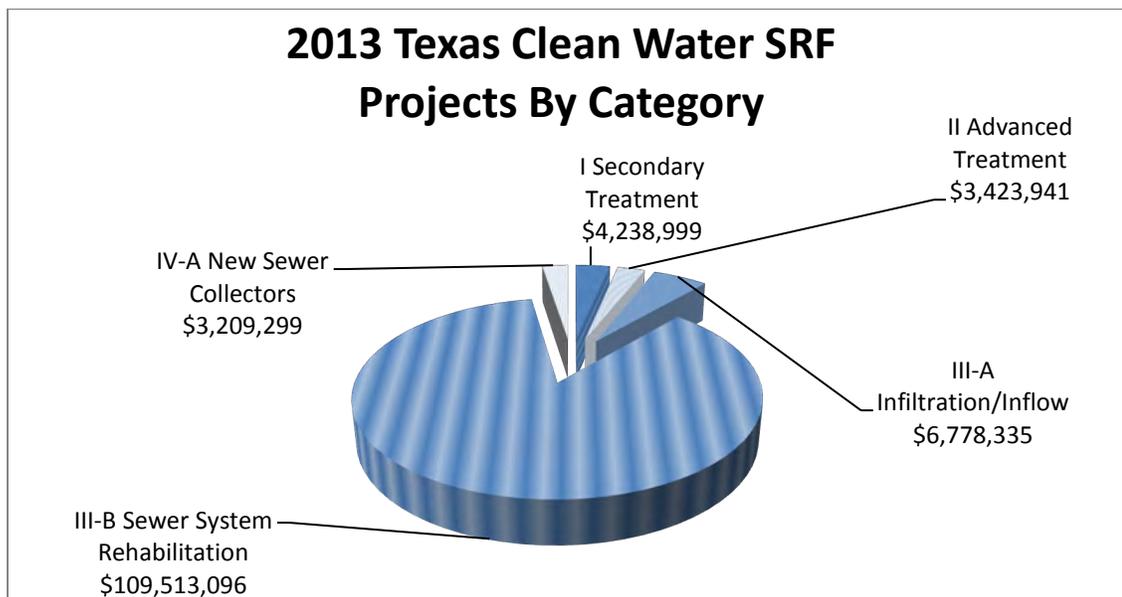
Capitalization Grant in the SFY 2014 Intended Use Plan.

The TWDB applied for the FFY 2013 CWSRF Capitalization Grant during February 2013. The TWDB received a portion of the FFY 2013 grant in the amount of \$29,923,000 in May 2013 and the remainder of \$31,098,000 in August 2013. Of the total amount of \$61,021,000 allotted to Texas from FFY 2013 appropriations, \$492,000 was used in support of the TxWISE project described under short-term goal number 7. The balance of the FFY 2013 CWSRF Capitalization Grant will be used in the SFY 2014 Intended Use Plan.

Long-Term Goals of the Texas CWSRF

Goal 1—Restore and maintain the chemical, physical, and biological integrity of the state’s waters while being responsive to changes in the state’s priorities and needs. This will include strategic assessment of changing needs, ongoing or completed changes aimed at addressing those needs, and use of the National Information Management System (NIMS) and Clean Water Benefit Reporting system (CBR) data to illustrate achievements and specific contaminants addressed.

The restoration and biological integrity of the state’s waters in compliance with the Clean Water Act was the basis of the state’s priority system for projects submitted for consideration in the SFY 2013 IUP. This ensured projects that would assist communities achieve or maintain compliance with water quality standards ranked high on the prioritized list of projects to be funded through the CWSRF. The TWDB continued to prepare and submit data into EPA’s NIMS and CBR databases as required. The July 1, 2012, through June 30, 2013, NIMS data were submitted to EPA on August 29, 2013. The projects with closed loans in SFY 2013 included five of the wastewater treatment categories.



In SFY 2013, 18 systems closed on CWSRF loans totaling \$127,163,670 that will restore or maintain the integrity of the state's water supply.

***Goal 2**— Maintain the fiscal integrity of the CWSRF in perpetuity and assure continuous enhancement of the fund for future generations through periodic cash flow and capacity analysis, program leveraging, portfolio monitoring, and appropriate fiscal and lending policy implementation.*

The fiscal integrity of the fund was monitored quarterly through cash flow and capacity analyses. Efficient and effective use of program resources remained a top priority of the program, especially given the economic pressure of low interest and investment rates. The challenge of prepayments, in conjunction with federal regulations, required that prepayments be evaluated on a case by case basis to determine the best use of the asset to maintain the program for perpetuity. Prepayments were used for new loans, thereby reducing the need for leveraging. At other times, the prepayments were used to call debt, in line with federal regulations, deleveraging the program to maintain high cash flow coverage.

The capability of the CWSRF program to meet future generations' needs was enhanced by the natural AAA credit rating from the three major rating agencies. Staff conducted monthly reviews of the credit ratings of the borrowers, their insurers (if any), and the portfolio concentration and makeup. This review ensured that management understood the rating risk of the program and allowed appropriate management of that risk. To ensure the CWSRF responded to the financial needs of the wastewater systems and other eligible entities, the TWDB's Executive Administrator set the SFY 2013 CWSRF program capacity at \$325,000,000. Interest rates were set at levels below current market rates to promote more affordable systems, yet at a sufficient level necessary for the fiscal integrity of the fund. At the beginning of SFY 2013, applicants for funds that required compliance with certain federal requirements received an interest rate subsidy of 1.30 percent below market rates. Projects that did not need to comply with the additional federal requirements received an interest rate subsidy of 0.95 percent below market rates. Effective for projects closing July 1, 2013, or thereafter, the interest rate subsidy was increased by 25 basis points, thereby resulting in a 25 basis point reduction in the interest rate. As of the end of SFY 2013, the interest rate reduction was 155 basis points for equivalency projects and 120 basis points for non-equivalency projects.

***Goal 3**—Work with other state and federal water and wastewater funding sources in the Texas Water Infrastructure Coordinating Committee (TWICC) to collaborate and seek innovative, sustainable funding strategies and promote efficient use of funds in Texas government resources.*

During SFY 2013, the TWDB participated in six bi-monthly meetings with representatives from the Border Environment Cooperation Commission, Community Resource Group, North American Development Bank, Texas Commission on Environmental Quality, Texas Department of Agriculture, Texas Rural Water Association, Texas Secretary of State, U.S. Department of Agriculture - Rural Development, and the U.S. Environmental Protection Agency. These meetings encouraged discussion of the status of the different assistance programs, the status and availability of funding, and the status and availability of technical assistance for systems in need of state and/or federal financial assistance. Special subcommittee meetings were held as needed to address outstanding issues or to meet with entities interested in pursuing funding from one of the member agencies.

Through coordination with TWICC, entities were invited to present project information to member agencies during the bi-monthly meeting and ask questions regarding program requirements and funding availability and to obtain points of contact for application coordination. Additional information on TWICC may be found on its website: www.twicc.org.

***Goal 4**– Provide outreach on rule, policy, and guidance changes to the SRF programs, as well as information on CWSRF funding opportunities by hosting a limited number of conferences as resources allow, and by posting informational videos and hosting webcasts to inform the public.*

During SFY 2013, the TWDB held six workshops and one webinar to share information about the CWSRF. These events focused on the changes to the program for the SFY 2014 IUP. The topics included the Intended Use Plan process, the project submission deadline, CWSRF equivalency and non-equivalency requirements, and program changes. Attendees at the workshop received an example project solicitation packet, information sheets, and other information on the CWSRF program. The workshops were supplemented with a webinar on June 25, 2013. The webinar focused on specific program changes in the draft SFY 2014 Intended Use Plan published earlier in the month as well as the steps for submitting an application for those entities that were listed on the Invited Projects List. A map showing the workshop locations is included in Appendix A.

In addition to the webinar and workshops, staff conducted outreach on the DWSRF at five major conferences and conventions throughout the year. At each of these five outreach events, staff set up an exhibit booth that provided information to utilities and officials on the opportunities available through the DWSRF.

***Goal 5**– Comply with reporting requirements such as the Clean Water Benefits Reporting (CBR) system, the Federal Funding Accountability and Transparency Act (FFATA), and the National Information Management System (NIMS). Use this data to illustrate environmental benefits and achievements.*

During SFY 2013, the TWDB submitted data on all closed loans into EPA’s NIMS and CBR databases as required. The TWDB submitted closed loans into www.fsr.gov as required by FFATA. In addition, TWDB initiated a FFATA and CBR reconciliation procedure in January 2013. The TWDB submitted on August 29, 2013, its data into NIMS covering the reporting period of July 1, 2012, through June 30, 2013. All reporting was completed as required during SFY 2013.

3. Subsidies to Promote Sustainability

According to EPA guidance, among projects with comparable public health and water quality benefits, priority for construction financing subsidies should be given to communities that could not otherwise obtain financing for the following:

- Projects that are based on a “fix it first” approach that focuses on system upgrade and replacement in existing communities;
- Investigations, studies, or plans that improve the technical, financial, and managerial capacity of the assistance recipient to operate, maintain, and replace financed infrastructure; and
- Preliminary planning, alternatives assessment, and eligible capital projects that reflect the full life cycle costs of infrastructure assets, conservation of natural resources, and alternative approaches to integrate natural or “green” systems into the built environment.

During SFY 2013, the TWDB prioritized the use of additional subsidization for those entities that met EPA’s criteria. Disadvantaged communities were allocated the majority of the available subsidy for system upgrades and replacements. The maximum additional subsidy available using the FFY 2012 grant funds was \$5,385,101. As of August 31, 2013, five disadvantaged projects, one of which closed, received a commitment during the fiscal year for a total subsidy of \$3,292,851. The second and third components of this strategy were fulfilled in part by awarding additional points in the project ranking criteria for entities implementing effective management that will contribute to sustainable operations. The third component of EPA’s sustainability strategy, which included financing alternative approaches that integrate a green component into the existing system, was prioritized through an additional subsidy for green costs. The TWDB set aside \$968,955 for green subsidies in the form of 15 percent loan forgiveness. As of the end of SFY 2013, one loan closed with green subsidy of \$274,431. Another project received a commitment in SFY 2013 for \$250,393 in green subsidy. Details of the subsidy provided for disadvantaged communities and green projects may be found in Appendix A, Tables 8 and 9.

4. Green Project Reserve

The Green Project Reserve, or GPR, required that an amount equivalent to a specified portion of the capitalization grant allotment must be offered to projects that address green infrastructure, water efficiency, energy efficiency, or other environmentally innovative activities. EPA defined innovative environmental activities as those that demonstrated new or innovative approaches to prevent or remove water pollution in an economically and environmentally sustainable way. A few examples include decentralized wastewater treatment solutions, projects that facilitate adaptation of clean water facilities to climate change, and projects that identify and quantify the benefits of using integrated water resources management approaches.

Most green projects required a business case to demonstrate their green components, while the remaining ones were considered categorically green without need for further supporting information. The TWDB developed green project information worksheets in order to facilitate a uniform approach to providing business case information.

TWDB designated projects as green in the IUP based upon designation by the entity and review of the initial information by TWDB. A project designated as having green components received an invitation to apply for assistance and was required to complete a green project information worksheet to demonstrate eligibility.

During SFY 2013, TWDB expanded its Green Project Reserve solicitation plan to maximize its effort to fund green projects. These enhanced efforts consisted of the following:

- **Subsidy** – To encourage adequate funding of green projects, the TWDB allocated an equivalent of 1.5 percent of the capitalization grant, or \$968,955, as a targeted subsidy to green project costs. Eligible green projects were offered a subsidy in the form of loan forgiveness of 15 percent of the green project costs, provided the green costs were at least 30 percent of the total project costs.
- **Priority** – Green projects were prioritized throughout the ranking process. Subsidized green projects were in the highest priority group in the ranking process. Further, any other projects that had any green component costs were given preference in the ranking over projects without any green component costs.
- **Bypass** – The IUP invitation process allowed the TWDB to bypass higher ranked projects and invite lower ranked projects containing green component costs. If projects with green components were invited to apply but subsequently failed to proceed, the TWDB offered the funding to other qualified Green Project Reserve projects on the priority list. In SFY 2013, all green project reserve projects on the IUP priority list were invited, but only four ultimately received a commitment.

- **Invitations Exceeded Five Times the Green Project Reserve** – As part of its good faith effort for the SFY 2013 IUP, the TWDB eventually extended invitations totaling \$140,759,717 in green projects. This amount represented 21 times the required amount of \$6,459,700. The TWDB solicited for all four green categories: energy efficiency, water efficiency, green infrastructure, and environmentally innovative.

The SFY 2013 CWSRF IUP funded under the FFY 2012 allotment set the Green Project Reserve at \$6,459,700 to fund project components that are considered to be environmentally friendly or green. As of August 31, 2013, TWDB had either commitments or loan closings of \$3,498,823, or 54 percent of the target amount.

For the SFY 2012 CWSRF IUP, the minimum required amount of funds for green projects was \$13,498,400. As of August 31, 2013, TWDB had either made commitments or closed loans with \$9,489,026 in green projects, or 70 percent of the target amount.

For the SFY 2011 CWSRF IUP, the minimum required amount of funds for green projects was \$18,625,200. As of August 31, 2013, TWDB has either commitments or loan closings of \$11,960,301, or 64 percent of the target amount.

Detailed reports on the Green Project Reserve for the FFY 2010, 2011, and 2012 grants are shown in Appendix A, Tables 9 and 9A.

5. Timely and Expedient Use of Funds

The TWDB reduced its unliquidated obligations in the CWSRF to the extent that only the administration from the FFY 2012 grant remained. As of August 31, 2013, the outstanding capitalization grant balance was \$6,137,545 of administration funds, which consisted of \$1,051,413.86 of banked administration from the FFY 2011 capitalization grant and \$5,086,132 of administration and banked administration from the FFY 2012 capitalization grant. For the FFY 2013 capitalization grant of \$61,021,000, \$492,000 was used in support of the EPA national TxWISE contract, with the balance of the grant to be used for projects included in the SFY 2014 Intended Use Plan. As of August 31, 2013, TWDB had received applications for funding under the SFY 2014 IUP totaling \$101,904,195.

6. Other Program Accomplishments

Nonpoint Source Agency Coordination and Projects Funded

The TWDB met quarterly with two other agencies that offer financial assistance for nonpoint source (NPS) projects under Section 319 of the Clean Water Act: the Texas

Commission on Environmental Quality (TCEQ) and the Texas State Soil and Water Conservation Board (TSSWCB). The TCEQ and TSSWCB provided input on NPS funding needs from information gathered during the development of the Integrated Water Quality Report, Total Maximum Daily Loads, and Watershed Protection Plans. The TWDB used this information in the rating process in an effort to focus funding priorities on projects with the greatest environmental benefits.

For the SFY 2013 IUP, the TWDB applied separate rating criteria for NPS and estuary management projects. The goal outlined in the SFY 2013 IUP reserved 7 percent of the total funds available, or \$22,750,000, for NPS and estuary management projects. Seventeen eligible projects, with a total demand of \$68,406,281, were rated using the NPS criteria and were listed under the NPS category in the IUP. TWDB did not receive any project information forms indicating interest for estuary management assistance. As of August 31, 2013, one NPS project in the SFY 2013 IUP had closed for \$410,500 and three additional loan commitments were made for NPS projects totaling \$4,481,768.

Application Process

For the SFY 2013 IUP, the TWDB changed the invitation process to a first-come, first served process. In previous years, the TWDB invited projects in stages, giving them ample time to apply before inviting the next grouping. This resulted in a bottleneck, with invitations for projects farther down the list being held up while staff waited for replies to invitations from those higher on the list. The new process allowed for inviting more projects than there are funds available and allotted funding based on the date the application was considered administratively complete.

The first round of invitations included projects with aggregate costs exceeding 150 percent of the total available funds in a category that requires compliance with certain federal provisions, also known as “equivalency” funds. TWDB accepted applications beginning on November 1, 2012, and all applications received by noon on that date were considered in order of project priority rating. Thereafter, applications were considered on a first-come, first-served basis. Applications had to be administratively complete when received to be considered. The TWDB extended four rounds of invitations to eligible projects listed on the SFY 2013 IUP. Entities interested in applying for funding were required to attend a pre-application meeting to discuss the application process, the CWSRF program requirements, and what phases of the project were considered eligible for funding during the program year. Once a sufficient number of complete applications had been received in an amount equivalent to the capitalization grant, the TWDB offered the remaining CWSRF funds available during the fiscal year, known as “non-equivalency” funds. TWDB instituted these changes to improve the quality of financial applications, decrease the time to review and approve a project for commitment, and increase the amount of projects utilizing the program funds.

Bypass of Projects on the Project Priority List

The SFY 2013 IUP, in accordance with CWSRF regulations, included a process to bypass, or skip, higher ranked projects in favor of lower ranked projects for funding consideration to ensure that funds available are utilized in a timely manner, and that statutory and capitalization grant requirements were met. Entities with projects that were bypassed were not invited to submit an application during that round. Eventually, all projects were invited to submit an application for funding during SFY 2013.

Texas Water Infrastructure Coordinating Committee (TWICC)

The Texas Water Infrastructure Coordination Committee is a collaborative effort by government agencies and technical assistance organizations to identify water and wastewater infrastructure and compliance issues in Texas. The member agencies and organizations include

- Border Environment Cooperation Commission
- Community Resource Group
- North American Development Bank
- Texas Commission on Environmental Quality
- Texas Department of Agriculture
- Texas Water Development Board
- Texas Rural Water Association
- Texas Secretary of State
- U.S. Department of Agriculture - Rural Development
- U.S. Environmental Protection Agency

TWICC met every two months to discuss agency program status and available funding, and technical assistance for systems in need of state and/or federal financial assistance. Through coordination with TWICC, entities were invited to either a conference call or a meeting to present project information to member agencies, ask questions regarding program requirements and program funds available, and obtain points of contact for application coordination. Additional information on TWICC may be found on its website: www.twicc.org.

Appendix A: CWSRF SFY 2013 Tables

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Table 1 – CWSRF Grant and Match Funds				
IUP Year	Grant Award #	SRF Grant	State Match 20%	State Match Provided (from Bonds)
1988				
1989	N-480001-88	\$ 105,190,250	\$ 21,038,050	\$ 21,037,500
1990	CS-480001-89	82,691,538	16,538,308	32,452,673
1990	CS-480001-90	72,843,855	14,568,771	28,760,000
1991	CS-480001-90	1,466,749	293,350	-
1991	CS480001-91	96,302,005	19,260,401	-
1991	CS480001-91	1,900,000	380,000	-
1992	CS480001-92	92,254,341	18,450,868	-
1993	CS480001-93	98,743,594	19,748,719	10,000,000
1994	CS480001-94	57,750,000	11,550,000	18,030,000
1995	CS480001-95	56,296,944	11,259,389	20,552,574
1996	CS480001-96	97,216,124	19,443,225	12,000,000
1997	CS480001-97	28,485,864	5,697,173	17,000,000
1998	CS480001-98	61,546,617	12,309,323	25,000,000
1999	CS480001-99	61,551,864	12,310,373	-
2000	CS-48000201	63,343,000	12,668,600	25,000,000
2001	CS-48000201	60,797,781	12,159,556	-
2002	CS-48000202	60,933,213	12,186,643	13,000,000
2003	CS-48000203	60,537,213	12,107,443	13,000,000
2004	CS-48000204	61,080,444	12,216,089	12,500,000
2005	CS-48000205	49,252,104	9,850,421	10,000,000
2006	CS-48000206	40,024,512	8,004,902	4,000,000
2007	CS-48000208	61,564,429	12,312,886	11,988,141
2008	CS-48000209	31,103,000	6,220,600	6,240,247
2009	CS-48000210	31,101,800	6,220,368	6,220,368
ARRA	2W-96692401	179,121,900	Not Required	Not Required
2010**	No Grant Used	-	-	-
2011	CS-48000210	93,126,000	18,625,200	18,625,200
2012	CS-48000211	67,492,000	13,498,400	13,498,400
	Prior Grant			13,953
2013	CS-48000212	64,597,000	12,919,400	12,919,400
2014	CS-48000213	61,021,000	12,204,200	12,204,200
		\$ 1,899,335,141	\$ 344,042,656	\$ 344,042,656

20.00%

Excluding ARRA

Grant Number CS-48000208 includes \$168,000 inkind for TxWISE
 Grant Number CS-48000209 includes \$96,875 inkind for TxWISE
 Grant Number CS-48000210 includes \$150,000 inkind for TxWISE
 Grant Number CS-48000211 includes \$400,000 inkind for TxWISE
 Grant Number CS-48000213 includes \$492,000 inkind for TxWISE

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Table 1A – Commitments in SFY 2013

IUP	Recipient	Project ID	Commitment #	Type	Commit. Date	Status	Closing Date	Amount
2012	Breckenridge	73647	L1000054	EQ	10/17/2012	Active	4/11/2013	\$840,000
2012	Breckenridge	73647	LF1000092	EQ	10/17/2012	Active	4/11/2013	\$353,461
2012	Castroville	73646	L1000060	Non-EQ	12/6/2012	Active	3/21/2013	\$375,000
2012	Edcouch	73643	L1000068	EQ	2/28/2013	Active	9/11/2013	\$1,055,000
2012	Edcouch	73643	LF1000081	EQ	2/28/2013	Active	9/11/2013	\$2,413,600
2012	Falfurrias	73645	L1000077	Non-EQ	2/28/2013	Commitment		\$385,000
2012	McAllen	73640	L1000022	Non-EQ	9/20/2012	Commitment		\$6,655,000
2012	McAllen	73640	LF1000023	Non-EQ	9/20/2012	Commitment		\$1,153,511
2012	Mount Vernon	73649	LF1000062	Non-EQ	12/6/2012	Active	4/5/2013	\$37,788
2012	Mount Vernon	73649	L1000063	Non-EQ	12/6/2012	Active	4/5/2013	\$525,000
2012	Orange Co WCID # 2	73651	L1000093	Non-EQ	12/6/2012	Active	6/24/2013	\$500,000
2012	Rio Grande City	73644	L1000069	Non-EQ	7/18/2013	Commitment		\$1,930,000
2012	West Tawakoni	73648	L1000051	EQ	12/6/2012	Active	6/28/2013	\$115,000
2012	West Tawakoni	73648	LF1000052	EQ	12/6/2012	Active	6/28/2013	\$112,500
2013	Agua SUD	10365	LF1000144	EQ	4/18/2013	Commitment		\$2,375,000
2013	Agua SUD	10365	L1000143	EQ	4/18/2013	Commitment		\$2,375,000
2013	Aqua WSC	73658	L1000167	EQ	4/18/2013	Commitment		\$54,530
2013	Aqua WSC	73658	LF1000168	EQ	4/18/2013	Commitment		\$127,238
2013	Buda	73657	L1000157	EQ	4/18/2013	Active	8/29/2013	\$125,000
2013	Buda	73657	LF1000158	EQ	4/18/2013	Active	8/29/2013	\$276,500
2013	Comanche	73661	L1000170	EQ	6/20/2013	Commitment		\$755,000
2013	Comanche	73661	LF1000171	EQ	6/20/2013	Commitment		\$316,500
2013	Grand Prairie	73654	L1000155	EQ	2/28/2013	Active	7/18/2013	\$1,805,000
2013	Grand Prairie	73654	LF1000156	EQ	2/28/2013	Active	7/18/2013	\$274,431
2013	Houston	73652	L1000149	EQ	2/28/2013	Commitment		\$65,000,000
2013	Ingram	73656	L1000154	EQ	2/28/2013	Active	6/18/2013	\$175,000
2013	McAllen	73659	L1000169	Non-EQ	4/18/2013	Commitment		\$2,995,000
2013	McAllen	73659	LF1000165	Non-EQ	4/18/2013	Commitment		\$250,393
2013	San Antonio River Authc	73667	L1000189	Non-EQ	7/18/2013	Commitment		\$4,300,000
2013	San Antonio Water Syst	73664	L1000197	Non-EQ	7/18/2013	Commitment		\$60,100,000
2013	Wimberley	73653	L1000152	EQ	4/18/2013	Commitment		\$650,000
2013	Woodloch	73665	L1000184	EQ	8/15/2013	Commitment		\$130,000
2013	Woodloch	73665	LF1000187	EQ	8/15/2013	Commitment		\$297,613

\$158,833,065

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Table 2 – CWSRF Net Commitments by IUP Year			
IUP Year	Net Closed loans	Loans in Commitment status	Total as of 08/31/2013
1988-2001	3,175,569,972		\$ 3,175,569,972
2002	228,320,000		228,320,000
2003	169,080,000		169,080,000
2004	301,150,000		301,150,000
2005	152,925,000		152,925,000
2006	161,390,000		161,390,000
2007	609,865,000	-	609,865,000
2008	337,356,717		337,356,717
2009	479,170,000		479,170,000
2010	175,800,000		175,800,000
ARRA	189,973,126		189,973,126
2011	147,587,800	-	147,587,800
2012	123,907,535	13,592,211	137,499,746
2013	2,655,931	139,726,274	142,382,205
Totals	\$ 6,254,751,081	\$ 153,318,485	\$ 6,408,069,566

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Table 3 - CWSRF Federal Funds Drawn					
SFY		Federal	State		Total Funds
1989		\$105,187,501	\$21,037,500		\$126,225,001
1990		\$123,845,098	\$24,769,020		\$148,614,118
1991		\$137,906,475	\$27,581,295		\$165,487,770
1992		\$173,641,705	\$34,728,341		\$208,370,046
1993		\$55,626,699	\$11,125,340		\$66,752,039
1994		\$64,406,219	\$12,881,244		\$77,287,463
1995		\$52,785,020	\$10,557,004		\$63,342,024
1996		\$56,951,258	\$11,390,252		\$68,341,510
1997		\$36,514,636	\$7,302,927		\$43,817,563
1998		\$46,924,306	\$9,384,861		\$56,309,167
1999		\$77,571,747	\$15,514,349		\$93,086,096
2000		\$114,761,727	\$22,952,345		\$137,714,072
2001		\$17,818,655	\$3,563,731		\$21,382,386
2002		\$23,134,356	\$4,626,871		\$27,761,227
2003		\$6,032,064	\$1,206,413		\$7,238,477
2004		\$5,389,732	\$1,077,946		\$6,467,678
2005		\$9,408,387	\$1,881,677		\$11,290,064
2006		\$15,495,249	\$3,099,050		\$18,594,299
2007		\$169,701,730	\$33,940,346		\$203,642,076
2008		\$63,249,011	\$12,649,802		\$75,898,813
2009		\$18,761,712	\$3,752,342		\$22,514,054
2010	Base	\$21,024,776	\$4,204,955		\$25,229,731
2010	ARRA	\$47,060,500			\$47,060,500
2011	Base	\$21,786,661	\$4,357,332		\$26,143,993
2011	ARRA	\$96,433,621			\$96,433,621
2012	Base	\$172,714,061	\$34,542,812		\$207,256,873
2012	ARRA	\$29,360,745			\$29,360,745
2013	Base	\$61,601,034	\$12,320,207		\$73,921,241
2013	ARRA	\$6,267,034			\$6,267,034
		\$1,831,361,719	\$330,447,964		\$2,161,809,683

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Table 3A – SFY 2013 CWSRF Capitalization Grant Draws					
	Balance		Expended		Balance - 8/31/2013
Balance - 9/1/2012					
CS-48000211 FY 2011					
Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Admin	\$ 965,382.29	\$ 965,382.29	\$ 965,382.29	\$ 965,382.29	\$ -
Admin Banked	\$ 2,176,198.00	\$ 1,124,784.14	\$ 1,124,784.14	\$ 1,051,413.86	\$ 1,051,413.86
Total	\$ 3,141,580.29	\$ 2,090,166.43	\$ 2,090,166.43	\$ 1,051,413.86	\$ 1,051,413.86
Fully Awarded 9/5/2012					
CS-48000212 FY 2012					
Construction	\$ 59,510,868.00	\$ 59,510,868.00	\$ 59,510,868.00	\$ 59,510,868.00	\$ -
Admin	\$ 2,583,880.00	\$ -	\$ -	\$ 2,583,880.00	\$ 2,583,880.00
Admin Banked	\$ 2,502,252.00	\$ -	\$ -	\$ 2,502,252.00	\$ 2,502,252.00
Total	\$ 64,597,000.00	\$ 59,510,868.00	\$ 59,510,868.00	\$ 5,086,132.00	\$ 5,086,132.00
CS-48000213 FY 2013 *					
Construction	\$ 55,934,868.00	\$ -	\$ -	\$ 55,934,868.00	\$ 55,934,868.00
Admin	\$ 2,440,840.00	\$ -	\$ -	\$ 2,440,840.00	\$ 2,440,840.00
Admin Banked	\$ 2,153,292.00	\$ -	\$ -	\$ 2,153,292.00	\$ 2,153,292.00
Total	\$ 60,529,000.00	\$ -	\$ -	\$ 60,529,000.00	\$ 60,529,000.00
Balance - 9/1/2012					
2W-96692401 ARRA					
Construction	\$ 4,111,047.45	\$ 4,111,047.45	\$ 4,111,047.45	\$ 4,111,047.45	\$ -
Admin	\$ 2,155,986.42	\$ 2,155,986.42	\$ 2,155,986.42	\$ 2,155,986.42	\$ -
Total	\$ 6,267,033.87	\$ 6,267,033.87	\$ 6,267,033.87	\$ 6,267,033.87	\$ -
Total CWSRF	\$ 134,534,614.16	\$ 67,868,068.30	\$ 67,868,068.30	\$ 66,666,545.86	\$ 66,666,545.86

* FY 2013 - Excludes \$492,000 for TxWISE

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Table 4 – Grant Payments by Quarter						
		SFY 88 - SFY 12	SFY 2013			
		Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4
GRANT PAYMENTS						
SFY 1988 - 2012 (incl. ARRA)			\$0	\$0	\$0	\$0
SFY 2013	CS-48000212		\$60,659,401	\$1,148,533	\$1,148,533	\$1,148,533
SFY 2014	CS-48000213		\$ -	\$ -	\$ -	\$ 45,651,628
QUARTERLY TOTAL			\$ 60,659,401	\$ 1,148,533	\$ 1,148,533	\$ 46,800,161
CUMULATIVE EPA PAYMENTS		\$ 1,772,902,266	\$ 1,833,561,667	\$ 1,834,710,200	\$ 1,835,858,733	\$ 1,882,658,894
Required Commitment Date			<u>Qtr 1 SFY 2014</u>	<u>Qtr 2 SFY 2014</u>	<u>Qtr 3 SFY 2014</u>	<u>Qtr 4 SFY 2014</u>
REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)		\$ 2,091,658,339	\$ 2,164,449,620	\$ 2,165,827,860	\$ 2,167,206,100	\$ 2,223,366,293
LESS REQUIRED BINDING COMMITMENTS - 4% Admin		\$ 70,916,091	\$ 73,342,467	\$ 73,388,408	\$ 73,434,349	\$ 75,306,355
REQUIRED BINDING COMMITMENTS - Projects (Excluding Admin) - Within One Year From the Date of the EPA Payment		\$ 2,020,742,248	\$ 2,091,107,153	\$ 2,092,439,452	\$ 2,093,771,751	\$ 2,148,059,938

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Table 5 – Binding Commitments (Closed loans net of lapses) for Projects by Quarter

	SFY 88 - SFY 12	SFY 2013 BINDING COMMITMENTS - PROJECTS			
		Qtr 1	Qtr 2	Qtr 3	Qtr 4
IUP 1988-2012	\$ 6,127,657,061				
Lapses to (prior) closed loans	\$ (69,550)				
IUP 2011		\$ 56,355,000	\$ 1,200,000	\$ 55,531,249	
IUP 2012		\$ 10,693,990	\$ -		\$ 727,500
IUP 2013					\$ 2,655,931
Quarterly Total		\$ 67,048,990	\$ 1,200,000	\$ 55,531,249	\$ 3,383,431
Cumulative Binding Commitments - Projects	\$ 6,127,587,511	\$ 6,194,636,501	\$ 6,195,836,501	\$ 6,251,367,750	\$ 6,254,751,181
Cumulative Binding Commitments - Projects - As a % of Required Amount	324.37%	324.43%	321.07%	309.36%	309.53%
Cumulative Required Binding Commitments - Projects (Based on EPA Payments 12 months Earlier)	\$1,889,058,294	\$1,909,391,122	\$1,929,723,950	\$2,020,742,248	\$2,020,742,248

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Table 6 - Administrative Costs						
SFY	FEDERAL 4% Cap Used				State Loan Origination Fee Account (funds used)	Total Administration both Federal and State Fees actually drawn or used
	Federal 4% drawn from Cap Grant	Federal banked funds drawn from the Cap Grant	Funds drawn 'recycled' funds inside the SRF	Total Funds drawn or used from the 4% cap		
1991	\$ 2,212,581	\$ -	\$ -	\$ 2,212,581	\$ -	\$ 2,212,581
1992	\$ 1,806,072	\$ -	\$ 1,500,674	\$ 3,306,746	\$ -	\$ 3,306,746
1993	\$ -	\$ -	\$ 4,259,370	\$ 4,259,370	\$ -	\$ 4,259,370
1994	\$ -	\$ -	\$ 4,578,753	\$ 4,578,753	\$ -	\$ 4,578,753
1995	\$ -	\$ -	\$ 5,077,507	\$ 5,077,507	\$ -	\$ 5,077,507
1996	\$ -	\$ -	\$ 4,069,387	\$ 4,069,387	\$ 700,000	\$ 4,769,387
1997	\$ -	\$ -	\$ -	\$ -	\$ 5,166,713	\$ 5,166,713
1998	\$ -	\$ -	\$ -	\$ -	\$ 5,157,083	\$ 5,157,083
1999	\$ -	\$ -	\$ -	\$ -	\$ 5,175,910	\$ 5,175,910
2000	\$ -	\$ -	\$ -	\$ -	\$ 5,035,877	\$ 5,035,877
2001	\$ -	\$ -	\$ -	\$ -	\$ 4,795,878	\$ 4,795,878
2002	\$ -	\$ -	\$ -	\$ -	\$ 5,026,804	\$ 5,026,804
2003	\$ -	\$ -	\$ -	\$ -	\$ 4,957,912	\$ 4,957,912
2004	\$ -	\$ -	\$ -	\$ -	\$ 4,513,673	\$ 4,513,673
2005	\$ -	\$ -	\$ -	\$ -	\$ 4,882,643	\$ 4,882,643
2006	\$ -	\$ -	\$ -	\$ -	\$ 5,366,376	\$ 5,366,376
2007	\$ -	\$ 2,645,945	\$ -	\$ 2,645,945	\$ 2,026,297	\$ 4,672,242
2008	\$ -	\$ 4,362,862	\$ -	\$ 4,362,862	\$ 181,452	\$ 4,544,314
2009	\$ 2,294,578	\$ 2,866,919	\$ -	\$ 5,161,497	\$ -	\$ 5,161,497
2010	\$ 2,485,401	\$ 3,240,999	\$ -	\$ 5,726,400	\$ -	\$ 5,726,400
2010 ARRA	\$ 2,222,875		\$ -	\$ 2,222,875	\$ -	\$ 2,222,875
2011	\$ 3,725,040	\$ 1,633,184	\$ -	\$ 5,358,224	\$ -	\$ 5,358,224
2011 ARRA	\$ 1,153,259	\$ -	\$ -	\$ 1,153,259	\$ -	\$ 1,153,259
2012	\$ 1,734,298	\$ 1,664,673	\$ -	\$ 3,398,971	\$ -	\$ 3,398,971
2012 ARRA	\$ 1,632,755	\$ -	\$ -	\$ 1,632,755	\$ -	\$ 1,632,755
2013	\$ 949,382	\$ 1,140,784	\$ -	\$ 2,090,166	\$ -	\$ 2,090,166
2013 ARRA	\$ 2,155,987	\$ -	\$ -	\$ 2,155,987	\$ -	\$ 2,155,987
Totals	\$ 22,372,228	\$ 17,555,366	\$ 19,485,691	\$ 59,413,285	\$ 52,986,618	\$ 112,399,903

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Table 7 – Analysis of Banked Administration Funds (4%) available in the CWSRF at 08/31/2013

[A]	[B]		[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Award Number	Federal Amount Awarded		Calculated 4%	4 % Awarded/Expended	Retained for TxWISE	Banked Admin Awarded/Expended	Total Admin Awarded/Expend.		Banked or (Used)	Cumulative Banked Balance
N-480001-87	26,457,500.00		1,058,300.00				-		1,058,300.00	1,058,300.00
N-480001-88	78,732,750.00		3,149,310.00				-		3,149,310.00	4,207,610.00
CS-480001-89	82,691,538.00		3,307,661.52				-		3,307,661.52	7,515,271.52
CS480001-90	74,310,604.00		2,972,424.16	2,212,581.00			2,212,581.00	E	759,843.16	8,275,114.68
CS480001-91	98,202,005.00		3,928,080.20	1,806,072.00			1,806,072.00	E	2,122,008.20	10,397,122.88
CS480001-92	92,254,341.00		3,690,173.64	1,500,674.00			1,500,674.00	E	2,189,499.64	12,586,622.52
CS480001-93	98,743,594.00		3,949,743.76	4,259,370.00			4,259,370.00	E	(309,626.24)	12,276,996.28
CS480001-94	57,750,000.00		2,310,000.00	4,578,753.00			4,578,753.00	E	(2,268,753.00)	10,008,243.28
CS480001-95	56,296,944.00		2,251,877.76	5,077,507.00			5,077,507.00	E	(2,825,629.24)	7,182,614.04
CS480001-96	97,216,124.00		3,888,644.96	4,069,387.00			4,069,387.00	E	(180,742.04)	7,001,872.00
CS480001-97	28,485,864.00		1,139,434.56				-		1,139,434.56	8,141,306.56
CS-48000198	61,546,617.00		2,461,864.68				-		2,461,864.68	10,603,171.24
CS-48000199	61,551,864.00		2,462,074.56				-		2,462,074.56	13,065,245.80
CS-48000201	124,140,781.00		4,965,631.24				-		4,965,631.24	18,030,877.04
CS-48000202	60,933,213.00		2,437,328.52				-		2,437,328.52	20,468,205.56
CS-48000203	60,537,213.00		2,421,488.52				-		2,421,488.52	22,889,694.08
CS-48000204	61,080,444.00		2,443,217.76	2,443,218.00		202,727.47	2,645,945.47	E	(202,727.71)	22,686,966.37
CS-48000205	49,252,104.00		1,970,084.16				-		1,970,084.16	24,657,050.53
CS-48000206	40,024,512.00		1,600,980.48	1,600,980.00			1,600,980.00	E	0.48	24,657,051.01
CS-48000208	61,564,429.00	1)	2,462,577.16	2,294,578.00	168,000.00	3,163,427.00	5,626,005.00	E	(3,163,427.84)	21,493,623.17
CS-48000209	31,103,000.00	2)	1,244,120.00	1,241,329.00		4,233,624.00	5,474,953.00	E	(4,230,833.00)	17,262,790.17
CS-48000210	124,077,800.00	3)	4,963,112.00	4,969,112.00		4,770,606.00	9,739,718.00	E	(4,776,606.00)	12,486,184.17
CS-48000211	67,092,000.00	4)	2,683,680.00	2,699,680.00		2,176,198.00	4,875,878.00	A	(2,192,198.00)	10,293,986.17
CS-48000212	64,597,000.00		2,583,880.00	2,583,880.00		2,502,252.00	5,086,132.00	A	(2,502,252.00)	7,791,734.17
CS-48000213	61,021,000.00	5)	2,440,840.00	2,440,840.00	492,000.00	2,153,292.00	5,086,132.00	A	(2,645,292.00)	5,146,442.17
	\$ 1,719,663,241.00		\$ 68,786,529.64	\$ 43,777,961.00	\$ 660,000.00	\$ 19,202,126.47	\$ 63,640,087.47		\$ 5,146,442.17	

E = Expended

A = Awarded

1) Includes TxWISE of \$168,000 In-Kind Grant Amount

2) Includes TxWISE of \$96,875 In-Kind Grant Amount

3) Includes TxWISE of <\$150,000> decrease in Federal Grant Amount

4) Includes TxWISE of <\$400,000> decrease in Federal Grant Amount

5) Includes TxWISE of \$492,000 In-Kind Grant Amount

Table 8
Clean Water SRF Reporting
Additional Subsidy or GPR for Texas - 2010 Cap Grant

Tracking Number	Recipient	Initial Loan Date	Amount	Grant Amount	Negative Interest Amount	Principal Forgiveness Amount	Recipient Could Afford Project without Subsidy?	Population Served	GPR Amount
72045 - G11003	Nueces RA	4/5/2012	9,961,460	0	0	9,961,460	<input type="checkbox"/>	847	0
73600 - G11001	Alton	6/23/2011	9,595,000	0	0	9,595,000	<input type="checkbox"/>	10,822	0
73602 - G11001	La Feria	4/19/2012	8,381,340	0	0	8,381,340	<input type="checkbox"/>	1,172	0
73613 - L11006	San Antonio	8/28/2012	19,630,000	0	0	0	<input type="checkbox"/>	1,250,000	10,712,750
73624 - L11008	Cibolo Creek MA	3/1/2012	24,440,000	0	0	0	<input type="checkbox"/>	66,260	1,247,551
Total for all 5 Agreements			72,007,800	0	0	27,937,800		1,329,101	11,960,301

**Texas Water Development Board
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Table 8A
Clean Water SRF Reporting
Additional Subsidy for Texas - 2011 Cap Grant

Tracking Number	Recipient	Initial Loan Date	Amount	Grant Amount	Negative Interest Amount	Principal Forgiveness Amount	Recipient Could Afford Project without Subsidy?	Population Served	GPR Amount
10366 - G12000	Kerr County	9/25/2012	1,290,000	0	0	1,290,000	<input type="checkbox"/>	2,115	0
72241 - LF1000	Hidalgo Co MUD # 1	7/24/2012	629,896	0	0	629,896	<input type="checkbox"/>	8,500	0
73633 - LF1000	McAllen	8/1/2012	510,000	0	0	510,000	<input type="checkbox"/>	117,605	0
73634 - G12000	Ranger	10/24/2012	300,000	0	0	300,000	<input type="checkbox"/>	2,468	0
73638 - L10000	Brady	11/9/2012	2,651,990	0	0	1,441,990	<input type="checkbox"/>	5,850	846,597
73641 - L10000	Grand Prairie	11/16/2012	582,000	0	0	87,000	<input type="checkbox"/>	71,480	582,000
73642 - L10000	Mercedes	5/7/2013	4,650,000	0	0	1,395,000	<input type="checkbox"/>	22,000	0
73647 - LF1000	Breckenridge	4/11/2013	353,461	0	0	353,461	<input type="checkbox"/>	9,360	0
73648 - L10000	West Tawakoni	6/28/2013	227,500	0	0	112,500	<input type="checkbox"/>	1,576	0
73649 - L10000	Mount Vernon	4/5/2013	562,788	0	0	37,788	<input type="checkbox"/>	2,660	251,918
Total for all 10 Agreements			11,757,635	0	0	6,157,635		243,614	1,680,515

**Texas Water Development Board
SFY 2013 Clean Water State Revolving Fund
Annual Report**

Table 8B
Clean Water SRF Reporting
Additional Subsidy for Texas - 2012 Cap Grant

Tracking Number	Recipient	Initial Loan Date	Amount	Grant Amount	Negative Interest Amount	Principal Forgiveness Amount	Recipient Could Afford Project without Subsidy?	Population Served	GPR Amount
73654 - L10001	Grand Prairie	7/18/2013	2,079,431	0	0	274,431	<input type="checkbox"/>	71,480	1,829,538
73657 - L10001	Buda	8/29/2013	401,500	0	0	276,500	<input type="checkbox"/>	1,048	0
Total for all 2 Agreements			2,480,931	0	0	550,931		72,528	1,829,538

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Table 9			
Green Project Reserve and Additional Subsidization - 2011 IUP / 2010 Grant			
Recipient	Status	Green	Add. Subsid.
Alton	Active		\$9,595,000
Cibolo Creek MA	Active	\$1,247,551	
La Feria	Active		\$8,381,340
Nueces River Authority	Active		\$9,961,460
San Antonio Water System	Active	\$10,712,750	
		\$11,960,301	\$27,937,800
		GPR Target \$18,625,000	Min. Add. Subsid. \$13,947,320
		% of Target 64%	Max. Add. Subsid. \$46,491,066

Green Project Reserve and Additional Subsidization - 2012 IUP / 2011 Grant			
Recipient	Status	Green	Add. Subsid.
Brady	Active	\$846,597	\$1,441,990
Breckenridge	Active		\$353,461
Grand Prairie	Active	\$582,000	\$87,000
Hidalgo Co. MUD # 1	Active		\$629,896
Kerr County	Active		\$1,290,000
McAllen	Active		\$510,000
Mercedes	Active		\$1,395,000
Mount Vernon	Active	\$251,918	\$37,788
Ranger	Active		\$300,000
West Tawakoni	Active		\$112,500
		\$1,680,515	\$6,157,635
Edcouch	Commitment		\$2,413,600
McAllen	Commitment	\$7,808,511	\$1,153,511
		\$7,808,511	\$3,567,111

TOTAL

\$9,489,026	\$9,724,746
GPR Target \$13,498,400	Min. Add. Subsid. \$6,254,207
% of Target 70%	Max. Add. Subsid. \$20,847,357

**Texas Water Development Board
SFY 2013 Clean Water State Revolving Fund
Annual Report**

Table 9A			
Green Project Reserve and Additional Subsidization - 2013 IUP / 2012 Grant *			
Recipient	Status	Green	Add. Subsid.
Buda	Active		\$276,500
Grand Prairie	Active	\$1,829,538	\$274,431
		\$1,829,538	\$550,931
Agua SUD	Commitment		\$2,375,000
Aqua WSC	Commitment		\$127,238
Comanche	Commitment		\$316,500
McAllen	Commitment	\$1,669,285	
McAllen	Commitment		\$250,393
Woodloch	Commitment		\$297,613
		\$1,669,285	\$3,366,744
TOTAL		\$3,498,823	\$3,917,675
		GPR Target	Min. Add. Subsid.
		\$6,459,700	\$3,590,067
		% of Target	Max. Add. Subsid.
		54%	\$5,385,101

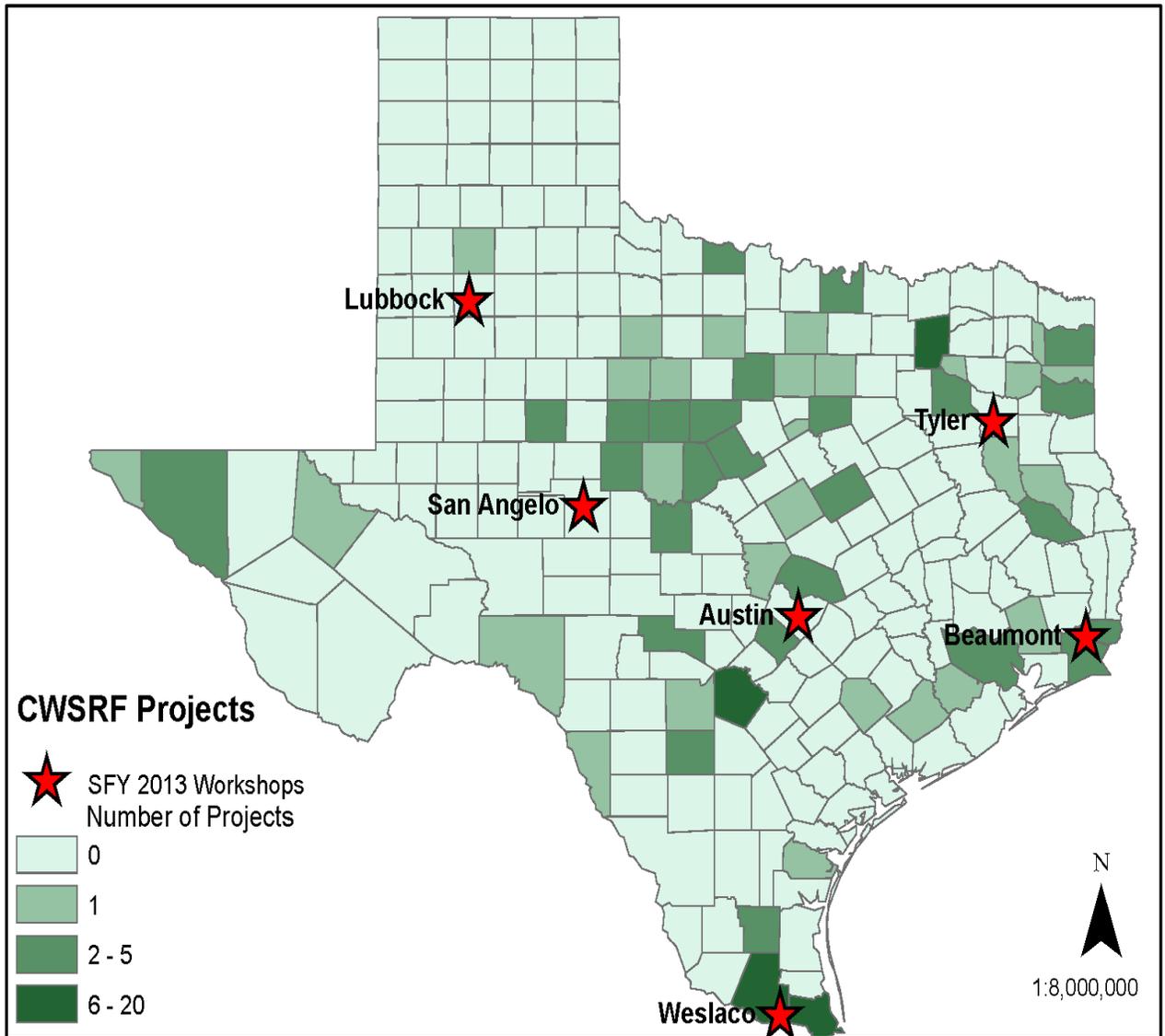
* Based on commitments as of 8/31/2013. Additional commitments from the SFY 2013 IUP will continue into SFY 2014 to use toward GPR and additional subsidy.

**Texas Water Development Board
SFY 2013 Clean Water State Revolving Fund
Annual Report**

Table 10 – Outreach				
	Dates	Texas Conferences Attended	Number of TWDB Staff Conducting Outreach	Location
1	11/13-16/2012	100th Annual Conference of the Texas Municipal League	4	Grapevine
2	3/20-22/2012	Texas Rural Water Association (TRWA)	4	Austin
3	4/9-12/2013	Water Environment Association of Texas (WEAT) & Texas American Water Works Association	4	Galveston
4	8/6-7/2013	TCEQ Public Drinking Water Conference	6	Austin
5	8/29-30/2013	Texas Association of Counties, Annual Conference and Exposition	3	Austin

Texas Water Development Board
SFY 2013 Clean Water State Revolving Fund
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Workshops Conducted in SFY 2013 Compared to Project Information Forms Received



**Texas Water Development Board
SFY 2013 Clean Water State Revolving Fund
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Table 11 – CWSRF Statement of Sources and Uses of Funds

Cash Basis	SFY 2013
Cash - Beginning Balance (9/1/2012)	\$398,378,143
SOURCES:	
Federal Capitalization Grant Fund Drawn (excluding ARRA)	\$61,601,034
State Match Deposited	\$22,129,261
ARRA Grant Funds Drawn	\$6,267,034
Principal Repayments from Existing Loans-Received in SFY 2013	\$156,356,000
Interest Repayments from Existing Loans-Received in SFY 2013	\$77,414,132
Investment Earnings on Funds-Received in SFY 2013	\$509,856
Refunding Bond Proceeds Used to Pay Debt	\$242,848
TOTAL SOURCES:	<u><u>\$324,520,165</u></u>
USES:	
<u>Administration</u>	
Administration Drawn and Expended, excluding ARRA	\$2,090,166
ARRA Administration Drawn and Expended	\$2,155,987
Bank Charges and Debt Management Fees	\$430,852
Total Administration	<u>\$4,677,005</u>
<u>Projects Funded - during SFY 2013:</u>	
Loans and Loan Forgiveness - Funds Disbursed into Escrow Account, excludes ARRA	\$127,163,670
ARRA funds disbursed - Installment Loans and Grants	\$7,338,103
Total Projects Funded	<u>\$134,501,773</u>
<u>Debt Service (Principal and Interest) on:</u>	
Revenue Bonds - to Leverage the Fund - Principal Paid:	
Senior Lien	\$35,206,175
Subordinate - Variable Rate	\$15,755,000
Subordinate - Fixed Rate	\$14,935,000
Match General Obligation Bonds - Principal Paid	\$8,162,685
Interest Paid	\$46,920,573
Total Debt Service:	\$120,979,433
TOTAL USES:	<u><u>\$260,158,211</u></u>
NET SOURCES (USES):	<u><u>\$64,361,954</u></u>
Cash - Ending Balance (8/31/2013)	\$462,740,097

Fees are not deposited into the Fund; therefore, based on EPA guidance they are not included in the Sources and Uses of Funds.

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Cash Flow Coverage Model

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**TEXAS WATER DEVELOPMENT BOARD
 CLEAN WATER STATE REVOLVING FUND
 PROJECTED ANNUAL CASH FLOW COVERAGE
 AS OF AUGUST 31, 2013**

Operational Minimum DSC: 1.10
Lowest Total DSC: 2.28

Fiscal Year	Funds On Hand Restricted To Debt Service & Prior Year Balance	Loan Receipts 9/1 - 5/31 (2)	Loan Receipts & Investment Projections (3)	Total Existing Debt Service (4)
2014 (1)	\$56,983,183	\$117,987,136		\$61,297,492
2015	142,773,367	120,332,480		91,424,679
2016	205,654,021	127,462,701		93,480,779
2017	280,959,006	128,631,111	\$19,755,618	54,093,179
2018	427,259,176	128,617,630	19,755,618	74,932,029
2019	559,132,681	128,764,221	19,755,618	110,376,529
2020	658,014,779	127,485,068	19,755,618	55,890,138
2021	812,258,884	126,988,093	19,755,618	56,211,138
2022	971,131,531	126,167,472	19,755,618	61,994,800
2023	1,123,781,285	124,287,629	19,755,618	62,638,988
2024	1,275,099,524	121,931,234	19,755,618	66,524,088
2025	1,420,960,178	114,422,178	19,755,618	70,670,900
2026	1,552,185,382	95,727,523	19,755,618	68,238,438
2027	1,667,373,901	79,978,085	19,755,618	78,379,650
2028	1,759,521,078	72,207,899	19,755,618	60,949,438
2029	1,858,219,021	63,348,696	19,755,618	64,343,938
2030	1,939,742,929	57,435,344	19,755,618	18,116,250
2031	2,063,908,339	50,820,197	19,755,618	7,201,250
2032	2,193,855,279	46,550,207	19,755,618	3,151,750
2033	2,324,100,605	40,613,391	19,755,618	3,154,750
2034	2,399,793,470	39,831,626	19,755,618	3,157,000
2035	2,468,939,318	38,768,279	19,755,618	3,148,250
2036	2,529,779,278	38,201,860	19,755,618	3,153,750
2037	2,590,017,567	37,127,578	2,018,887	3,147,500
2038	2,630,074,396	36,996,526	2,018,887	3,144,750
2039	2,668,591,753	26,071,868	2,018,887	
2040	2,698,475,171	18,447,748	2,018,887	
2041	2,720,241,151	14,936,251	2,018,887	
2042	2,738,525,466	8,869,131	2,018,887	
2043	2,750,346,112	4,167,070	2,018,887	
2044	2,756,537,149	61,147	2,018,887	
2045	2,758,617,183		2,018,887	
2046	2,760,636,070		2,018,887	
2047	2,762,654,957			
2048				
2049				
		<u>\$2,263,237,373</u>	<u>\$415,301,232</u>	<u>\$1,178,821,452</u>

**TEXAS WATER DEVELOPMENT BOARD
 CLEAN WATER STATE REVOLVING FUND
 PROJECTED ANNUAL CASH FLOW COVERAGE
 AS OF AUGUST 31, 2013**

Balance	Loan Receipts 6/1 - 8/31	Net Balance After Debt Service
\$98,393,264	\$44,380,103	\$142,773,367
156,356,521	49,297,500	205,654,021
224,272,822	56,686,184	280,959,006
359,879,042	67,380,134	427,259,176
485,317,216	73,815,465	559,132,681
584,433,806	73,580,973	658,014,779
737,348,550	74,910,334	812,258,884
890,763,248	80,368,283	971,131,531
1,043,004,607	80,776,678	1,123,781,285
1,195,083,457	80,016,067	1,275,099,524
1,340,147,840	80,812,338	1,420,960,178
1,475,290,655	76,894,727	1,552,185,382
1,590,219,541	77,154,360	1,667,373,901
1,680,570,269	78,950,809	1,759,521,078
1,784,127,996	74,091,025	1,858,219,021
1,870,567,825	69,175,104	1,939,742,929
1,992,719,850	71,188,490	2,063,908,339
2,123,410,500	70,444,779	2,193,855,279
2,255,354,500	68,746,105	2,324,100,605
2,380,630,509	19,162,961	2,399,793,470
2,456,223,714	12,715,605	2,468,939,318
2,524,314,965	5,464,313	2,529,779,278
2,584,583,006	5,434,561	2,590,017,567
2,626,016,532	4,057,864	2,630,074,396
2,665,945,059	2,646,694	2,668,591,753
2,696,682,507	1,792,664	2,698,475,171
2,718,941,805	1,299,346	2,720,241,151
2,737,196,290	1,329,176	2,738,525,466
2,749,413,484	932,628	2,750,346,112
2,756,532,068	5,081	2,756,537,149
2,758,617,183		2,758,617,183
2,760,636,070		2,760,636,070
2,762,654,957		2,762,654,957
2,762,654,957		2,762,654,957
<hr/> <hr/>		
\$1,403,510,350		
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**TEXAS WATER DEVELOPMENT BOARD
 CLEAN WATER STATE REVOLVING FUND
 PROJECTED ANNUAL CASH FLOW COVERAGE
 AS OF AUGUST 31, 2013**

Income to be Used Within the Same Fiscal Year

Fiscal Year	Loan Receipts 9/1 - 5/31 (6)	Projected Loan Receipts (7)
2014 (1)	\$117,987,136	
2015	120,332,480	
2016	127,462,701	
2017	128,631,111	\$19,755,618
2018	128,617,630	19,755,618
2019	128,764,221	19,755,618
2020	127,485,068	19,755,618
2021	126,988,093	19,755,618
2022	126,167,472	19,755,618
2023	124,287,629	19,755,618
2024	121,931,234	19,755,618
2025	114,422,178	19,755,618
2026	95,727,523	19,755,618
2027	79,978,085	19,755,618
2028	72,207,899	19,755,618
2029	63,348,696	19,755,618
2030	57,435,344	19,755,618
2031	50,820,197	19,755,618
2032	46,550,207	19,755,618
2033	40,613,391	19,755,618
2034	39,831,626	19,755,618
2035	38,768,279	19,755,618
2036	38,201,860	19,755,618
2037	37,127,578	2,018,887
2038	36,996,526	2,018,887
2039	26,071,868	2,018,887
2040	18,447,748	2,018,887
2041	14,936,251	2,018,887
2042	8,869,131	2,018,887
2043	4,167,070	2,018,887
2044	61,147	2,018,887
2045		2,018,887
2046		2,018,887
2047		
2048		
2049		
	\$2,263,237,373	\$415,301,232

**TEXAS WATER DEVELOPMENT BOARD
 CLEAN WATER STATE REVOLVING FUND
 PROJECTED ANNUAL CASH FLOW COVERAGE
 AS OF AUGUST 31, 2013**

Income to be Used Within the Same Fiscal Year

Projected Investment Income (8)	Total Projected Income to Pay Debt Service	Loan Receipts From 6/1 - 8/31 (6)
	\$117,987,136	\$44,380,103
	120,332,480	49,297,500
	127,462,701	56,686,184
	148,386,729	67,380,134
	148,373,248	73,815,465
	148,519,839	73,580,973
	147,240,686	74,910,334
	146,743,711	80,368,283
	145,923,090	80,776,678
	144,043,247	80,016,067
	141,686,852	80,812,338
	134,177,796	76,894,727
	115,483,141	77,154,360
	99,733,703	78,950,809
	91,963,517	74,091,025
	83,104,314	69,175,104
	77,190,962	71,188,490
	70,575,815	70,444,779
	66,305,825	68,746,105
	60,369,009	19,162,961
	59,587,244	12,715,605
	58,523,897	5,464,313
	57,957,478	5,434,561
	39,146,464	4,057,864
	39,015,413	2,646,694
	28,090,754	1,792,664
	20,466,634	1,299,346
	16,955,138	1,329,176
	10,888,018	932,628
	6,185,957	5,081
	2,080,034	
	2,018,887	
	2,018,887	
	\$2,678,538,605	\$1,403,510,350

**TEXAS WATER DEVELOPMENT BOARD
 CLEAN WATER STATE REVOLVING FUND
 DEBT SERVICE ON OUTSTANDING BONDS
 AS OF AUGUST 31, 2013**

Fiscal Year	SRF Revenue Fixed Rate Bonds		
	Principal	Interest	Total
2014 (1)	\$24,265,000	\$37,000,400	\$61,265,400
2015	55,380,000	36,012,588	91,392,588
2016	60,180,000	33,268,688	93,448,688
2017	23,585,000	30,476,088	54,061,088
2018	45,570,000	29,329,938	74,899,938
2019	22,510,000	27,156,438	49,666,438
2020	29,755,000	26,135,138	55,890,138
2021	31,560,000	24,651,138	56,211,138
2022	38,935,000	23,059,800	61,994,800
2023	41,565,000	21,073,988	62,638,988
2024	47,570,000	18,954,088	66,524,088
2025	54,125,000	16,545,900	70,670,900
2026	54,430,000	13,808,438	68,238,438
2027	67,325,000	11,054,650	78,379,650
2028	53,310,000	7,639,438	60,949,438
2029	59,370,000	4,973,938	64,343,938
2030	16,100,000	2,016,250	18,116,250
2031	5,990,000	1,211,250	7,201,250
2032	2,240,000	911,750	3,151,750
2033	2,355,000	799,750	3,154,750
2034	2,475,000	682,000	3,157,000
2035	2,590,000	558,250	3,148,250
2036	2,725,000	428,750	3,153,750
2037	2,855,000	292,500	3,147,500
2038	2,995,000	149,750	3,144,750
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
	\$749,760,000	\$368,190,900	\$1,117,950,900

**TEXAS WATER DEVELOPMENT BOARD
 CLEAN WATER STATE REVOLVING FUND
 DEBT SERVICE ON OUTSTANDING BONDS
 AS OF AUGUST 31, 2013**

Variable Rate Bonds (9)			
Principal	Interest	Total	Grand Total
	\$32,092	\$32,092	\$61,297,492
	32,092	32,092	91,424,679
	32,092	32,092	93,480,779
	32,092	32,092	54,093,179
	32,092	32,092	74,932,029
\$60,678,000	32,092	60,710,092	110,376,529
			55,890,138
			56,211,138
			61,994,800
			62,638,988
			66,524,088
			70,670,900
			68,238,438
			78,379,650
			60,949,438
			64,343,938
			18,116,250
			7,201,250
			3,151,750
			3,154,750
			3,157,000
			3,148,250
			3,153,750
			3,147,500
			3,144,750
\$60,678,000	\$192,552	\$60,870,552	\$1,178,821,452

FOOTNOTES:

- (1) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
- (2) Represents loan receipts received from September 1st through May 31st to be used for debt service.
- (3) Represents the total income available from loan receipt and investment projections based on current fund balances.
- (4) Represents current debt service requirements.
- (5) Total revenue to debt ratio. Total revenue includes beginning fund balances, actual loan receipts received from September 1st thru May 31st, and projected loan receipt and investment projections.
- (6) Represents scheduled repayments of \$2,761,727,000 in outstanding principal amount of Political Subdivision Bonds as of August 31, 2013.
- (7) Represents projected repayments from (a) \$70,601,608 in Board commitments which include \$10,035,000 in Equivalency loans, \$60,566,608 in Non-Equivalency loans, and \$0 in Equivalency - Disadvantaged loans; and (b) \$344,699,624 in projected loans to be made with excess available program funds.
- (8) Assumes investment income on fund balances at 0% for 8 months.
- (9) Assumes an interest rate of 0.052889% for variable rate bonds.
- (10) State Match Bonds are paid only from interest repayments.

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Appendix B: CWSRF SFY 2013 Projects

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Loans Closed During SFY 2013										
Map ID	Loan #	Name	Amount	Loan Type	Equivalency	1st Prin. Pyt.	Last Prin. Pyt.	Interest Rate	IUP Year	Small Community
1	L110065	City of Bedford	630,000	Loan	EQ	2/1/2013	2/1/2032	0.978%	2011	
2	L1000011	City of Brady	1,210,000	Loan	EQ	9/1/2015	9/1/2024	1.770%	2012	Yes
3	L1000054	City of Breckenridge	840,000	Loan	EQ	3/15/2015	3/15/2044	1.927%	2012	Yes
4	L1000157	City of Buda	125,000	Loan	EQ	2/15/2014	2/15/2014	0.000%	2013	Yes
5	L1000060	City of Castroville	375,000	Loan	Non-EQ	2/1/2014	2/1/2023	0.931%	2012	Yes
6	L1000004	City of Del Rio	5,000,000	Loan	Non-EQ	6/1/2013	6/1/2042	1.768%	2012	
7	L110071	City of Eldorado	1,200,000	Loan	EQ	8/1/2014	8/1/2035	2.337%	2011	Yes
8	L1000021	City of Grand Prairie	495,000	Loan	Non-EQ	7/15/2013	7/15/2015	0.000%	2012	
9	L1000155	City of Grand Prairie	1,805,000	Loan	EQ	1/15/2014	1/15/2019	0.104%	2013	
10	L110072	Greater Texoma Utility Auth.	2,825,000	Loan	EQ	8/15/2013	8/15/2041	2.018%	2011	Yes
11	L110062	City of Houston	49,900,000	Loan	EQ	11/15/2013	11/15/2042	1.415%	2011	
12	L120030	City of Houston	48,750,000	Loan	EQ	11/15/2013	11/15/2042	1.690%	2012	
13	L1000154	City of Ingram	175,000	Loan	EQ	2/15/2014	2/15/2023	1.455%	2013	Yes
14	L120022	Kerr County	570,000	Loan	EQ	2/15/2013	2/15/2022	0.424%	2012	Yes
15	L1000002	City of Marlin	3,000,000	Loan	EQ	7/1/2014	7/1/2042	2.694%	2011	Yes
16	L1000024	City of Mercedes	3,255,000	Loan	EQ	2/15/2015	2/15/2033	1.636%	2012	
17	L1000063	City of Mount Vernon	525,000	Loan	Non-EQ	9/1/2014	9/1/2043	2.521%	2012	Yes
18	L1000093	Orange County WCID #2	500,000	Loan	Non-EQ	3/1/2014	3/1/2023	1.588%	2012	Yes
19	L120023	City of Ranger	300,000	Loan	EQ	2/15/2014	2/15/2023	1.403%	2012	Yes
20	L1000051	City of West Tawakoni	115,000	Loan	EQ	2/1/2014	2/1/2023	1.332%	2012	Yes
Total Loans			\$121,595,000							
	LF1000019	City of Brady	1,441,990	Forgiveness	EQ			Loan Forgiven	2012	Yes
	LF1000092	City of Breckenridge	353,461	Forgiveness	EQ			Loan Forgiven	2012	Yes
	LF1000158	City of Buda	276,500	Forgiveness	EQ			Loan Forgiven	2013	Yes
	LF1000048	City of Grand Prairie	87,000	Forgiveness	Non-EQ			Loan Forgiven	2012	
	LF1000156	City of Grand Prairie	274,431	Forgiveness	EQ			Loan Forgiven	2013	
	G120007	Kerr County	1,290,000	Forgiveness	EQ			Loan Forgiven	2012	Yes
	LF1000059	City of Mercedes	1,395,000	Forgiveness	EQ			Loan Forgiven	2012	
	LF1000062	City of Mount Vernon	37,788	Forgiveness	Non-EQ			Loan Forgiven	2012	Yes
	G120008	City of Ranger	300,000	Forgiveness	EQ			Loan Forgiven	2012	Yes
	LF1000052	City of West Tawakoni	112,500	Forgiveness	EQ			Loan Forgiven	2012	Yes
Total Loan Forgiveness			\$5,568,670							

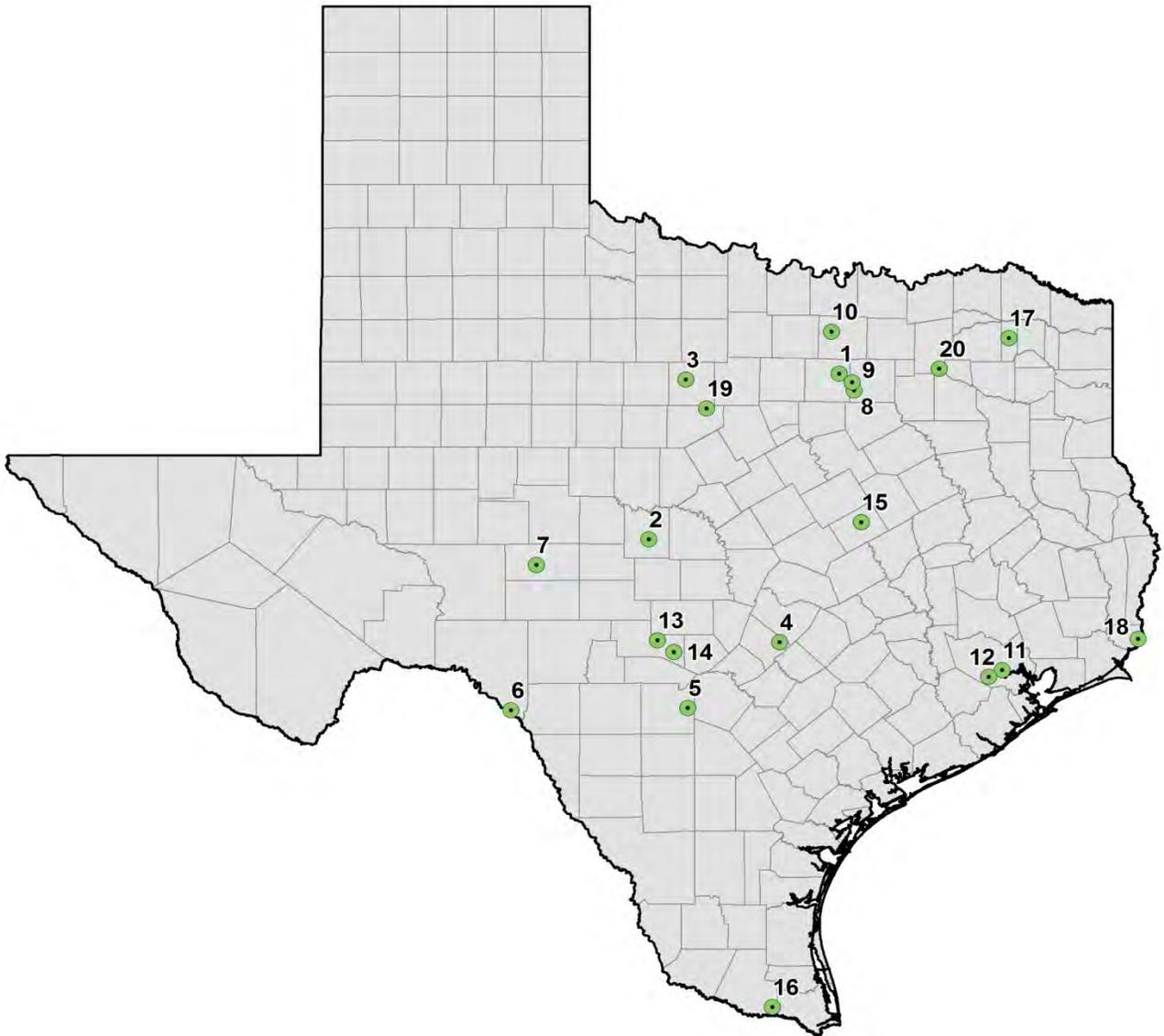
TOTAL SFY 2013

\$127,163,670

2011 Equivalency Projects, Closed in SFY 2013	\$57,555,000
2012 Equivalency Projects, Closed in SFY 2013	\$59,932,951
2013 Equivalency Projects, Closed in SFY 2013	\$2,655,931

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CWSRF - Closed Loans – SFY 2013



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Clean Water SRF 2013 Closed Loans Narrative Descriptions

Bedford

Sulphur Branch Trunk Upgrade
Project # 73619

Commitment Amount	\$630,000	Closing Date	10/16/2012
Commitment Code	L110065	Map Location	1

Replace a 3,620 foot segment of 12- to 18-inch diameter pipe with 15- to 21-inch line in the Sulphur Branch Trunk Sewer system. The project is part of the city's ongoing efforts to reduce sanitary sewer overflows (SSOs).

Brady

Two WWTPs & Brady Lake Collection
Project # 73638

Commitment Amount	\$2,651,990	Closing Date	11/9/2012
Commitment Code	L1000011, LF1000019	Map Location	2

Plan and design five major projects: 1) improvements at the City's existing wastewater treatment plant, including more stringent treatment and expansion for reuse; 2) a reuse pipeline capable of delivering flow to a nearby golf course; 3) a reuse pipeline to deliver wastewater back to Brady Creek Reservoir for reuse; 4) a collection system to collect wastewater from some 300 homes around Brady Creek Reservoir to protect the City's water supplies from failing septic systems; and, 5) a second wastewater treatment plant to treat the flows collected around the lake.

Breckenridge

New Clarifier
Project # 73647

Commitment Amount	\$1,193,461	Closing Date	4/11/2013
Commitment Code	L1000054, LF1000092	Map Location	3

Construct a new 65-foot diameter clarifier at the city's wastewater treatment plant to improve treatment and operational flexibility. An existing small clarifier will be taken out of service and used for solids storage.

Buda

Hillside Terrace Collection System
Project # 73657

Commitment Amount	\$401,500	Closing Date	8/29/2013
Commitment Code	L1000157, LF1000158	Map Location	4

Construct approximately 18,550 feet of 8-inch sewer line, 50 manholes, a lift station and force main to provide first time service to the Hillside Terrace Subdivision. The subdivision's 263 residences are currently served by on-site systems that are a documented nuisance and a threat to water quality in Plum Creek.

Castroville

East Side Lift Station & Force Main
Project # 73646

Commitment Amount	\$375,000	Closing Date	3/21/2013
Commitment Code	L1000060	Map Location	5

Plan and design a lift station near the municipal airport, gravity interceptors, and 2.6 miles of force main to deliver flow from the east side sanitary sewer area to the City's wastewater treatment plant. Lines that currently serve the east side have limited capacity.

Del Rio
Collection System Reconstruction
Project # 73639

Commitment Amount	\$5,000,000	Closing Date	11/16/2012
Commitment Code	L1000004	Map Location	6

Rehabilitation of approximately 41,000 feet of 6 to 12-inch line to correct storm water infiltration and inflow problems caused by deteriorated, blocked and collapsed wastewater collection lines.

Eldorado
Collection System Rehabilitation
Project # 73625

Commitment Amount	\$1,200,000	Closing Date	2/21/2013
Commitment Code	L110071	Map Location	7

Replace approximately 4,700 linear feet of root-bound clay gravity sewer with 8-inch PVC lines, and rehabilitate three lift stations.

Grand Prairie
GP 20 Plus Extension Trunk Line
Project # 73641

Commitment Amount	\$582,000	Closing Date	11/16/2012
Commitment Code	L1000021, LF1000048	Map Location	8

Replace approximately 3,950 feet of undersized deteriorated trunk sewer with 18 to 30-inch PVC pipe to reduce the potential for sanitary sewer overflows. The line discharges to an interceptor owned by the Trinity River Authority for treatment at the Central Regional WWTP.

Grand Prairie Sewer
Line Replacement
Project # 73654

Commitment Amount	\$2,079,431	Closing Date	7/18/2013
Commitment Code	L1000155, LF1000156	Map Location	9

Replace approximately 25,000 feet of 10 to 21-inch 50 year old vitrified clay collection line to reduce heavy infiltration and inflow to the Central Regional Wastewater System.

Greater Texoma UA
Krum WWTP
Project # 73622

Commitment Amount	\$2,825,000	Closing Date	10/2/2012
Commitment Code	L110072	Map Location	10

Replace the existing 0.137 MGD lagoon wastewater facility with a 0.35 MGD activated sludge plant to address compliance, disinfection, and capacity issues. The increased capacity will allow the city to serve homes currently using septic systems and approximately 326 homes currently served by the City of Denton.

Houston
 Rehabilitation 2011 - Six Service Areas
 Project # 73606

Commitment Amount	\$49,900,000	Closing Date	9/27/2012
Commitment Code	L110062	Map Location	11

Rehabilitate approximately 475,000 feet of sanitary sewer line as part of the City's ongoing effort to rehabilitate approximately 900,000 feet of pipe annually in compliance with an agreed order with the TCEQ and EPA.

Houston
 Collection System Rehabilitation 2012
 Project # 73635

Commitment Amount	\$48,750,000	Closing Date	4/11/2013
Commitment Code	L120030	Map Location	12

Rehabilitate approximately 500,000 linear feet of sanitary sewer line within the Sims Bayou, Almeda Sims, Keegan's Bayou and Southwest service areas.

Ingram
 Eastside & Central Interceptors
 Project # 73656

Commitment Amount	\$175,000	Closing Date	6/18/2013
Commitment Code	L1000154	Map Location	13

Construct approximately 17,000 feet of 6 to 12-inch diameter gravity line to provide first time service to the central business district and the eastside area. The new lines will enable the properties to abandon malfunctioning septic systems, and enable future expansion to the residential areas of Ingram Oaks and Greenwood Forest that rely on septic tanks.

Kerr County
 Center Point Wastewater System
 Project # 10366

Commitment Amount	\$1,860,000	Closing Date	9/25/2012
Commitment Code	L120022, G120007	Map Location	14

Construct a wastewater collection system to provide first time service for the Center Point area. The area has many failing septic systems which pose health hazards and degrade surface water quality. Plans include a gravity interceptor to connect the system to the Kendall Co WCID # 1 wastewater treatment plant in Comfort.

Marlin
 Collection System Rehabilitation
 Project # 73614

Commitment Amount	\$3,000,000	Closing Date	11/9/2012
Commitment Code	L1000002	Map Location	15

Perform a sanitary sewer evaluation study on the city's wastewater collection system and repair or replace lines and manholes as needed. The city anticipates rehabilitating or replacing approximately 10,000 feet of the system and replacing or rehabilitating seven lift stations.

Mercedes
Collection System Rehabilitation
Project # 73642

Commitment Amount	\$4,650,000	Closing Date	5/7/2013
Commitment Code	L1000024, LF1000059	Map Location	16

Rehabilitate approximately 50,000 feet of 6- to 15-inch wastewater collection line, four lift stations, and numerous manholes to address inflow and infiltration, which accounts for approximately 30 to 40 percent of the total wastewater flows treated.

Mount Vernon
WWTP Renovation
Project # 73649

Commitment Amount	\$562,788	Closing Date	4/5/2013
Commitment Code	L1000063, LF1000062	Map Location	17

Renovate the aging wastewater treatment plant built in 1978 by installing dissolved oxygen level-activated solar mixers, return activated sludge and waste activated sludge flow meters, sensors, weir washers, scum removal arms, and pump controls to reduce energy consumption and improve operational efficiency.

Orange Co WCID # 2
Sabine River Outfall
Project # 73651

Commitment Amount	\$500,000	Closing Date	6/24/2013
Commitment Code	L1000093	Map Location	18

Construct a 3.5 MGD lift station and 5,000 feet of force main to allow the district's wastewater plant to discharge directly to the Sabine River instead of Adams Bayou; construct a new chlorine contact chamber and flow measurement structure; and elevate key equipment above the highest flood elevation experienced during Hurricane Ike.

Ranger Facultative
Lagoon WWTP Project #
73634

Commitment Amount	\$600,000	Closing Date	10/24/2012
Commitment Code	L120023, G120008	Map Location	19

Construct a new wastewater treatment facility at the existing plant site consisting of a facultative lagoon, a stabilization pond, an irrigation holding pond, and center pivot irrigation system to irrigate with effluent. The existing mechanical treatment plant is old, expensive to operate, and mechanical failures have led to effluent violations and a TCEQ enforcement order.

West Tawakoni
WWTP Rehabilitation
Project # 73648

Commitment Amount	\$227,500	Closing Date	6/28/2013
Commitment Code	L1000051, LF1000052	Map Location	20

The City's wastewater plant was built in the 1970s (TWDB project 20485) and needs extensive renovation to ensure adequate treatment and maintain compliance with its discharge permit. This wastewater treatment plant project includes planning and design for the replacement of existing equipment and the installation of two new clarifiers to increase the treatment capacity.

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Equivalency Projects - 2011 IUP					
Recipient	Project ID	Commitment #	Amount	Commit. Date	Closing Date
Alton	73600	G110016	\$ 9,595,000	3/17/2011	6/23/2011
Bedford	73619	L110065	630,000	10/20/2011	10/16/2012
Caddo Mills	73604	L110073	4,430,000	9/22/2011	5/9/2012
Cameron	73620	L110084	860,000	10/20/2011	6/15/2012
Center	73623	L110070	2,070,000	12/15/2011	4/26/2012
Cibolo Creek MA	73624	L110083	24,440,000	10/20/2011	3/1/2012
Eldorado	73625	L110071	1,200,000	2/2/2012	2/21/2013
Harris Co MUD # 33	73621	L110056	2,195,000	8/18/2011	5/24/2012
Houston	73606	L110062	49,900,000	9/22/2011	9/27/2012
Keller	73608	L110057	5,835,000	7/21/2011	2/16/2012
La Feria	73602	G110014	8,381,340	5/4/2011	4/19/2012
Marlin	73614	L1000002	3,000,000	6/21/2012	11/9/2012
Nueces River Authority	72045	G110033	9,961,460	10/20/2011	4/10/2012
Robstown	73603	L110033	2,635,000	5/4/2011	10/13/2011
San Antonio Water System	73613	L110061	19,630,000	8/18/2011	8/28/2012
Greater Texoma Utility Authd	73622	L110072	2,825,000	10/20/2011	10/2/2012

Equivalency Projects \$ 147,587,800

Amount of Grant (2010 Appropriations) \$93,126,000
Percentage 158%

Equivalency Projects - 2012 IUP					
Recipient	Project ID	Commitment #	Amount	Commit. Date	Closing Date
Brady	73638	LF1000019	\$ 1,441,990	7/19/2012	11/9/2012
Brady	73638	L1000011	1,210,000	7/19/2012	11/9/2012
Breckenridge	73647	L1000054	840,000	10/17/2012	4/11/2013
Breckenridge	73647	LF1000092	353,461	10/17/2012	4/11/2013
Houston	73635	L120030	48,750,000	4/19/2012	4/11/2013
Kerr County	10366	L120022	570,000	6/21/2012	9/25/2012
Kerr County	10366	G120007	1,290,000	6/21/2012	9/25/2012
Laredo	73626	L120019	48,750,000	4/19/2012	7/18/2012
McAllen	73633	LF1000014	510,000	4/19/2012	8/1/2012
McAllen	73633	L120016	1,190,000	4/19/2012	8/1/2012
Mercedes	73642	L1000024	3,255,000	8/16/2012	5/7/2013
Mercedes	73642	LF1000059	1,395,000	8/16/2012	5/7/2013
Ranger	73634	L120023	300,000	4/19/2012	10/24/2012
Ranger	73634	G120008	300,000	4/19/2012	10/24/2012
Springtown	73630	L120020	3,930,000	4/19/2012	8/30/2012
West Tawakoni	73648	LF1000052	112,500	12/6/2012	6/28/2013
West Tawakoni	73648	L1000051	115,000	12/6/2012	6/28/2013
Edcouch	73643	L1000068	1,055,000	2/28/2013	N/A
Edcouch	73643	LF1000081	2,413,600	2/28/2013	N/A

Equivalency Projects \$117,781,551

Amount of Grant (2011 Appropriations) \$67,492,000
Percentage 175%

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Equivalency Projects - 2013 IUP					
Recipient	Project ID	Commitment #	Amount	Commit. Date	Closing Date
Buda	73657	L1000157	\$ 125,000	4/18/2013	8/29/2013
Buda	73657	LF1000158	276,500	4/18/2013	8/29/2013
Grand Prairie	73654	L1000155	1,805,000	2/28/2013	7/18/2013
Grand Prairie	73654	LF1000156	274,431	2/28/2013	7/18/2013
Ingram	73656	L1000154	175,000	2/28/2013	6/18/2013
Agua SUD	10365	L1000143	2,375,000	4/18/2013	N/A
Agua SUD	10365	LF1000144	2,375,000	4/18/2013	N/A
Aqua WSC	73658	LF1000168	127,238	4/18/2013	N/A
Aqua WSC	73658	L1000167	54,530	4/18/2013	N/A
Comanche	73661	LF1000171	316,500	6/20/2013	N/A
Comanche	73661	L1000170	755,000	6/20/2013	N/A
Houston	73652	L1000149	65,000,000	2/28/2013	N/A
Wimberley	73653	L1000152	650,000	4/18/2013	N/A
Woodloch	73665	LF1000187	297,613	8/15/2013	N/A
Woodloch	73665	L1000184	130,000	8/15/2013	N/A

Equivalency Projects \$74,736,812

Amount of Grant (2012 Appropriations) \$64,597,000
Percentage 116%

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CWSRF SFY 2013 Project Construction Starts						
Entity	Type	Loan #	Project #	Close Date	Construction Start	Net Amount
Brady	PD	L1000011	73638	11/9/2012	N/A	\$1,210,000
Brady	PD	LF1000019	73638	11/9/2012	N/A	\$1,441,990
Buda	PD	L1000157	73657	8/29/2013	N/A	\$125,000
Buda	PD	LF1000158	73657	8/29/2013	N/A	\$276,500
Castroville	PAD	L1000060	73646	3/21/2013	N/A	\$375,000
Ingram	PAD	L1000154	73656	6/18/2013	N/A	\$175,000
Kerr County	PAD	G120007	10366	9/25/2012	N/A	\$1,290,000
Kerr County	PAD	L120022	10366	9/25/2012	N/A	\$570,000
Orange Co WCID # 2	PD	L1000093	73651	6/24/2013	N/A	\$500,000
Ranger	PD	G120008	73634	10/24/2012	N/A	\$300,000
Ranger	PD	L120023	73634	10/24/2012	N/A	\$300,000
West Tawakoni	PD	L1000051	73648	6/28/2013	N/A	\$115,000
West Tawakoni	PD	LF1000052	73648	6/28/2013	N/A	\$112,500
Anthony	Constr.	L090001	72252	12/11/2009	12/17/2012	\$4,000,000
Bedford	Constr.	L110065	73619	10/16/2012	7/1/2013	\$630,000
Cibolo Creek MA	Constr.	L100026	72316	2/25/2010	7/10/2013	\$2,745,000
Commerce	Constr.	L090002	72263	7/2/2010	1/17/2013	\$3,490,000
Harris Co MUD # 33	Constr.	L110056	73621	5/24/2012	10/16/2012	\$2,195,000
Harris Co MUD # 46	Constr.	L080057	72227	3/16/2009	9/12/2012	\$2,275,000
Houston	Constr.	L110062	73606	9/27/2012	3/21/2012	\$49,900,000
Houston	Constr.	L120030	73635	4/11/2013	3/13/2013	\$48,750,000
Hutto	Constr.	L110003	72792	8/30/2011	11/12/2012	\$2,520,000
Jefferson Co WCID#10	Constr.	L100028	72332	6/4/2010	10/8/2012	\$2,750,000
Keller	Constr.	L110057	73608	2/16/2012	3/25/2013	\$5,835,000
Laredo	Constr.	L120019	73626	7/18/2012	12/3/2012	\$48,750,000
Pecos City	Constr.	L080065	72246	10/29/2008	8/7/2013	\$6,870,000
Raymondville	Constr.	L100043	72342	3/25/2010	11/28/2012	\$1,365,000
Robstown	Constr.	L110033	73603	10/13/2011	1/12/2013	\$2,635,000
San Augustine	Constr.	L110006	73085	1/11/2011	1/19/2013	\$1,050,000
Springtown	Constr.	L120020	73630	8/30/2012	4/23/2013	\$3,930,000
Wilson	Constr.	L090091	72324	9/29/2009	12/1/2012	\$1,705,000
Winnsboro	Constr.	134300	71838	8/17/2005	10/30/2012	\$1,050,000

\$199,235,990

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CWSRF SFY 2013 Construction Completions					
Entity	Loan #	Project #	Close Date	Complete	Net Amount
Aledo	L090036	72212	7/2/2009	6/6/2013	\$675,000
Aledo	L090037	72212	2/25/2010	6/6/2013	\$2,110,000
Aledo	L090038	72212	5/24/2011	6/6/2013	\$3,345,000
Aledo	L090039	72212	3/1/2012	6/6/2013	\$1,900,000
Austin	L100020	72454	1/25/2010	1/24/2013	\$31,815,000
Bonham	136900	71841	11/15/2005	11/20/2012	\$1,675,000
Commerce	L070054	72140	1/25/2008	4/4/2013	\$2,005,000
Greenville	L080006	72248	2/15/2008	8/27/2013	\$20,000,000
Groesbeck	L070056	72137	6/21/2007	12/11/2012	\$2,000,000
Harris Co WCID # 36	G100009	72757	12/15/2009	10/23/2012	\$3,553,450
Hidalgo Co MUD # 1	L080052	72241	12/16/2008	5/9/2013	\$3,520,000
Hidalgo Co MUD # 1	L1000005	72241	7/24/2012	5/9/2013	\$1,500,000
Hidalgo Co MUD # 1	LF1000006	72241	7/24/2012	5/9/2013	\$629,896
Marble Falls	131100	71624	5/5/2005	12/6/2012	\$2,950,000
McAllen	L100042	72933	2/2/2010	5/9/2013	\$39,485,000
Point	136800	71835	12/29/2005	2/6/2013	\$1,370,000
Port Arthur	G100003	73036	12/14/2009	6/19/2013	\$15,080,000
Roxton	L070089	72102	9/27/2007	12/7/2012	\$1,000,000
San Antonio Water System	125400	71270	8/26/2003	8/20/2013	\$12,228,617
San Antonio Water System	130500	71270	7/7/2004	8/20/2013	\$10,635,000
Seminole	L090052	72310	6/16/2009	2/26/2013	\$2,960,000
Westwood Shores MUD	L090079	72327	5/18/2010	3/5/2013	\$1,825,000

\$162,261,963

CWSRF - Method of Cash Draw for SFY 2013

Disburse Full Amount of State Match First, Then Draw 100% Federal Funds for Projects

TWDB demonstrates that 100 percent of the required state match has been utilized first and then draws 100 percent federal funds from all SRF project invoices, as they are received. Once all federal and state match funds are expended, the remainder of invoices will be paid from the repayment stream or other SRF revenues.

Based upon clarification from the EPA, the method of cash draw is a modified “all projects” method. Based on this method a specific percentage per project is not required. The TWDB draws funds based on invoices for the SRF, in the order they are received, until an amount equal to the Clean Water capitalization grant allotment is expended.

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TxWISE Phase 3	
Summary-Level Project Activities During SFY 2013	
Planned Activity	Planned Completion
Design / Develop / Test new Financial Information System (FIS), web-enable associated TxWISE functionality, and migrate to the TxWISE Cloud environment.	<i>2/6/2014</i>
Web-enabled TxWISE Live in the Cloud	<i>2/7/2014</i>
Web-enable the Inspection and Field Support System and integrate with the TxWISE Cloud environment.	<i>9/16/2014</i>
Web-enable the Contract Administration System and integrate with the TxWISE Cloud environment.	<i>9/16/2014</i>
Inspection and Field Support System and Contract Administration System Live in the Cloud.	<i>9/17/2014</i>

Clean Water Benefits Reporting (CBR) Summaries

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CW Benefits Summary Loan List for Texas

System Number	Recipient	Tracking Number	Assistance Amount	Initial Agreement
TX 275	Bedford	73619 - L110065	630,000	10/20/2012
TX 279	Brady	73638 - L1000011, L	2,651,990	11/9/2012
TX 288	Breckenridge	73647 - L1000054	840,000	4/11/2013
TX 289	Breckenridge	73647 - LF1000092	353,461	4/11/2013
TX 296	Buda	73657 - L1000157, L	401,500	8/29/2013
TX 285	Castroville	73646 - L1000060	375,000	3/21/2013
TX 283	Del Rio	73639 - L1000004	5,000,000	11/16/2012
TX 284	Eldorado	73625 - L110071	1,200,000	2/21/2013
TX 282	Grand Prairie	73641 - L1000021, L	582,000	11/16/2012
TX 295	Grand Prairie	73654 - L1000155, L	2,079,431	7/18/2013
TX 273	Greater Texoma UA	73622 - L110072	2,825,000	10/2/2012
TX 274	Houston	73606 - L110062	49,900,000	9/27/2012
TX 290	Houston	73635 - L120030	48,750,000	4/11/2013
TX 292	Ingram	73656 - L1000154	175,000	6/18/2013
TX 272	Kerr County	10366 - G120007	1,290,000	9/25/2012
TX 271	Kerr County	10366 - L120022	570,000	9/25/2012
TX 278	Marlin	73614 - L1000002	3,000,000	11/9/2012
TX 291	Mercedes	73642 - L1000024,L	4,650,000	5/7/2013
TX 286	Mount Vernon	73649 - L1000063, L	562,788	4/5/2013
TX 293	Orange Co WCID # 2	73651 - L1000093	500,000	6/24/2013
TX 277	Ranger	73634 - G120008	300,000	10/24/2012
TX 276	Ranger	73634 - L120023	300,000	10/24/2012
TX 294	West Tawakoni	73648 - L1000051, L	227,500	6/28/2013
Total for all 23 Loans			127,163,670	

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Texas CW Benefits Summary Report for Projects with Water Uses Reported

All Loans

	Loans		Projects			Borrowers		
	Assistance Dollars (millions)	Loan Count	Assistance Dollars (millions)	Subsidy Dollars (millions)	Project Count	Facility Population (millions)	Facility Flow (MGD)	Borrower Count
Total Records	127.2	23	127.2		23	2.5	533	18
Records with Benefits Data	126.4	20	126.4	56.2	20	2.5	531	15
Impacting Human Health	126.4	20	126.4	56.2	20	2.5	531	15
	100%	100%	100%		100%	19,541	People Served per \$million	100%
With Impaired Waterbody			9.6	4.4	2	0.1	5	2
			8%		10%	6,218	People Served per \$million	13%
With Waterbody Meeting Standards			12.6	4.4	11			
To Improve Water Quality			111.4	51.6	7			
To Maintain Water Quality			13.6	4.6	12			
To Achieve Compliance			0.0	0.0	0			
To Maintain Compliance			125.1	56.2	19			

All Dates from 9/1/2012 thru 8/31/2013

9/11/2013

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Texas Program Performance Measures for CW Benefits
All Primary and Secondary Uses

	Number of Projects	Assistance Dollars (Millions)	Measure (Projects per Million \$)
Waterbodies Protected			
Protected and Restored	11	27.3	0.403
Protected but Not Restored	13	207.4	0.063
All Protected	24	234.7	0.102
Waterbodies Restored			
Restored and Protected	9	17.6	0.51
Restored but Not Protected	0	0.0	0
All Restored	9	17.6	0.51

All Dates from 9/1/2012 thru 8/31/2013

9/11/2013

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Reported Needs Categories for Texas

Needs Category	Number of Projects	Total Amount	
I Secondary Treatment	7	4,238,999	3.3%
II Advanced Treatment	5	3,423,941	2.7%
III-A Infiltration/Inflow	3	6,778,335	5.3%
III-B Sewer System Rehabilitation	9	109,513,096	86.1%
IV-A New Collector Sewers	6	3,209,299	2.5%
		127,163,670	

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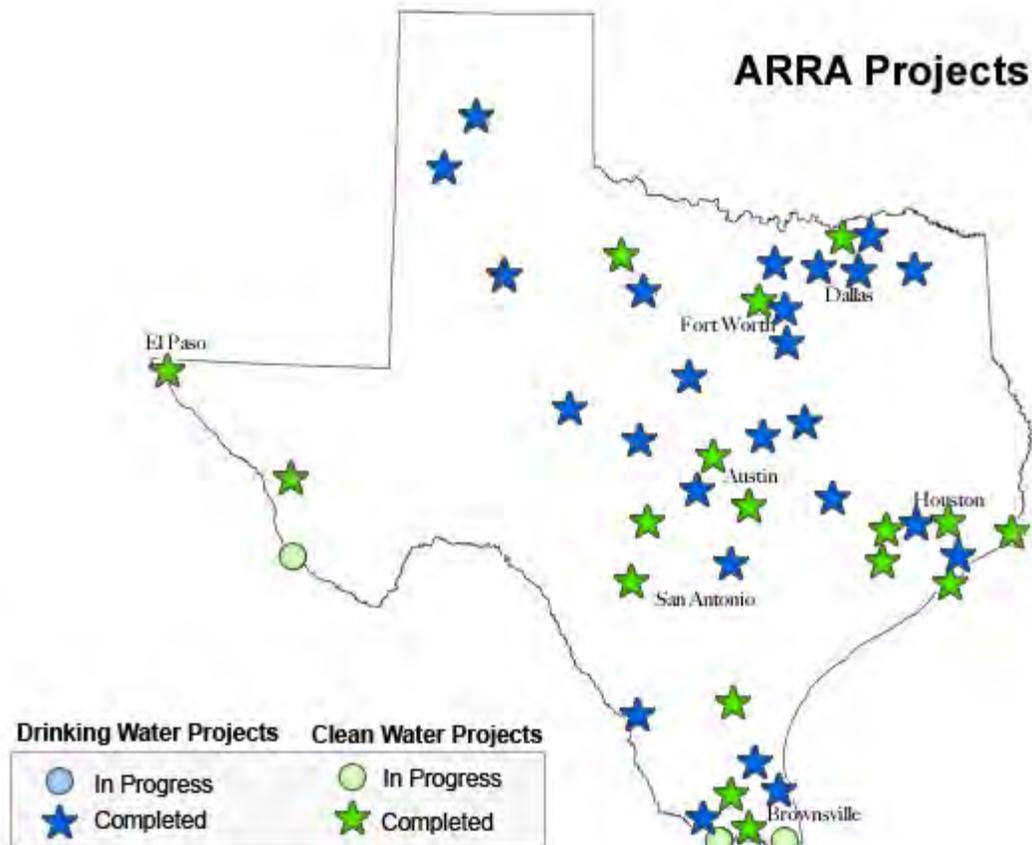
American Recovery and Reinvestment Act Program Summary

On Feb. 17, 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009, which provided \$789 billion to create or save jobs over the following two years. The Recovery Act had three immediate goals:

- Create new jobs and save existing ones;
- Spur economic activity and invest in long-term growth;
- Foster unprecedented levels of accountability and transparency in government spending.

ARRA funding was administered through 28 federal agencies; and the Environmental Protection Agency administered funds for water and wastewater projects. The Texas Water Development Board received \$326 million from EPA to help communities across the state improve their water and wastewater infrastructures.

TWDB has successfully concluded its ARRA program. Funds were dispersed to 109 projects located in 45 communities across the state of Texas. Some of the projects were funded by grants, while others were funded with loans. At least 50 percent was allocated to disadvantaged communities in need of assistance. Twenty percent were “green” projects that demonstrated water or energy efficiency, or environmental innovation. The map below shows the location of the ARRA projects. Those shown as still in progress have completed construction but the project has not been closed.



Source: <https://www.twdb.texas.gov/stimulus/index.htm>

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All ARRA funded construction has been completed and all ARRA funds were expended. TWDB ARRA funding was successful in providing improved drinking water infrastructure to many communities. Many small and rural communities benefited from the subsidy that offset some of the capital infrastructure construction costs. Two Texas communities ARRA projects were recognized by EPA in 2011.

City of Austin - The City of Austin was presented with the 2011 EPA's Performance and Innovation in the SRF Creating Environmental Success (PISCES) award for the Austin Water Utility Hornsby Bend Biosolids Management Plant project. This plant treats all of Austin's biosolids and yard trimmings through anaerobic digestion, agricultural land application and composting. All of the biosolids that enter the plant are recycled, making it a zero-discharge facility.

Water separated from the biosolids is treated in ponds that provide a nationally-renowned birding habitat and is eventually used to irrigate fields. Annually, the plant uses 5,000 dry tons of biosolids to produce 40,000 cubic yards of compost, which is known as Dillo Dirt. The TWDB awarded the City of Austin \$31.8 million under the American Recovery and Reinvestment Act in 2009 through the CWSRF. The funds were used to expand and upgrade the plant, as well as to make energy efficiency improvements.

City of Fort Worth - The City of Fort Worth was recognized with the 2011 EPA's award for Sustainable Public Health Protection for its Village Creek Reclaimed Water Delivery System. When complete, the Village Creek Wastewater Treatment Plant will serve as the source of reclaimed water to be used by the Dallas-Fort Worth International Airport, the City of Arlington and the City of Euless. The reclaimed water will be used for irrigation of open spaces and industrial and commercial facilities, cooling water make-up, and natural gas drilling operations. This system will be the first component of the City of Fort Worth's reclaimed water utility. Over the 50-year life cycle of the project, there will be an estimated 55-million-gallon reduction in potable water demands resulting from the use of reclaimed water. The TWDB awarded the City of Fort Worth \$16.3 million under the American Recovery and Reinvestment Act of 2009 through the DWSRF.

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Special Appropriations Act Program (SAAP)

The Special Appropriations Act Program (SAAP) provides funding for water and waste water construction projects. Project funds are distributed directly by the EPA with construction and program oversight performed by the TWDB. TWDB receives 3% of the project's cost to monitor construction and provide construction/administration assistance for the Texas-funded projects. To date, TWDB has assisted EPA with 31 projects, 19 of which are complete. The remainder of the projects are in construction. TWDB duties include biddability and constructability reviews; attendance and participation in pre-construction conferences; and providing inspections and construction progress reports to EPA Region 6. TWDB reviews bid documents, change orders and owner reimbursement requests and provides recommendations to EPA staff.

Some project examples follow:

Ft Bend Co FWSD1/Arcola Water, #21589, (XP-96609501 \$481,100, & XP-96639701, \$1,911,500)

Project Description: Construction of water transmission line along FM 521 from Trammel Fresno Road in the unincorporated community of Fresno south to State Highway 6 in Arcola. Funds were used for engineering design, construction services and construction for multiple water improvements contracts. Grant XP- 96609501 has been expended, with remaining construction is being funded in combination with other remaining SAAP Grants. It is anticipated this project be completed in January 2014.

Fort Bend Co FWSD 1, #21524 (XP-96639701 \$1,911,500)

Project Description: The consolidation and implementation of water and wastewater systems to serve the 4,326 acre District located along FM 521 east of Missouri City and north of Arcola. Funds were used for engineering design, construction services and construction for multiple water-improvements contracts. Approximately 70% of the available grant funds for Grant XP-966397041 have been expended. It is anticipated that all work will be completed in December 2015.

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Appendix C: Compliance with FFY 2012 CWSRF Grant Agreement Conditions

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Compliance with FFY 2012 Capitalization Grant Conditions

The TWDB complied with all administrative and programmatic conditions in the 2012 CWSRF Capitalization Grant Assistance Agreement (Agreement). The Agreement was adhered to by the TWDB in an appropriate and expeditious manner in compliance with federal and Texas law. The Agreement was reviewed by staff ensure all TWDB staff understands its terms and conditions. Any proposed changes or necessary corrections were provided to EPA for appropriate Agreement Amendments.

Administrative Conditions

1. General Conditions

A. Grants and Other Federal Assistance and Timeliness [40 CFR Chapter 1, Subchapter B including Parts 31, 33, 34, and 35]

The TWDB has expeditiously initiated and is completing in a timely fashion the project work for which assistance has been awarded. The TWDB committed funds equivalent to the Agreement amount in a timely manner. TWDB rules require loans for planning, acquisition and design projects to be closed within six months of receipt of a binding commitment; a loan for construction is closed within 12 months. The TWDB reduced its CWSRF unliquidated obligations allocated to construction to a zero balance as of the end of SFY 2013, excluding the recently awarded CWSRF grant covering the FFY 2013 allotment.

The TWDB complied with the Agreement requirements in 40 CFR Chapter 31 and 40 CFR, Part 35, Subpart K

B. Recipient Standards [OMB Circulars and 40 CFR Part 31]

TWDB adhered to OMB Circulars A-87, A-102, and A-133 and with 40 CFR Part 31, relating to Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. The TWDB's standards governing procurement comply with 40 CFR Part 31, specifically Section 31.36, Part 33 relating to Disadvantaged Business Enterprises (DBE). TWDB maintained a financial management system that meets the requirements of 40 CFR §31.20.

C. EPA-ACH Payment System

Cash draw-downs were made only when needed for disbursements. Costs have been incurred and verified. The TWDB displayed the Assistance Agreement Number(s) under "Financial Data" on the EPA-ACH Payment Request Form when drawing down funds

CWSRF projects were funded from various sources, including state funds in the CWSRF, at the time of loan closings. Federal funds were drawn when projects designated for federal draws submitted outlay reports showing evidence of eligible costs incurred.

2. Payment Methods

The TWDB requested and received funds via the Automated Standard Application for Payments.

3. Single Audit [OMB Circular A-133]

In accordance with OMB Circular A-133, the TWDB obtained a single audit. In the State of Texas, the State Auditor performed a statewide single audit which includes an audit of the TWDB's management of the state revolving funds. The TWDB will submit a copy of the SF-SAC and a Single Audit Report package within nine (9) months after the end of its fiscal year or 30 days after receiving the report from the auditor. The TWDB's complete Annual Financial Report (AFR) and the State's Comprehensive Annual Financial Report (CAFR) are submitted upon completion and receipt.

4. EPA's Financial Obligation.

TWDB understands that EPA's obligations are limited to the amount of funds awarded to date on the grant agreement's budget.

5. Payments to Consultants [40 CFR 31.36(j)(1)]

In accordance with 40 CFR 31.36(j), the TWDB has adhered to the salary limitations when it used Agreement funds to directly contract for consultation services of individuals paid at daily or hourly rates.

6. Central Contractor Registration and Universal Identifier Requirements

The TWDB complied with the requirements of System for Award Management (SAM), the successor to the Central Contractor Registration. It has established a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number as the identifier for Federal financial assistance applicants, as well as recipients and their direct sub-recipients.

7. Reporting Subawards and Executive Compensation

In compliance with the Federal Funding Accountability and Transparency Act (FFATA), the TWDB reported each action that obligates \$25,000 or more in the FFATA Subaward Reporting System (FSRS) at www.fsrs.gov. The TWDB reports covered actions in FSRS by the established deadline of the end of the month plus one additional month after an award or sub-award is obligated.

8. Drug-Free Workplace [2 CFR Part 1536]

The TWDB maintained a drug-free workplace and made an ongoing, good faith effort to maintain a drug-free workplace in accordance with the requirements of 2 CFR Part 1536.

9. Hotel and Motel Fire Safety Act of 1990 [40 CFR §30.18]

The TWDB ensured that all space used for conferences, meetings, conventions and training seminars funded in whole or in part with federal funds complied with the protection and control guidelines of

the Act.

10. Recycling [42 U.S.C. 6962; 40 CFR Part 247]

The TWDB complied with the preference requirements in its procurement programs to the purchase of specific products containing recycled materials in accordance with Section 6002 of the Resource Conservation and Recovery Act. Texas Government Code §2155.445 requires all state agencies, municipalities, counties and special districts to follow certain statutes regarding recycling and the purchase of recycled content products. Texas Government Code §2155.445(a) provides that all entities "give preference to recycled, remanufactured, or environmentally sensitive products" as determined by Texas Comptroller of Public Accounts rule if the purchases meet applicable specifications as to quantity and quality.

11. Lobbying and Litigation – All Recipients [40 CFR Part 34]

The TWDB adhered to the prohibition against using project funds to lobby the federal government or for litigation against the United States. The Executive Administrator agreed to ensure that no grant funds awarded pursuant to the Agreement were used to engage in lobbying the federal government or in litigation against the United States unless authorized under existing law. The TWDB abided by OMB Circular Numbers A-87 or A-122, as applicable, which prohibits such use of federal funds as well as 40 CFR Part 34. Additionally, the TWDB required sub-recipients to certify compliance with 40 CFR Part 34.

12. Applicable to All Recipients - Management Fees

TWDB was aware that management fees or similar charges in excess of the direct costs and approved indirect rates were not allowable. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or other similar costs which are not allowable. Management fees or similar charges were not used to improve or expand the project funded under this Agreement, except to the extent authorized as a direct cost of carrying out the scope of work.

13. Suspension & Debarment

The TWDB fully complied with Subpart C of 2 CFR Part 180, entitled, "Responsibilities of Participants Regarding Transactions Doing Business With Other Persons," as implemented and supplemented by 2 CFR Part 1532 by reviewing federal lists to ensure that debarred or suspended entities or persons do not receive Agreement funds.

14. Trafficking in persons [Trafficking Victims Protection Act of 2000 - 22 USC §7104(g)]

The TWDB agreed to inform the EPA immediately of any information received from any source that alleges a violation of §106(g) of the Trafficking Victims Protection Act of 2000, as amended. The statute prohibits recipients of Federal funds from engaging in severe forms of trafficking in persons during the period of time that the Agreement is in effect; nor may a recipient procure a commercial sex act during the period of time that the Agreement is in effect or use forced labor in the performance of the award.

15. Unliquidated Obligations Term and Condition [40 CFR §§31.41(b) and 31.50(b)]

The TWDB agreed to submit an annual Federal Financial Report (SF-425) to the EPA no later than 90 calendar days following the end of the reporting quarter, as established in the Agreement. Additionally, the TWDB will submit a final Federal Financial Report to the EPA no later than 90 calendar days after the completion of the each project funded under the Agreement.

16. Utilization of Small, Minority and Women’s Business Enterprises

The TWDB has complied with the EPA DBE rules when using Agreement funds for procurement. The table below shows the TWDB’s DBE activity in SFY 2013. In accordance with 40 CFR 33.502 and 40 CFR 33.503, the TWDB submitted a completed Standard Form 5700-52A within 30 days of the end of the semiannual reporting periods in which sub-agreements were awarded (except for older grants which are reported quarterly). The TWDB made good faith efforts in accordance with 40 CFR 33.301. TWDB complied with the contract administration provisions of 40 CFR §33.302 and the bidders list requirements of 40 CFR 33.501(b)(c). Projects are assigned to a federal Agreement in chronological order by commitment date.

CWSRF SFY 2013 MBE/WBE Procurement Activity						
		SFY 2013 MBE Actual			SFY 2013 WBE Actual	
Total 2013 Procuremen ts	MBE Goals	Dollar Value	% of Procuremen t	WBE Goals	Dollar Value	% of Procuremen t
\$128,865,942		\$13,791,938	10.70%		\$14,107,479	10.95%
Construction	12.94%	\$5,469,068	4.24%	8.72%	\$9,577,923	7.43%
Supplies	9.68%	\$3,791,670	2.94%	9.34%	\$2,425,881	1.88%
Equipment	7.12%	\$28,180	0.02%	5.39%	\$0	0%
Services	10.84%	\$4,531,200	3.52%	5.72%	\$2,103,675	1.63%
Overall DBE Procurements					21.65%	

The above DBE goals were negotiated with EPA in SFY 2012 in accordance with 40 CFR 33.404 and included in the FFY 2012 Agreement.

17. National Term and Condition – Indirect Costs

The TWDB received EPA approval of its indirect rates for SFY 2013. When actual costs for the period have been determined, an adjustment may be made to the rates.

Programmatic Conditions

General:

- a. The TWDB complies with the 40 CFR Parts 31, 33, 34, and 35, and the program objectives, grant conditions, or Federal reporting requirements.
- b. The TWDB agrees with the Purpose statement.
- c. The TWDB agreed with Long Term and Short Term goals and objectives listed in the Capitalization Grant Agreement.
- d. The TWDB is the responsible State Agency for implementation.
- e. The TWDB has been the state recipient since the 1987 establishment of the Clean Water State Revolving Funds.

Specific Requirements

1. The TWDB administered the program during SFY 2013 in accordance with the representations made in the grant application and the SFY 2013 Intended Use Plan, unless the signed Agreement provided otherwise.
2. The TWDB does not have an Operating Agreement with EPA covering the CWSRF.
3. Grant Payments. (a) The TWDB accepted grant payments in accordance with a payment schedule established by the EPA and deposited all such payments in the CWSRF in accordance with Title VI. Payments, cash draw downs and disbursements will be as defined in 40 CFR §§35.3155 and 35.3160. (b) As of the end of SFY 2013, the TWDB had deposited \$344,042,656 into the CWSRF to fully meet its requirement to match an amount equal at least equal to 20 percent of the Agreement. (c) The TWDB submitted each request for a cash draw from the ACH system separate from other program ACH draws. (d) The cumulative amount of state match in SFY 2013 was at least equal to 16.67% of the cumulative amounts of both state match and federal funds drawn. Any interest earned on the fund balances remained in the fund.
4. The TWDB does not provide loan assistance for the non-federal share of costs of treatment work projects for which the recipient is receiving assistance from another EPA program.
5. There are no projects that began prior to March 7, 1985 that received assistance through refinancing.
6. The TWDB filed the Annual Report with the EPA as required 90 days after the end of the state fiscal year in accordance with 40 CFR Part 35, Subpart K.
7. EPA Region 6 completed its SFY 2012 CWSRF Annual Review within 120 days after receipt of the Annual Report. The SFY 2012 Annual Performance Review was conducted on February 4 through 8, 2013.

8. The TWDB certified that it will assist the EPA in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended, and that such certification has been submitted to the EPA. Moreover, the TWDB complied with the requirements of 36 CFR Part 800 et seq. and all applicable standards and guidelines of the Advisory Council on Historic Preservation for all SRF activities receiving EPA assistance.
9. The TWDB is audited yearly as part of the Comprehensive Annual Financial Report (CAFR). The CAFR meets the federal requirements of an Audited Financial Report. The Comprehensive Annual Financial Report (CAFR) can be found at the following URL: <http://www.window.state.tx.us/finances/pubs/cafr>.
10. The TWDB did not use funds received under the Agreement for administrative expenses that exceeded 4% of the cumulative amount of the grant award in accordance with 40 CFR §35.3120(g)(1).
11. The TWDB agreed that CWSRF administrative fees earned during the grant period and held in accounts outside the CWSRF shall only be used for purposes directly related to the CWSRF program. The uses of all fees was consistent with EPA "Guidance on Fees Charged by States to Recipients of CWSRF Program Assistance" issued on October 20, 2005. Fees held in such accounts were audited and reported annually. The interest earned on said fees was used only for water quality activities or for the combined financial administration of the CWSRF.
12. The TWDB complied with Executive Order 13202 of February 17, 2001 entitled "Preservation of Open Competition and Government Neutrality towards Government Contractors' Labor Relations on Federal and Federally-Funded Construction Projects", as amended by Executive Order 13208 of April 6, 2001.
13. The TWDB drew cash proportionality for the CWSRF program cash draws in accordance with 40 CFR §35.3160(d)(4) and EPA guidance. TWDB demonstrated that 100 percent of the required state match had been utilized first, then drew 100 percent federal funds from all project outlays. Once all federal and state match funds were expended, the remaining outlays were paid from the repayment stream.
14. The TWDB completed the Environmental Benefits form for each CWSRF project loan closed during Fiscal Year 2013 and included the information on the FY 2013 CWSRF Annual Performance Report. TWDB reported data into the Clean Water Benefits Reporting (CBR) System for each closed loan and included a copy of the CBR reports in Appendix B of this report.
15. All equivalency projects, in an amount equal to or greater than the capitalization grants, complied with the National Environmental Policy Act (NEPA) and with cross-cutting authorities. All nonequivalency projects complied with the alternative State Environmental Review Process (SERP).

A NEPA-like environmental review or alternative SERP was conducted on all CWSRF funded projects. There were no Environmental Impact Statements required this fiscal year. A favorable environmental determination was issued for all projects identified as equivalency projects as well as all non-equivalency projects.

In SFY 2013, fifteen projects that were funded in compliance with the SFY 2013 IUP and were designated as Equivalency Crosscutters in the amount of \$74,736,812. See Equivalency-Crosscutter Tables in the Appendix B for a list of Crosscutter commitments.

16. Except for event(s) and all of its components described in the approved workplan, TWDB agreed to obtain prior approval from EPA for the use of grant funds for light refreshments and/or meals served at meetings, conferences, training workshops and outreach activities (events). No grant funds were used for light refreshments and/or meals during SFY 2013.
17. TWDB is aware that EPA may terminate the Agreement for failure of the sub-recipient to make sufficient progress so as to reasonably ensure completion of the project within the project period, including any extensions. In SFY 2013, TWDB made 33 commitments totaling \$158,833,065. Further, in SFY 2013, it closed 33 loans totaling \$127,163,670. TWDB reduced the CWSRF unliquidated obligation balance allocated to construction to zero as of the end of SFY 2013, excluding the recently awarded CWSRF grant covering the FFY 2013 allotment.

FY 2012 Required Grant Conditions Identified in the 2012 CWSRF Procedures

1. TWDB complied with all requests for data related to the use of CWSRF funds and reported all uses of the funds quarterly in the CWSRF Benefits Reporting database. The reporting included data with respect to compliance with the Green Project Reserve and additional subsidization requirements.
2. The TWDB provided information in its Annual Report on key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of outputs and outcomes established in the Intended Use Plan; 2) the reasons for delay if established outputs or outcomes were not met; 3) any additional, pertinent information on environmental results; 4) compliance with the green project reserve requirement; and 5) compliance with the additional subsidization requirement.
3. EPA specified that in accordance with FFY 2012 Appropriations the TWDB use at least 5.55% (\$3,590,067) and no more than 8.33% (\$5,385,101) of the funds provided by the Capitalization Grant to provide additional subsidization in the form of principal forgiveness, negative interest rate loans or grants. The EPA further specified in guidance that priority for additional subsidies should be given to communities that could not otherwise afford the projects. Moreover, the subsidies were to be directed to (a) repair, replace, and upgrade infrastructure in existing communities; (b) investigations, studies and plans that, once implemented, would improve the technical, financial and managerial capacities of the recipients; and (c) preliminary planning, alternatives assessment, and eligible capital projects that reflect the full life-cycle costs of infrastructure assets, the conservation of natural resources and alternative “green” approaches.

The TWDB complied with these requirements and listed the communities that received subsidies from the FFY 2012 capitalization grant in Appendix A. The additional subsidization associated with the FFY 2012 grant that was allocated to closed loans and commitments totaled \$3,917,675, which was within the specified range.

4. The SFY 2013 IUP reserved 10% of the capitalization grant or \$6,459,700, for Green Project Reserve (GPR) projects TWDB developed “Green Project Information Worksheets” in order to facilitate a uniform approach to providing business case information should it be required. Four rounds of invitations were sent to those projects identified as GPR in the Project Information Forms submitted for the SFY 2013 IUP. To encourage adequate funding of green projects, the TWDB allocated \$968,955 as a targeted subsidy to green project costs. Eligible green projects were offered a subsidy in the form of

loan forgiveness of 15% of the green project costs, provided the green costs were at least 30% of the total project costs.

As of the end of SFY 2013, the total closed loans and commitments totaled \$3,498,823 or 54% of the GPR targeted amount. The projects that received green project reserve funds are shown in Appendix A. A description of the TWDB's good faith efforts to meet the Green Project Reserve is found under the narrative section.

5. Under the FY 2012 appropriations for the CWSRF program, Congress has mandated that Davis-Bacon Act prevailing wage rate requirements apply to the construction, alteration and repair of treatment works carried out in whole or in part with CWSRF funds. The TWDB implemented this mandate by (1) advising all CWSRF applicants of the need to comply with Davis-Bacon prevailing wage rate requirements during pre-application meetings prior to the submission of an application for financial assistance; (2) requiring in all TWDB resolutions making a binding commitment for a CWSRF loan that recipients comply with Davis-Bacon Act prevailing wage rate legislation; and (3) by ensuring that all loan closing ordinances, resolutions and/or loan (forgiveness) agreements contain a clause mandating compliance with Davis-Bacon Act requirements.

The TWDB implemented procedures for construction projects requiring all construction contracts in excess of \$2,000 to contain the contract clauses found beginning on Page 18 of the document "Texas Water Development Board Supplemental Contract Conditions and Instructions" found on its website at this link: <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0550.pdf>.

The TWDB's project engineers provided guidance to project owners on the Davis-Bacon Act requirements utilizing the TWDB Davis-Bacon (DBA) Guidance for CW and DW SRF Projects, DB-0156. The TWDB ensured that it received the monthly DBA Certification of Compliance form when project owners submitted the monthly Outlay Report, form DB-0154.

The TWDB's Inspection and Field Support Services (IFSS) performed periodic field inspections of projects funded by the Agreement during the construction phase. IFSS Field staff verified compliance with the TWDB Davis-Bacon (DBA) Guidance, DB-0156, by reviewing the following:

- Wage Determination and DBA poster WH-1321 were posted at each contract site
- Weekly contractor(s) certified payrolls and certification submitted to the owner were current.
- Owner's Monthly DBA Certificate of Compliance was submitted with the monthly Outlay Report to the TWDB using form DB-0154

The IFSS staff conducted preconstruction conference to confirm that the project owner was aware that DBA compliance was required and that compliance procedures were followed. Monthly inspection reports also documented compliance. Noncompliance issues were noted in each monthly inspection report until issues were resolved and confirmation was noted in the subsequent inspection report.

Appendix D: Performance Evaluation Reports – Follow Up

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Performance Evaluation Follow Up

The CWSRF requires that States comply with Title VI, Section 606 (e) of the Clean Water Act, 40 CFR 35.3165 (c), its capitalization grant conditions, and operating agreement conditions. The EPA conducts an annual Performance Evaluation Review (PER) to evaluate compliance with the grant requirements. The SFY 2012 PER was held from February 4-8, 2013. The review was based upon the TWDB SFY 2012 Annual Report, onsite discussions, file reviews, and completion of the standardized national EPA checklists of program evaluation questions. The PER was finalized on April 17, 2013. Notwithstanding the following observations, EPA found that TWDB is in compliance with Title VI, Section 606(e) of the Clean Water Act (CWA), 40 CFR 35.3165(c), and the capitalization grant conditions. Items that are outstanding as of 08/31/2013 are listed below:

SFY 2012 CWSRF base program PER

Action Item: Operating Agreement

EPA recommends that TWDB develop an Operating Agreement to help streamline the CWSRF capitalization grant process...

Response: The TWDB will continue to work with EPA Region 6 to determine if EPA HQ is planning to develop a template for the CWSRF Operating Agreement.

SFY 2012 CWSRF ARRA program PER

The ARRA End of Year Performance Evaluation Review was held during February 4-8, 2013. The review is based upon onsite discussions and file reviews, technical file reviews, and completion of standardized national EPA checklists of program evaluation questions. The final PER was dated April 19, 2013. There are no outstanding PER issues as of August 31, 2013.

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CWSRF Attachment: Annual Financial Report

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Texas Water Development Board

CLEAN WATER STATE REVOLVING FUND

Annual Financial Report

For the Year Ended
August 31, 2013

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General Purpose Financial Statements:

- **Exhibit I – Combined Statement of Net Position**
- **Exhibit II – Combined Statement of Revenues, Expenses, and Changes in Net Position**
- **Exhibit III – Combined Statement of Cash Flows**

Notes to the Financial Statements

Combining Statements:

- **Exhibit F-1 – Combining Statement of Net Position**
- **Exhibit F-2 – Combining Statement of Revenues, Expenses, and Changes in Net Position**

Schedule 1 – Loans and Contracts

General Purpose Financial Statements (ARRA)

Combining Statements (ARRA)

General
Purpose
Financial
Statements

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Clean Water State Revolving Fund

Exhibit I - Combined Statement of Net Position - Enterprise Funds

August 31, 2013

	Total Enterprise Funds (Exhibit F-1)
ASSETS	
Current Assets:	
Cash in State Treasury	\$ -
Cash Equivalents	31,321,574.12
Short Term Investments	433,594,761.66
Receivables from:	
Federal	362,685.77
Interest and Dividends	15,947,228.20
Loans and Contracts	86,877,000.00
Total Current Assets	568,103,249.75
Non-Current Assets:	
Loans and Contracts	2,674,850,000.00
Total Non-Current Assets	2,674,850,000.00
Total Assets	3,242,953,249.75
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts Payable	476,347.52
Interest Payable	5,448,340.27
Interfund Payables	8,864,393.19
Due to Other Funds	1,134,195.93
Deferred Revenue	41,909,190.98
Revenue Bonds Payable	28,343,870.58
Total Current Liabilities	86,176,338.47
Non-Current Liabilities:	
Interfund Payable	131,891,775.70
Revenue Bonds Payable	811,520,708.11
Total Non-Current Liabilities	943,412,483.81
Total Liabilities	1,029,588,822.28
NET POSITION	
Unrestricted	2,213,364,427.47
Total Net Position	\$ 2,213,364,427.47

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Clean Water State Revolving Fund

**Exhibit II - Combined Statement of Revenues, Expenses, and
Changes in Fund Net Position - Enterprise Funds**

For the Fiscal Year Ended August 31, 2013

	Total Enterprise Funds (Exhibit F-2)
OPERATING REVENUES:	
Interest and Investment Income	\$ 77,860,441.89
Net Increase (Decrease) Fair Market Value	42,248.39
Other Operating Revenue	3,126,798.31
Total Operating Revenues	81,029,488.59
OPERATING EXPENSES:	
Salaries and Wages	3,352,398.67
Payroll Related Costs	492,830.65
Professional Fees and Services	565,375.02
Travel	27,772.61
Materials and Supplies	9,643.17
Communication and Utilities	20,175.10
Repairs and Maintenance	333.18
Rentals and Leases	68,175.97
Printing and Reproduction	2,273.59
Interest	45,809,010.04
Other Operating Expenses	341,171.20
Total Operating Expenses	50,689,159.20
Operating Income (Loss)	30,340,329.39
NONOPERATING REVENUES (EXPENSES):	
Federal Revenue:	
Agreement #CS-48000211	2,452,852.20
Agreement #CS-48000212	59,510,868.00
Agreement #2W-96692401	5,857,232.22
Other Nonoperating Revenue (Expenses)	(11,026,773.22)
Total Nonoperating Revenue (Expenses)	56,794,179.20
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	87,134,508.59
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:	
Transfers In	51,541.88
Total Other Revenue, Expenses, Gain/Losses and Transfers	51,541.88
Change in Net Position	87,186,050.47
Total Net Position - Beginning	2,126,178,377.00
Total Net Position, August 31, 2013	\$ 2,213,364,427.47

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Clean Water State Revolving Fund

Exhibit III - Combined Statement of Cash Flows - Enterprise Funds

For the Fiscal Year Ended August 31, 2013

	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to Suppliers for Goods and Services	\$ (679,074.56)
Payments to Employees	(3,929,930.07)
Net Cash Provided by Operating Activities	(4,609,004.63)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	242,847.95
Proceeds from Transfers from Other Funds	51,541.88
Proceeds from Grant Receipts	67,868,068.30
Proceeds from Interfund Payables	22,129,261.30
Payments of Principal on Debt Issuance	(65,896,175.00)
Payments of Interest	(46,920,573.23)
Payments of Other Costs of Debt Issuance	(67,999.89)
Payments for Grant Disbursements	(11,026,773.22)
Payment for Interfund Receivables	(8,162,685.12)
Net Cash Provided by Noncapital Financing Activities	(41,782,487.03)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	398,341,001.20
Proceeds from Interest and Investment Income	78,472,462.96
Proceeds from Principal Payments on Non-Program Loans	156,356,000.00
Payments to Acquire Investments	(452,663,678.75)
Payments for Non-program Loans Provided	(121,298,761.50)
Net Cash Provided by Investing Activities	59,207,023.91
 Net (Decrease) in Cash and Cash Equivalents	 12,815,532.25
 Cash and Cash Equivalents--September 1, 2012	 18,506,041.87
Cash and Cash Equivalents--August 31, 2013	\$ 31,321,574.12

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Clean Water State Revolving Fund

Exhibit III - Combined Statement of Cash Flows - Enterprise Funds (cont.)

For the Fiscal Year Ended August 31, 2013

	<u>Total Enterprise Funds</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 30,340,329.39
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories:	
Classification Differences	(35,229,688.29)
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	47,115.88
Increase (Decrease) in Payables	238,238.50
Increase (Decrease) in Due to Other Funds	(5,000.11)
Total Adjustments	(34,949,334.02)
Net Cash Provided by Operating Activities	\$ (4,609,004.63)
Non-Cash Transactions	
Net Increase (Decrease) in Fair Value of Investments	42,248.39

**Notes
to the
Financial
Statements**

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Clean Water State Revolving Fund

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

Entity

The Texas Water Development Board (Board) is an agency of the state of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements of State Agencies and Universities.

The Board was created as an agency of the state in 1957, when the voters of the state approved an amendment adding Section 49-c to Article 3 of the Texas Constitution. The Board is primarily responsible for administering state and federally funded financing programs for water-related projects, water resource planning, data collection, and studies relative to the surface and ground water resources of Texas.

The Texas Water Development Board includes within this report all components as determined by an analysis of their relationship to the Board as listed below.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Discretely Presented Component Unit

The Texas Water Resources Finance Authority (TWRFA) was created by the Texas Legislature in 1987 as a governmental entity and a body politic and corporate by enactment of Chapter 20 of the Texas Water Code. It is governed by a Board of Directors comprised of the six members of the Texas Water Development Board. TWRFA was created for the purpose of increasing the availability of financing for water-related projects. Its operations are wholly managed by the Board through a sale and servicing agreement.

This component unit is legally separate from, but is financially accountable to, the state, or has a relationship with the state such that exclusion would cause the financial statements to be misleading or incomplete. Criteria used to determine the existence of oversight responsibility include such considerations as financial interdependency, selection of governing authority, designation of management, financial accountability, imposition of will, and financial benefit or burden. The component unit columns of the financial statements include the financial data of this entity.

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Clean Water State Revolving Fund

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types and Government-wide Adjustment Fund Types

General Revenue Fund

The general revenue fund is used to account for all financial resources of the state except those required to be accounted for in other funds.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term debt.

Capital Assets Adjustment Fund Type

Capital assets adjustment fund type will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

Long-term liabilities adjustment fund type will be used to convert governmental fund types' debt from modified accrual to full accrual.

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met.

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services including capital costs (such as depreciation or debt service), be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt,

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Clean Water State Revolving Fund

temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Component Units

The discretely presented component unit is accounted for separately in the financial statements.

Proprietary Component Units are used to account for the discretely presented component unit, which follows proprietary fund measurement focus and accounting principles.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual method basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end.

The state of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual method of accounting. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- The unmatured debt service (principal and interest) on general long-term liabilities
- Full accrual revenue and expenses.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

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Clean Water State Revolving Fund

Net Position and Fund Balances

When both restricted and unrestricted resources are available for use, restricted resources are used first, then unrestricted resources are used as they are needed.

Budget and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities, and Fund Balances / Net Position

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Investments

Investments of the Board in authorized securities are reported at fair value in accordance with GASB 31 requirements. Any short-term securities that are exchanged for other short-term securities are accounted for using the completed transaction method. This method treats the exchanges as separate sales, purchase transactions, and includes gains and losses on the sales in current revenue.

Interest and Dividends Receivable

Accrued interest receivable on loans and contracts as of the balance sheet date is included in the proprietary funds. For the governmental funds, interest due as of the balance sheet date is only accrued if it is expected to be received within the next sixty days.

Notes / Loans and Contracts Receivable

Although collateralized by bonds of the receiving entity, loans made to political subdivisions are presented as Notes/Loans and Contracts Receivable at par. The portion due within the next year is shown separately as a current asset with the remainder as noncurrent.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition.

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Clean Water State Revolving Fund

Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Payroll Payable

Government Code §659.083 requires state agencies to pay state employees on the first working day of the month following the pay period. Consequently, the reporting of payroll at August 31 is presented as Payroll Payable.

Current Payables - Other

Other payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions. Other payables may be included in either the governmental or proprietary fund types. The only significant other payable is the accrued interest due as of the balance sheet date on bonds payable in the proprietary funds.

Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Bonds Payable – General Obligation Bonds

The unmatured principal of general obligation bonds is accounted for as a liability in the proprietary funds and in the Long-term Liabilities column of the governmental funds. Bonds Payable are reported separately as either current – the amount due within the next year – or noncurrent.

Bonds payable are recorded at par. For governmental funds, the bond proceeds are accounted for as an "Other Financing Source" when received, and expenditures for payment of principal and interest are recorded in Debt Service funds when paid. These amounts are adjusted in the Long-term Liabilities column. General obligation bonds issued by proprietary funds follow the same accounting as for revenue bonds.

Bonds Payable – Revenue Bonds

Revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Bonds Payable are reported separately as either current – the amount due within the next year – or noncurrent in the statement of net assets.

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Clean Water State Revolving Fund

Fund Balance / Net Position

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary, and fiduciary fund statements.

Fund Balance Components

Fund balances for governmental funds are classified as restricted, committed, or unassigned in the fund financial statements.

- Restricted fund balance includes those resources that have constraints placed on their use through external parties — such as creditors, grantors, contributors, laws or regulations of other governments — or by law through constitutional provisions or enabling legislation.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed through legislation passed into law by a formal action of the Texas Legislature, the state's highest level of decision making authority.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund..

Invested In Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Unrestricted net position consists of net resources, that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, that are imposed by management, but can be removed or modified.

Interfund Activities and Balances

The agency has the following types of transactions among funds:

- (1) Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- (2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment.

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Clean Water State Revolving Fund

Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

- (3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current".

Statement of Cash Flows

Cash Flows from Investing Activities

Non-program Loans

The loans that the Board makes to entities such as cities, counties, and other political subdivisions do not meet the criteria established by GASB for inclusion as Cash Flows from Operating Activities on the Statement of Cash Flows. Only certain types of loans to individuals are includable as Cash Flows from Operating Activities. Since GASB refers to these loans generically as "program" loans, the loans made by the Board are referred to on the Statement of Cash Flows as "non-program" loans to distinguish them from loans made to individuals, and their cash flows are included as Cash Flows from Investing Activities.

Classification Differences

Although the primary operation of the Board's enterprise funds is the borrowing and lending of money for water related projects, the major components of the Operating Income or Loss on the Statement of Revenues, Expenses, and Changes in Fund Net Assets are classified on the Statement of Cash Flows as either Cash Flows from Investing Activities (Interest and Investment Income) or Cash Flows from Noncapital Financing Activities (Interest Expense).

NOTE 2: Deposits, Investments & Repurchase Agreements

The agency is authorized by statute to make investments, and does so in accordance with Chapter 365 of the Texas Water Development Board rules. There were no violations of legal provisions during the period.

Investments

As of August 31, 2013, the fair value of investments is as presented below.

Governmental and Business-Type Activities	Fair Value
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	\$ 283,115,447.86
Repurchase Agreements (Texas Treasury Safekeeping Trust Co)	150,479,313.80
Total	\$ 433,594,761.66

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or

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Clean Water State Revolving Fund

collateral security that are in the possession of an outside party. The agency will only make payment for and accept delivery of securities on a delivery versus payment basis, and securities are held in the name of the agency. As of August 31, 2013, investments were not exposed to custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As required by the agency's investment policy, investments purchased must be rated as to investment quality by a nationally recognized investment rating firm with a minimum of an 'A' rating. Furthermore, our investment policy requires that our repurchase agreements be collateralized by obligations of the U.S. Government or U.S. Government Agencies. As of August 31, 2013, the agency's credit quality distribution of securities and repurchase agreements with credit risk exposure was as follows.

Standard and Poor's

Fund Type	GAAP Fund	Investment Type	Amount	Rating
05	3050	U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	\$283,115,447.86	AAA+

NOTE 3: Summary of Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2013, the following changes occurred in liabilities:

Business-Type Activities	Balance 09-01-12	Additions	Deductions	Balance 08-31-13	Amts Due Within One Year	Amounts Due Thereafter
Notes and Loans Payable (Interfund)	\$ 126,789,592.71	\$ 91,074,261.30	\$ 77,107,685.12	\$ 140,756,168.89	\$ 8,864,393.19	\$ 131,891,775.70
Revenue Bonds Payable	906,904,860.94	75,015,191.25	142,055,473.50	839,864,578.69	28,343,870.58	811,520,708.11
Total Business-Type Activities	\$1,033,694,453.65	\$ 166,089,452.55	\$219,163,158.62	\$ 980,620,747.58	\$37,208,263.77	\$ 943,412,483.81

Notes and Loans Payable (Interfund Payable)

Notes and Loans Payable represent advances to the Clean Water and Drinking Water State Revolving Funds for the State Match portion of these programs, as well as advances to the Rural Water Assistance Fund for loans to political subdivisions. The Debt Service requirements are as follows:

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Clean Water State Revolving Fund

Notes Payable (Interfund Payable) Debt Service Requirements	Business-Type Activities	
	Principal	Interest
2014	\$ 8,864,393.19	\$ 6,415,170.47
2015	9,238,280.59	6,086,366.12
2016	9,664,456.01	5,698,664.40
2017	10,094,311.51	5,279,201.50
2018	10,553,667.70	4,829,511.34
2019-2023	41,117,925.77	17,926,546.58
2024-2028	34,292,247.03	8,774,011.22
2029-2033	16,930,887.09	1,790,088.59
Total Requirements	\$140,756,168.89	\$ 56,799,560.22

NOTE 4: Interfund Balances / Activities

As explained in Note 1 on Interfund Activities and Balances there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Funds or Due To Other Funds
- Transfers In or Transfers Out

Repayment of current interfund balances will occur within one year from the date of the financial statement. Individual balances and activity at August 31, 2013, follows:

Interfund Receivables and Payables – Current			
Current Portion	Interfund Receivable	Interfund Payable	Purpose
ENTERPRISE (05)			
Appd Fund 0371, D23 Fund 0371			
Appd Fund 9999, D23 Fund 0651	\$ 8,864,393.19		Match Bonds
Appd Fund 9999, D23 Fund 0651			
Appd Fund 0371, D23 Fund 0371		\$ 8,864,393.19	Match Bonds
Total Interfund Receivable/Payable	\$ 8,864,393.19	\$ 8,864,393.19	

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Clean Water State Revolving Fund

Interfund Receivables and Payables – Non-current			
Non-current Portion	Interfund Receivable	Interfund Payable	Purpose
ENTERPRISE (05)			
Appd Fund 0371, D23 Fund 0371			
Appd Fund 9999, D23 Fund 0651	\$ 131,891,775.70		Match Bonds
Appd Fund 9999, D23 Fund 0651			
Appd Fund 0371, D23 Fund 0371		\$ 131,891,775.70	Match Bonds
Total Interfund Receivable/Payable	\$ 131,891,775.70	\$ 131,891,775.70	

NOTE 5: Contingent Liabilities

Rebatable Arbitrage

Rebatable arbitrage is defined by Internal Revenue Code Section 148 as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. This rebatable arbitrage must be paid to the federal government. The Board is entitled to invest its bond proceeds at an unrestricted yield for various temporary periods ranging from six months to three years. This unrestricted earnings period begins on the date of delivery of the bond issue. Earnings on any funds held by the Board after this period ends must be restricted to the yield of the Board's bond issue. The amount of rebate due the federal government is determined and payable during each five-year period and upon final payment of the tax-exempt bonds.

Arbitrage funds have been established within various Texas Water Development Board programs. Deposits into these funds are made according to the verification agent's final report received around January following the close of each fiscal year. For fiscal year 2012, there was no liability for the final determination of rebate requirements. For Fiscal Year 2013, a preliminary determination of rebatable arbitrage indicates no liability. Any necessary increase in deposit will be made after the final determination is received.

Outstanding Loan and Grant Commitments

At August 31, 2013, the Board had made commitments to provide political subdivisions and not-for-profit entities financing from the proceeds remaining from current bond issues, and from the proceeds of future bond issues, from the federal draw downs, or from appropriations as follows:

	For Loans	For Grants	Total
Clean Water State Revolving Fund (CWSRF)	137,294,530.00	3,302,660.97	140,597,190.97

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Clean Water State Revolving Fund

Federal Costs

As a prime contractor with a federal granting agency, the Board is contingently liable to refund any disallowed costs to the granting agency. The amount of disallowed cost, if any, was undeterminable at August 31, 2013.

NOTE 6: Bonded Indebtedness

Bonds Payable

Description of Issues

In 1987, the Board received legislative authorization to issue an unlimited amount of revenue bonds to fund certain eligible projects. Currently, the Board has seven revenue bond series outstanding. The Board has authority to sell revenue bonds for the following purposes:

- (1) To finance the construction of water and wastewater projects of political subdivisions and non-profit water supply corporations;
- (2) To provide interim financing to political subdivisions that are also receiving long-term financing from the Board;
- (3) To provide the state matching funds for federal grants under the Federal Water Pollution Control Act and the Safe Drinking Water Act.

The Board's revenue bonds do not constitute a debt of the state and neither the full faith nor credit, nor the taxing authority of the state is in any manner pledged, given, or loaned for the payment of the Board's revenue bonds. Further, the Board's revenue bonds are not secured by or payable from money in Development Fund II. As of this date, the Board has issued revenue bonds only for the purpose of providing funds for the Clean Water State Revolving Fund.

Description of Issue	Amount Issued	Purpose of Issue	Issue Date
TWDB Revenue Bonds			
W Dev SRF Rev Bds Ser '07-A	\$309,240,000	Refund, in advance of their maturities, certain outstanding TWDB revenue bonds	05/01/2007
W Dev SRF Rev Bds Ser '08-A	\$203,050,000	Provide financial assistance for water quality enhancement	01/08/2008
W Dev SRF Rev Bds Ser '08-B	\$261,425,000	Provide financial assistance for water quality enhancement	07/15/2008
W Dev SRF Rev Bds Ser '09A-1	\$224,975,000	Provide financial assistance for water quality enhancement	08/18/2009
W Dev SRF Rev Ref Bds Ser '09A-2	\$32,765,000	Refund, in advance of their maturities, certain outstanding TWDB revenue bonds	08/18/2009

UNAUDITED

Clean Water State Revolving Fund

Description of Issue	Amount Issued	Purpose of Issue	Issue Date
W Dev SRF Rev Ref Bds Ser '13-A	\$68,945,000	Refund in advance of their maturities, certain outstanding TWDB revenue bonds	07/23/2013

Defeased Bonds Outstanding

As of August 31, 2013, the total amount of defeased Clean Water State Revolving Fund revenue bonds is \$156,300,000.

NOTE 7: Loans and Contracts

The Board purchases bonds from political subdivisions (including private water supply corporations). As of August 31, 2013, the balance of these bonds owned by the Board was \$2,761,727,000. In general, the majority of these bonds pays interest semi-annually and principal annually and allow for early redemption ten years after the original date of issuance. All bonds are secured by either pledged revenue or taxes. Interest rates on the bonds range from 0.00% to 7.00% maturing through the year 2044. It is the opinion of management that all bonds are fully collectible; therefore, no provision for uncollectible amounts is included in these financial statements.

NOTE 8: Available Federal Funds

As of August 31, 2013, the amount of Federal Funds available through the Automated Standard Application for Payments that remains undrawn for the State Revolving Fund is \$51,297,173.86.

NOTE 9: Status of Available Administrative Funding

Cost-recovery loan origination and servicing charges are imposed to cover administrative costs of operating the State Revolving Fund, but an interest rate subsidy is offered to offset the charges. Since the implementation of State Revolving Fund cost-recovery charges in October, 1995, the Texas Water Development Board has collected \$89,549,239.37 in service charges from SRF loan recipients; \$2,209,631.00 was collected on loans made during the fiscal year ending August 31, 2013. The administrative account had expenses totaling \$50,159.94 in Fiscal Year 2013.

NOTE 10: State Match Requirement

As of August 31, 2013, \$344,042,656 had been provided for state match. Also, as of August 31, 2013, the total amount of federal capitalization grants awarded was \$1,899,335,141. The state match required for all capitalization grants awarded as of that date was \$344,042,656 leaving no balance to match future capitalization grants.

Combining Statements

UNAUDITED

Clean Water State Revolving Fund

Exhibit F-1 - Combining Statement of Net Position - Enterprise Funds

August 31, 2013

	<u>Clean Water Loan Program</u>	<u>Administration (Federal)</u>	<u>Administration (Fees)</u>	<u>Totals (Exhibit I)</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ -	\$ -	\$ -	\$ -
Cash Equivalents	28,541,935.49	-	2,779,638.63	31,321,574.12
Short Term Investments	392,342,056.10	-	41,252,705.56	433,594,761.66
Receivables from:				
Federal	-	362,685.77	-	362,685.77
Interest and Dividends	15,874,489.46	-	72,738.74	15,947,228.20
Loans and Contracts	86,877,000.00	-	-	86,877,000.00
Total Current Assets	523,635,481.05	362,685.77	44,105,082.93	568,103,249.75
Non-Current Assets:				
Loans and Contracts	2,674,850,000.00	-	-	2,674,850,000.00
Total Non-Current Assets	2,674,850,000.00	-	-	2,674,850,000.00
Total Assets	3,198,485,481.05	362,685.77	44,105,082.93	3,242,953,249.75
LIABILITIES				
Current Liabilities:				
Payables from:				
Accounts Payable	441,918.06	23,388.66	11,040.80	476,347.52
Interest Payable	5,448,340.27	-	-	5,448,340.27
Interfund Payables	8,864,393.19	-	-	8,864,393.19
Due to Other Funds	794,898.82	339,297.11	-	1,134,195.93
Deferred Revenue	-	-	41,909,190.98	41,909,190.98
Revenue Bonds Payable	28,343,870.58	-	-	28,343,870.58
Total Current Liabilities	43,893,420.92	362,685.77	41,920,231.78	86,176,338.47
Non-Current Liabilities:				
Interfund Payables	131,891,775.70	-	-	131,891,775.70
Revenue Bonds Payable	811,520,708.11	-	-	811,520,708.11
Total Non-Current Liabilities	943,412,483.81	-	-	943,412,483.81
Total Liabilities	987,305,904.73	362,685.77	41,920,231.78	1,029,588,822.28
NET POSITION				
Unrestricted	2,211,179,576.32	-	2,184,851.15	2,213,364,427.47
Total Net Position	\$ 2,211,179,576.32	\$ -	\$ 2,184,851.15	\$ 2,213,364,427.47

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

Clean Water State Revolving Fund

**Exhibit F-2 - Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position - Enterprise Funds
For the Fiscal Year Ended August 31, 2013**

	Clean Water Loan Program	Administration (Federal)	Administration (Fees)	Totals (Exhibit II)
OPERATING REVENUES:				
Interest and Investment Income	\$ 76,796,422.52	\$ -	\$ 1,064,019.37	\$ 77,860,441.89
Net Increase (Decrease) Fair Market Value	38,499.05	-	3,749.34	42,248.39
Other Operating Revenue (GR)	-	-	3,126,798.31	3,126,798.31
Total Operating Revenues	76,834,921.57	-	4,194,567.02	81,029,488.59
OPERATING EXPENSES:				
Salaries and Wages	(0.02)	3,352,398.69	-	3,352,398.67
Payroll Related Costs	0.00	492,830.65	-	492,830.65
Professional Fees and Services	304,094.57	225,012.11	36,268.34	565,375.02
Travel	2,793.99	24,978.62	-	27,772.61
Materials and Supplies	(0.00)	9,643.17	-	9,643.17
Communication and Utilities	(616.00)	17,127.10	3,664.00	20,175.10
Repairs and Maintenance	(85.00)	418.18	-	333.18
Rentals and Leases	0.00	68,175.97	-	68,175.97
Printing and Reproduction	1,705.90	567.69	-	2,273.59
Interest	45,809,010.04	-	-	45,809,010.04
Other Operating Expenses	312,618.01	7,884.79	20,668.40	341,171.20
Total Operating Expenses	46,429,521.49	4,199,036.97	60,600.74	50,689,159.20
Operating Income (Loss)	30,405,400.08	(4,199,036.97)	4,133,966.28	30,340,329.39
NONOPERATING REVENUE (EXPENSES):				
Federal Revenue (PR - Grants/Contributions)	63,621,915.45	4,199,036.97	-	67,820,952.42
Other Nonoperating Revenue (Expenses)	(11,026,773.22)	-	-	(11,026,773.22)
Total Nonoperating Revenue (Expenses)	52,595,142.23	4,199,036.97	-	56,794,179.20
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	83,000,542.31	-	4,133,966.28	87,134,508.59
Transfers In	51,541.88	-	-	51,541.88
Transfers Out	-	-	-	-
Total Other Revenue, Expenses, Gain/Losses and Transfers	51,541.88	-	-	51,541.88
Change in Net Position	83,052,084.19	-	4,133,966.28	87,186,050.47
Total Net Position - Beginning	2,128,127,492.13	-	(1,949,115.13)	2,126,178,377.00
Total Net Position, August 31, 2013	\$ 2,211,179,576.32	\$ -	\$ 2,184,851.15	\$ 2,213,364,427.47

Schedules

UNAUDITED

Texas Water Development Board (580)
 Schedule 1 - Loans and Contracts
 For the Fiscal Year Ended August 31, 2013

Recipient	Original Amount	Outstanding Balance	Due From	Due To
Clean Water State Revolving Fund				
ALAMO, CITY OF	\$ 4,000,000.00	\$ 3,125,000.00	3/1/2009	3/1/2027
ALEDO, CITY OF	675,000.00	665,000.00	8/15/2013	8/15/2042
ALEDO, CITY OF	2,110,000.00	2,070,000.00	8/15/2013	8/15/2042
ALEDO, CITY OF	3,345,000.00	3,280,000.00	8/15/2013	8/15/2042
ALEDO, CITY OF	1,900,000.00	1,855,000.00	8/15/2013	8/15/2042
ALICE, CITY OF	4,257,000.00	4,107,000.00	2/1/2013	2/1/2042
ALICE, CITY OF	2,054,000.00	1,982,000.00	2/1/2013	2/1/2042
ALTO, CITY OF	425,000.00	120,000.00	7/15/1998	7/15/2017
ALVORD, CITY OF	420,000.00	245,000.00	10/1/2005	10/1/2024
ALVORD, CITY OF	390,000.00	110,000.00	10/1/1997	10/1/2016
ANGELINA & NECHES RA	620,000.00	225,000.00	2/1/2000	2/1/2018
ANTHONY, TOWN OF	4,000,000.00	3,840,000.00	8/15/2012	8/15/2039
ARANSAS PASS CITY OF	1,115,000.00	750,000.00	2/1/2006	2/1/2025
ARCOLA, CITY OF	1,380,000.00	1,255,000.00	3/1/2009	3/1/2038
ARLINGTON, CITY OF	13,885,000.00	11,805,000.00	6/1/2011	6/1/2030
AUBREY, CITY OF	1,740,000.00	1,015,000.00	8/15/2004	8/15/2023
AUSTIN, CITY OF	31,815,000.00	30,750,000.00	11/15/2012	11/15/2041
AZLE, CITY OF	13,595,000.00	12,940,000.00	2/1/2013	2/1/2030
BACLIFF MUD	4,890,000.00	2,970,000.00	9/1/2004	9/1/2023
BACLIFF MUD	4,890,000.00	3,435,000.00	9/1/2006	9/1/2025
BARDWELL, CITY OF	200,000.00	90,000.00	8/1/1998	8/1/2017
BAYTOWN, CITY OF	13,370,000.00	9,685,000.00	2/1/2006	2/1/2025
BAYTOWN, CITY OF	19,700,000.00	14,275,000.00	2/1/2007	2/1/2026
BAYVIEW MUD	490,000.00	150,000.00	9/1/1998	9/1/2016
BEDFORD, CITY OF	630,000.00	600,000.00	2/1/2013	2/1/2032
BELL CO WCID #1	34,310,000.00	26,110,000.00	7/10/2005	7/10/2024
BELL CO WCID #1	5,215,000.00	3,415,000.00	7/10/2005	7/10/2024
BELL CO WCID #2	1,055,000.00	945,000.00	9/1/2010	9/1/2029
BELLS, CITY OF	130,000.00	50,000.00	2/15/2000	2/15/2018
BLOSSOM, CITY OF	275,000.00	120,000.00	1/1/2000	1/1/2019
BONHAM, CITY OF	1,675,000.00	1,080,000.00	2/15/2007	2/15/2026
BRADY, CITY OF	1,210,000.00	1,210,000.00	9/1/2015	9/1/2024
BRECKENRIDGE, CITY OF	840,000.00	840,000.00	3/15/2015	3/15/2044
BRIDGEPORT, CITY OF	2,365,000.00	1,135,000.00	8/15/2004	8/15/2023
BROWNSBORO, CITY OF	700,000.00	425,000.00	8/15/2005	8/15/2024
BRYAN, CITY OF	1,270,000.00	800,000.00	7/1/2010	7/1/2019
BRYAN, CITY OF	15,685,000.00	15,285,000.00	7/1/2012	7/1/2030
BUDA, CITY OF	125,000.00	125,000.00	2/15/2014	2/15/2014
BUFFALO GAP, TOWN OF	400,000.00	390,000.00	11/15/2012	11/15/2041
BURNET, CITY OF	11,425,000.00	10,635,000.00	2/1/2012	2/1/2040
BURNET, CITY OF	9,900,000.00	9,900,000.00	2/1/2014	2/1/2042
CADDO MILLS, CITY OF	4,430,000.00	4,430,000.00	8/15/2014	8/15/2041
CAMERON, CITY OF	710,000.00	455,000.00	2/1/2005	2/1/2024
CAMERON, CITY OF	1,800,000.00	1,195,000.00	2/1/2006	2/1/2024
CAMERON, CITY OF	860,000.00	825,000.00	3/1/2013	3/1/2032
CAMPBELL, CITY OF	240,000.00	95,000.00	8/15/2000	8/15/2019
CASTROVILLE, CITY OF	375,000.00	375,000.00	2/1/2014	2/1/2023
CELINA, CITY OF	4,480,000.00	1,480,000.00	9/1/2009	9/1/2028
CENTER, CITY OF	2,070,000.00	2,070,000.00	2/15/2014	2/15/2035
CIBOLO CREEK MA	1,500,000.00	735,000.00	7/10/2003	7/10/2022
CIBOLO CREEK MA	6,415,000.00	3,990,000.00	7/10/2005	7/10/2024
CIBOLO CREEK MA	2,745,000.00	2,440,000.00	7/10/2011	7/10/2031

UNAUDITED

Texas Water Development Board (580)
 Schedule 1 - Loans and Contracts
 For the Fiscal Year Ended August 31, 2013

Recipient	Original Amount	Outstanding Balance	Due From	Due To
CIBOLO CREEK MA	24,440,000.00	23,675,000.00	7/10/2013	7/10/2037
CLEVELAND, CITY OF	555,000.00	475,000.00	3/1/2010	3/1/2029
CLEVELAND, CITY OF	2,360,000.00	2,165,000.00	3/1/2012	3/1/2031
COMMERCE, CITY OF	2,005,000.00	1,400,000.00	8/15/2008	8/15/2027
COMMERCE, CITY OF	3,490,000.00	3,145,000.00	2/15/2011	2/15/2040
COMMODORE COVE ID	490,000.00	115,000.00	2/15/1998	2/15/2016
CORINTHIAN POINT MUD #2	1,310,000.00	130,000.00	2/1/1998	2/1/2017
CRANFILLS GAP, CITY OF	605,000.00	335,000.00	9/1/2002	9/1/2021
DAYTON, CITY OF	8,500,000.00	7,940,000.00	2/1/2009	2/1/2028
DE LEON, CITY OF	2,350,000.00	1,870,000.00	2/15/2010	2/15/2029
DEER PARK, CITY OF	5,000,000.00	2,500,000.00	3/1/2004	3/1/2023
DEL RIO, CITY OF	2,190,000.00	1,380,000.00	7/1/2005	7/1/2024
DEL RIO, CITY OF	5,000,000.00	4,885,000.00	6/1/2013	6/1/2042
DETROIT, CITY OF	925,000.00	455,000.00	7/1/2002	7/1/2020
DRIPPING SPRINGS, CITY OF	9,430,000.00	7,740,000.00	6/1/2007	6/1/2028
EAGLE PASS, CITY OF	10,110,000.00	4,895,000.00	12/1/2005	12/1/2024
EAGLE PASS, CITY OF	700,000.00	55,000.00	12/1/2004	12/1/2023
EAST CEDAR CREEK FWSD	1,500,000.00	1,015,000.00	1/1/2006	1/1/2025
EASTLAND, CITY OF	975,000.00	835,000.00	2/15/2010	2/15/2029
EDINBURG, CITY OF	4,020,000.00	3,400,000.00	3/1/2010	3/1/2029
EL PASO, CITY OF	10,000,000.00	9,960,000.00	3/1/2006	3/1/2024
EL PASO, CITY OF	10,000,000.00	7,160,000.00	3/1/2007	3/1/2026
EL PASO, CITY OF	14,000,000.00	13,980,000.00	3/1/2010	3/1/2029
EL PASO, CITY OF	22,000,000.00	21,980,000.00	3/1/2010	3/1/2029
EL PASO, CITY OF	2,163,000.00	1,944,000.00	3/1/2012	3/1/2031
ELDORADO CITY OF	1,200,000.00	1,200,000.00	8/1/2014	8/1/2035
EVADALE WCID #1	1,550,000.00	850,000.00	7/1/2003	7/1/2022
FAIRFIELD, CITY OF	4,415,000.00	2,465,000.00	9/1/2003	9/1/2022
FORT BEND CO FWSD #1	6,935,000.00	5,195,000.00	8/15/2008	8/15/2027
FORT BEND CO FWSD #1	5,285,000.00	5,045,000.00	8/15/2012	8/15/2039
FORT WORTH, CITY OF	7,890,000.00	5,035,000.00	3/1/2006	3/1/2025
FORT WORTH, CITY OF	11,500,000.00	5,815,000.00	3/1/2007	3/1/2025
FORT WORTH, CITY OF	33,560,000.00	25,980,000.00	3/1/2009	3/1/2027
FORT WORTH, CITY OF	28,000,000.00	24,185,000.00	2/15/2011	2/15/2030
GALVESTON CO MUD #12	1,820,000.00	545,000.00	9/1/1997	9/1/2015
GARLAND, CITY OF	38,485,000.00	25,975,000.00	3/1/2007	3/1/2024
GRAND PRAIRIE CITY OF	495,000.00	330,000.00	7/15/2013	7/15/2015
GRAND PRAIRIE CITY OF	1,805,000.00	1,805,000.00	1/15/2014	1/15/2019
GREATER TEXOMA UA	300,000.00	85,000.00	4/1/1998	4/1/2017
GREATER TEXOMA UA	155,000.00	50,000.00	4/1/1999	4/1/2018
GREATER TEXOMA UA	500,000.00	395,000.00	7/1/2001	7/1/2020
GREATER TEXOMA UA	150,000.00	90,000.00	4/1/2002	4/1/2021
GREATER TEXOMA UA	865,000.00	490,000.00	10/1/2003	10/1/2021
GREATER TEXOMA UA	400,000.00	300,000.00	6/1/2007	6/1/2028
GREATER TEXOMA UA	3,870,000.00	2,825,000.00	6/1/2007	6/1/2028
GREATER TEXOMA UA	3,430,000.00	2,810,000.00	6/1/2009	6/1/2028
GREATER TEXOMA UA	3,710,000.00	2,995,000.00	10/1/2008	10/1/2027
GREATER TEXOMA UA	2,705,000.00	2,445,000.00	10/1/2010	10/1/2029
GREATER TEXOMA UA	1,400,000.00	1,280,000.00	6/1/2011	6/1/2029
GREATER TEXOMA UA	3,975,000.00	3,785,000.00	10/1/2011	10/1/2029
GREATER TEXOMA UA	2,825,000.00	2,815,000.00	8/15/2013	8/15/2041
GREENVILLE, CITY OF	20,000,000.00	17,495,000.00	2/15/2011	2/15/2030
GREENWOOD UD	2,465,000.00	395,000.00	8/1/1999	8/1/2017

UNAUDITED

Texas Water Development Board (580)
 Schedule 1 - Loans and Contracts
 For the Fiscal Year Ended August 31, 2013

Recipient	Original Amount	Outstanding Balance	Due From	Due To
GROESBECK, CITY OF	2,000,000.00	1,400,000.00	2/15/2008	2/15/2027
GROVES, CITY OF	715,000.00	555,000.00	9/1/2007	9/1/2026
GROVES, CITY OF	5,000,000.00	4,065,000.00	9/1/2008	9/1/2027
HALLSVILLE, CITY OF	2,250,000.00	1,140,000.00	5/1/2000	5/1/2019
HARRIS CO FWSD #47	4,365,000.00	3,885,000.00	9/1/2010	9/1/2028
HARRIS CO MUD #148	2,855,000.00	2,595,000.00	4/1/2012	4/1/2031
HARRIS CO MUD #33	2,195,000.00	2,170,000.00	3/1/2013	3/1/2036
HARRIS CO MUD #48	2,275,000.00	2,255,000.00	5/1/2010	5/1/2032
HARRIS CO MUD #50	1,500,000.00	1,215,000.00	3/1/2009	3/1/2028
HARRIS CO WCID #138	565,000.00	160,000.00	4/1/1998	4/1/2017
HARRIS CO WCID #36	5,000,000.00	4,370,000.00	9/15/2010	9/15/2028
HARRIS CO WCID #89	7,565,000.00	6,780,000.00	10/1/2010	10/1/2029
HIDALGO CO MUD #1	3,520,000.00	3,080,000.00	2/15/2010	2/15/2039
HIDALGO CO MUD #1	1,500,000.00	1,435,000.00	2/15/2013	2/15/2032
HILLCREST VILLAGE, CITY OF	300,000.00	120,000.00	3/15/2001	3/15/2019
HONEY GROVE, CITY OF	1,000,000.00	450,000.00	9/1/2000	9/1/2019
HOUSTON, CITY OF	96,705,000.00	82,325,000.00	12/1/2005	12/1/2024
HOUSTON, CITY OF	84,385,000.00	71,300,000.00	12/1/2005	12/1/2024
HOUSTON, CITY OF	69,595,000.00	66,095,000.00	5/15/2007	5/15/2026
HOUSTON, CITY OF	61,545,000.00	58,045,000.00	5/15/2007	5/15/2026
HOUSTON, CITY OF	45,050,000.00	42,850,000.00	11/15/2008	11/15/2037
HOUSTON, CITY OF	52,650,000.00	50,450,000.00	11/15/2008	11/15/2037
HOUSTON, CITY OF	61,545,000.00	59,545,000.00	11/15/2009	11/15/2038
HOUSTON, CITY OF	15,110,000.00	14,015,000.00	11/15/2010	11/15/2039
HOUSTON, CITY OF	58,245,000.00	58,235,000.00	11/15/2011	11/15/2040
HOUSTON, CITY OF	22,795,000.00	22,785,000.00	11/15/2011	11/15/2040
HOUSTON, CITY OF	49,900,000.00	49,900,000.00	11/15/2013	11/15/2042
HOUSTON, CITY OF	48,750,000.00	48,750,000.00	11/15/2013	11/15/2042
HUTTO, CITY OF	2,520,000.00	2,440,000.00	8/1/2013	8/1/2036
INGRAM, CITY OF	803,000.00	722,000.00	2/15/2011	2/15/2039
INGRAM, CITY OF	175,000.00	175,000.00	2/15/2014	2/15/2023
JARRELL, CITY OF	7,895,000.00	6,920,000.00	8/1/2007	8/1/2026
JARRELL, CITY OF	1,520,000.00	1,425,000.00	8/1/2010	8/1/2038
JEFFERSON CO WCID #10	2,750,000.00	2,550,000.00	8/15/2011	8/15/2030
KAUFMAN, CITY OF	1,325,000.00	905,000.00	8/15/2006	8/15/2025
KELLER CITY OF	5,835,000.00	5,585,000.00	2/15/2013	2/15/2032
KERMIT, CITY OF	4,595,000.00	3,630,000.00	2/15/2009	2/15/2028
KERR COUNTY	570,000.00	520,000.00	2/15/2013	2/15/2022
LA FERIA, CITY OF	385,000.00	290,000.00	9/15/2006	9/15/2025
LA JOYA, CITY OF	2,155,000.00	1,585,000.00	3/1/2008	3/1/2027
LA JOYA, CITY OF	4,565,000.00	4,100,000.00	9/1/2010	9/1/2039
LAKE WORTH, CITY OF	290,000.00	248,000.00	2/1/2011	2/1/2030
LAKEWAY MUD	3,040,000.00	185,000.00	9/1/1998	9/1/2017
LAREDO, CITY OF	48,750,000.00	47,400,000.00	3/1/2013	3/1/2042
LIBERTY HILL CITY OF	1,345,000.00	1,095,000.00	9/1/2008	9/1/2027
LIBERTY HILL CITY OF	6,785,000.00	5,525,000.00	9/1/2008	9/1/2027
LIBERTY, CITY OF	8,100,000.00	6,390,000.00	3/1/2009	3/1/2028
LITTLEFIELD, CITY OF	2,565,000.00	710,000.00	2/15/1998	2/15/2017
LITTLEFIELD, CITY OF	1,910,000.00	1,460,000.00	2/15/2008	2/15/2027
LORAIN, CITY OF	665,000.00	440,000.00	9/1/2004	9/1/2023
LORENA, CITY OF	2,260,000.00	1,845,000.00	7/1/2009	7/1/2028
LORENZO, CITY OF	705,000.00	275,000.00	8/15/2000	8/15/2019
LOS FRESNOS, CITY OF	4,975,000.00	4,935,000.00	2/1/2010	2/1/2039

UNAUDITED

Texas Water Development Board (580)
 Schedule 1 - Loans and Contracts
 For the Fiscal Year Ended August 31, 2013

Recipient	Original Amount	Outstanding Balance	Due From	Due To
LOVELADY, CITY OF	330,000.00	50,000.00	5/1/1996	5/1/2015
LOWER VALLEY WD	20,600,000.00	16,560,000.00	9/15/2008	9/15/2027
LUMBERTON MUD	8,765,000.00	6,665,000.00	8/15/2008	8/15/2027
MACEDONIA-EYLAU MUD #1	225,000.00	75,000.00	7/1/1999	7/1/2018
MANVEL, CITY OF	845,000.00	750,000.00	8/15/2007	8/15/2028
MARBLE FALLS, CITY OF	2,950,000.00	1,995,000.00	2/1/2006	2/1/2025
MARFA, CITY OF	1,265,000.00	1,005,000.00	3/15/2009	3/15/2028
MARLIN, CITY OF	2,255,000.00	2,165,000.00	7/1/2007	7/1/2028
MARLIN, CITY OF	3,000,000.00	3,000,000.00	7/1/2014	7/1/2042
MART, CITY OF	810,000.00	495,000.00	9/1/1999	9/1/2018
MCALLEN, CITY OF	37,220,000.00	33,950,000.00	2/1/2011	2/1/2040
MCALLEN, CITY OF	1,190,000.00	1,095,000.00	2/1/2013	2/1/2022
MERCEDES, CITY OF	1,265,000.00	810,000.00	2/15/2008	2/15/2027
MERCEDES, CITY OF	7,530,000.00	6,345,000.00	2/15/2010	2/15/2029
MERCEDES, CITY OF	3,255,000.00	3,255,000.00	2/15/2015	2/15/2033
MISSION, CITY OF	2,032,000.00	304,000.00	4/1/1998	4/1/2015
MONTGOMERY CO MUD # 15	675,000.00	450,000.00	3/1/1999	3/1/2017
MONTGOMERY CO MUD # 15	815,000.00	655,000.00	3/1/1998	3/1/2017
MONTGOMERY CO UD #3	1,290,000.00	295,000.00	4/1/1999	4/1/2015
MOUNT CALM, CITY OF	100,000.00	35,000.00	9/1/2000	9/1/2019
MOUNT VERNON, CITY OF	525,000.00	525,000.00	9/1/2014	9/1/2043
NACOGDOCHES, CITY OF	10,365,000.00	6,535,000.00	3/1/2006	3/1/2025
NEW CANEY MUD	380,000.00	290,000.00	4/1/2005	4/1/2024
NEW CANEY MUD	3,095,000.00	3,060,000.00	4/1/2007	4/1/2026
NEW CANEY MUD	1,720,000.00	365,000.00	4/1/1997	4/1/2015
NEWTON, CITY OF	1,855,000.00	695,000.00	3/15/2000	3/15/2019
OAK RIDGE NORTH, CITY OF	4,800,000.00	4,590,000.00	4/1/2012	4/1/2034
ORANGE CO WCID #1	2,500,000.00	2,125,000.00	2/15/2010	2/15/2029
ORANGE CO WCID #1	11,115,000.00	10,765,000.00	2/15/2012	2/15/2031
ORANGE CO WCID #1	13,610,000.00	12,700,000.00	8/15/2012	8/15/2031
ORANGE CO WCID #2	500,000.00	500,000.00	3/1/2014	3/1/2023
ORANGE GROVE, CITY OF	400,000.00	90,000.00	8/15/1997	8/15/2016
PADUCAH, CITY OF	945,000.00	865,000.00	2/15/2010	2/15/2038
PALESTINE, CITY OF	3,745,000.00	2,510,000.00	7/15/2005	7/15/2022
PALESTINE, CITY OF	860,000.00	585,000.00	7/15/2007	7/15/2025
PALESTINE, CITY OF	4,665,000.00	3,450,000.00	7/15/2008	7/15/2027
PALESTINE, CITY OF	600,000.00	500,000.00	7/15/2010	7/15/2029
PANHANDLE, CITY OF	1,875,000.00	1,005,000.00	2/15/2003	2/15/2022
PASADENA, CITY OF	31,370,000.00	860,000.00	4/1/2000	4/1/2019
PECOS CITY, TOWN OF	6,870,000.00	5,775,000.00	3/15/2010	3/15/2034
PHARR, CITY OF	29,000,000.00	25,260,000.00	9/1/2008	9/1/2027
PINE VILLAGE PUD	845,000.00	780,000.00	3/1/2001	3/1/2020
PINE VILLAGE PUD	810,000.00	135,000.00	9/1/1996	9/1/2014
POINT CITY OF	1,370,000.00	1,010,000.00	7/1/2006	7/1/2025
POLK CO FWSD #2	1,955,000.00	1,900,000.00	7/10/2003	7/10/2022
QUINLAN, CITY OF	845,000.00	310,000.00	9/1/1998	9/1/2017
RANGER CITY OF	300,000.00	300,000.00	2/15/2014	2/15/2023
RAYMONDVILLE, CITY OF	1,365,000.00	1,245,000.00	4/1/2011	4/1/2040
REDWATER, CITY OF	470,000.00	355,000.00	6/1/2007	6/1/2026
RIO GRANDE CITY, CITY OF	2,885,000.00	2,465,000.00	2/15/2011	2/15/2030
RIVIERA WCID	280,000.00	85,000.00	11/1/1997	11/1/2016
ROBSTOWN, CITY OF	2,635,000.00	2,630,000.00	12/1/2012	12/1/2041
ROCKDALE, CITY OF	6,300,000.00	4,760,000.00	8/15/2006	8/15/2025

UNAUDITED

Texas Water Development Board (580)
 Schedule 1 - Loans and Contracts
 For the Fiscal Year Ended August 31, 2013

Recipient	Original Amount	Outstanding Balance	Due From	Due To
ROMA, CITY OF	3,035,000.00	1,370,000.00	5/1/2001	5/1/2020
ROMA, CITY OF	1,150,000.00	723,000.00	5/1/2005	5/1/2024
ROSCOE, CITY OF	1,560,000.00	1,080,000.00	2/15/2008	2/15/2027
ROSENBERG, CITY OF	410,000.00	330,000.00	8/1/2010	8/1/2029
ROXTON CITY OF	1,000,000.00	790,000.00	7/1/2008	7/1/2027
SABINAL, CITY OF	600,000.00	360,000.00	8/15/2012	8/15/2031
SAN ANTONIO WATER SYSTEM	26,365,000.00	20,385,000.00	5/15/2005	5/15/2024
SAN ANTONIO WATER SYSTEM	10,635,000.00	7,430,000.00	5/15/2005	5/15/2024
SAN ANTONIO WATER SYSTEM	35,375,000.00	24,850,000.00	5/15/2008	5/15/2027
SAN ANTONIO WATER SYSTEM	8,070,000.00	5,965,000.00	5/15/2008	5/15/2027
SAN ANTONIO WATER SYSTEM	30,000,000.00	26,405,000.00	5/15/2009	5/15/2038
SAN ANTONIO WATER SYSTEM	23,260,000.00	20,700,000.00	5/15/2009	5/15/2038
SAN ANTONIO WATER SYSTEM	54,300,000.00	49,120,000.00	5/15/2010	5/15/2039
SAN ANTONIO WATER SYSTEM	17,930,000.00	16,470,000.00	5/15/2011	5/15/2040
SAN ANTONIO WATER SYSTEM	18,095,000.00	17,305,000.00	5/15/2012	5/15/2041
SAN ANTONIO WATER SYSTEM	19,630,000.00	19,085,000.00	5/15/2013	5/15/2042
SAN AUGUSTINE, CITY OF	1,050,000.00	1,040,000.00	2/15/2012	2/15/2040
SAN JUAN, CITY OF	2,180,000.00	1,560,000.00	3/1/2007	3/1/2026
SAN JUAN, CITY OF	445,000.00	405,000.00	1/1/2013	1/1/2022
SAN PATRICIO MWD	3,050,000.00	1,220,000.00	2/1/2000	2/1/2018
SEMINOLE, CITY OF	2,960,000.00	2,690,000.00	2/15/2011	2/15/2034
SONORA, CITY OF	6,000,000.00	5,270,000.00	12/1/2010	12/1/2029
SPRINGTOWN, CITY OF	3,930,000.00	3,930,000.00	8/15/2014	8/15/2032
STAMFORD, CITY OF	265,000.00	145,000.00	2/15/2006	2/15/2025
SUNBELT FWSD	5,310,000.00	2,725,000.00	12/1/2001	12/1/2020
SUNBELT FWSD	495,000.00	255,000.00	12/1/2001	12/1/2020
SUNBELT FWSD	945,000.00	645,000.00	12/1/2003	12/1/2022
TAFT, CITY OF	5,780,000.00	5,587,000.00	3/1/2013	3/1/2042
TAHOKA, CITY OF	1,780,000.00	600,000.00	2/15/2000	2/15/2018
TAYLOR LANDING, CITY OF	710,000.00	605,000.00	9/1/2009	9/1/2028
TIOGA, CITY OF	300,000.00	105,000.00	4/1/1999	4/1/2018
TOMBALL, CITY OF	7,550,000.00	2,900,000.00	2/15/2000	2/15/2019
TRAVIS CO WCID (POINT VENTURE)	1,460,000.00	500,000.00	8/15/1999	8/15/2018
TRINIDAD, CITY OF	400,000.00	325,000.00	1/1/2009	1/1/2027
TRINITY RIVER AUTHORITY	108,475,000.00	104,960,000.00	8/1/2007	8/1/2026
TRINITY RIVER AUTHORITY	120,000,000.00	117,480,000.00	8/1/2010	8/1/2027
TRINITY RIVER AUTHORITY	90,000,000.00	89,980,000.00	8/1/2010	8/1/2028
TRINITY RIVER AUTHORITY	86,780,000.00	86,765,000.00	8/1/2011	8/1/2030
TRINITY RIVER AUTHORITY	46,190,000.00	38,085,000.00	8/1/2010	8/1/2027
TRINITY RIVER AUTHORITY	47,595,000.00	46,580,000.00	2/1/2009	2/1/2027
TRINITY RIVER AUTHORITY	24,800,000.00	24,780,000.00	2/1/2010	2/1/2028
TRINITY RIVER AUTHORITY	7,760,000.00	7,750,000.00	2/1/2012	2/1/2036
TRINITY RIVER AUTHORITY	1,775,000.00	1,705,000.00	8/1/2013	8/1/2032
TRINITY RIVER AUTHORITY	107,180,000.00	106,525,000.00	8/1/2012	8/1/2034
TRINITY RIVER AUTHORITY	23,765,000.00	23,765,000.00	2/1/2015	2/1/2032
TRINITY RIVER AUTHORITY	7,945,000.00	7,945,000.00	8/1/2014	8/1/2038
TRINITY RIVER AUTHORITY	23,410,000.00	23,380,000.00	8/1/2012	8/1/2036
TRINITY RIVER AUTHORITY	8,280,000.00	8,050,000.00	2/1/2012	2/1/2031
TRINITY RIVER AUTHORITY	19,465,000.00	19,265,000.00	2/1/2013	2/1/2038
TRINITY RIVER AUTHORITY	3,070,000.00	3,070,000.00	8/1/2014	8/1/2038
TRINITY RIVER AUTHORITY	11,710,000.00	11,710,000.00	2/1/2015	2/1/2033
TRINITY RIVER AUTHORITY	127,005,000.00	127,005,000.00	8/1/2014	8/1/2043
TRINITY RIVER AUTHORITY	26,540,000.00	26,540,000.00	8/1/2015	8/1/2034

UNAUDITED

Texas Water Development Board (580)
 Schedule 1 - Loans and Contracts
 For the Fiscal Year Ended August 31, 2013

Recipient	Original Amount	Outstanding Balance	Due From	Due To
TRINITY RIVER AUTHORITY	30,345,000.00	30,345,000.00	8/1/2014	8/1/2032
TRINITY RIVER AUTHORITY	14,000,000.00	14,000,000.00	2/1/2014	2/1/2038
TRINITY RIVER AUTHORITY	7,050,000.00	7,020,000.00	8/1/2013	8/1/2031
TRINITY RIVER AUTHORITY	28,900,000.00	28,900,000.00	8/1/2014	8/1/2032
TRINITY RIVER AUTHORITY	45,370,000.00	45,370,000.00	8/1/2014	8/1/2032
TRINITY RIVER AUTHORITY	71,000,000.00	71,000,000.00	8/1/2014	8/1/2033
TRINITY RIVER AUTHORITY	14,035,000.00	14,035,000.00	2/1/2016	2/1/2040
TRINITY RIVER AUTHORITY	1,150,000.00	1,120,000.00	8/1/2012	8/1/2031
UPPER TRINITY REGIONAL WATER DISTRICT	3,085,000.00	720,000.00	8/1/1997	8/1/2016
VICTORIA CO WCID #1	1,280,000.00	435,000.00	3/1/1999	3/1/2018
WELLS BRANCH MUD	1,400,000.00	550,000.00	8/1/2000	8/1/2019
WEST TAWAKONI, CITY OF	250,000.00	40,000.00	1/1/1998	1/1/2015
WEST TAWAKONI, CITY OF	115,000.00	115,000.00	2/1/2014	2/1/2023
WESTWOOD SHORES MUD	1,825,000.00	1,825,000.00	5/1/2014	5/1/2030
WHITE OAK BEND MUD	470,000.00	55,000.00	10/1/2004	10/1/2022
WHITE OAK, CITY OF	1,845,000.00	325,000.00	3/1/2002	3/1/2015
WHITESBORO, CITY OF	2,725,000.00	1,510,000.00	8/15/2003	8/15/2022
WILLIS, CITY OF	1,000,000.00	555,000.00	8/1/2003	8/1/2022
WILLIS, CITY OF	1,170,000.00	285,000.00	8/1/1997	8/1/2016
WILLIS, CITY OF	1,355,000.00	1,345,000.00	8/1/2012	8/1/2031
WILMER, CITY OF	250,000.00	25,000.00	4/15/1995	4/15/2014
WILSON, CITY OF	1,705,000.00	1,560,000.00	2/15/2011	2/15/2039
WINNSBORO, CITY OF	1,050,000.00	780,000.00	2/15/2007	2/15/2028
WINTERS, CITY OF	655,000.00	550,000.00	10/1/2009	10/1/2028
YOAKUM, CITY OF	5,000,000.00	4,610,000.00	8/15/2009	8/15/2028
YOAKUM, CITY OF	2,500,000.00	2,040,000.00	8/15/2010	8/15/2031
ZAPATA COUNTY	6,415,000.00	6,090,000.00	2/15/2013	2/15/2032
Total - Clean Water State Revolving Fund	\$ 3,082,059,000.00	\$ 2,761,727,000.00		

General
Purpose
Financial
Statements
(ARRA)

UNAUDITED

Clean Water State Revolving Fund

Exhibit I - Combined Statement of Net Position - Proprietary Funds
American Recovery & Reinvestment Act (ARRA)
August 31, 2013

	Total Enterprise Funds (Exhibit F-1)
ASSETS	
Current Assets:	
Receivables from:	
Federal	\$ -
Loans and Contracts	2,548,000.00
Total Current Assets	2,548,000.00
Non-Current Assets:	
Loans and Contracts	71,485,000.00
Total Non-Current Assets	71,485,000.00
Total Assets	74,033,000.00
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts Payable	-
Due to Other Funds	-
Total Current Liabilities	-
Total Liabilities	-
NET POSITION	
Unrestricted	74,033,000.00
Total Net Position	\$ 74,033,000.00

UNAUDITED

Clean Water State Revolving Fund

Exhibit II - Combined Statement of Revenues, Expenses, and
Changes in Fund Net Position - Proprietary Funds
American Recovery & Reinvestment Act (ARRA)

For the Fiscal Year Ended August 31, 2013

	Total Enterprise Funds (Exhibit F-2)
OPERATING EXPENSES:	
Salaries and Wages	\$ 1,366,504.83
Payroll Related Costs	197,035.20
Professional Fees and Services	116,931.13
Travel	10,354.83
Materials and Supplies	4,235.76
Communication and Utilities	7,827.74
Repairs and Maintenance	298.18
Rentals and Leases	39,783.73
Printing and Reproduction	244.94
Other Operating Expenses	2,968.43
Total Operating Expenses	1,746,184.77
Operating Income (Loss)	(1,746,184.77)
NONOPERATING REVENUES (EXPENSES):	
Federal Revenue	5,857,232.22
Other Nonoperating Revenue (Expenses)	(4,778,047.45)
Total Nonoperating Revenue (Expenses)	1,079,184.77
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	(667,000.00)
Change in Net Position	(667,000.00)
Total Net Position - Beginning	74,700,000.00
Total Net Position, August 31, 2013	\$ 74,033,000.00

Combining Statements (ARRA)

UNAUDITED

Clean Water State Revolving Fund

**Exhibit F-1 - Combining Statement of Net Position - Enterprise Funds
American Recovery & Reinvestment Act (ARRA)**

August 31, 2013

	ARRA Clean Water Loan Program	ARRA Administration (Federal)	ARRA Totals (Exhibit I)
ASSETS			
Current Assets:			
Receivables from:			
Federal	\$ -	\$ -	\$ -
Loans and Contracts	2,548,000.00	-	2,548,000.00
Total Current Assets	2,548,000.00	-	2,548,000.00
Non-Current Assets:			
Loans and Contracts	71,485,000.00	-	71,485,000.00
Total Non-Current Assets	71,485,000.00	-	71,485,000.00
Total Assets	74,033,000.00	-	74,033,000.00
LIABILITIES			
Current Liabilities:			
Payables from:			
Accounts Payable	-	-	-
Due to Other Funds	-	-	-
Total Current Liabilities	-	-	-
Total Liabilities	-	-	-
NET POSITION			
Unrestricted	74,033,000.00	-	74,033,000.00
Total Net Position	\$ 74,033,000.00	\$ -	\$ 74,033,000.00

UNAUDITED

Clean Water State Revolving Fund

**Exhibit F-2 - Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position - Enterprise Funds
American Recovery & Reinvestment Act (ARRA)**

For the Fiscal Year Ended August 31, 2013

	ARRA Clean Water Loan Program	ARRA Administration (Federal)	ARRA Totals (Exhibit II)
OPERATING EXPENSES:			
Salaries and Wages	\$ -	\$ 1,366,504.83	\$ 1,366,504.83
Payroll Related Costs	-	197,035.20	197,035.20
Professional Fees and Services	-	116,931.13	116,931.13
Travel	-	10,354.83	10,354.83
Materials and Supplies	-	4,235.76	4,235.76
Communication and Utilities	-	7,827.74	7,827.74
Repairs and Maintenance	-	298.18	298.18
Rentals and Leases	-	39,783.73	39,783.73
Printing and Reproduction	-	244.94	244.94
Other Operating Expenses	-	2,968.43	2,968.43
Total Operating Expenses	-	1,746,184.77	1,746,184.77
Operating Income (Loss)	-	(1,746,184.77)	(1,746,184.77)
NONOPERATING REVENUE (EXPENSES):			
Federal Revenue (PR - Grants/Contributions)	4,111,047.45	1,746,184.77	5,857,232.22
Other Nonoperating Revenue (Expenses)	(4,778,047.45)	-	(4,778,047.45)
Total Nonoperating Revenue (Expenses)	(667,000.00)	1,746,184.77	1,079,184.77
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	(667,000.00)	-	(667,000.00)
Total Other Revenue, Expenses, Gain/Losses and Transfers	-	-	-
Change in Net Position	(667,000.00)	-	(667,000.00)
Total Net Position - Beginning	74,700,000.00	-	74,700,000.00
Total Net Position, August 31, 2013	\$ 74,033,000.00	\$ -	\$ 74,033,000.00