Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Todd Chenoweth, General Counsel
Jessica Zuba, Deputy Executive Administrator

FROM: Mark Wyatt, Director, Program Administration & Reporting

DATE: July 30, 2019

SUBJECT: Drinking Water State Revolving Fund Intended Use Plan

ACTION REQUESTED

Consider approving the State Fiscal Year 2020 Drinking Water State Revolving Fund Intended Use Plan.

BACKGROUND

Annually, the Texas Water Development Board (TWDB) must prepare an Intended Use Plan (IUP) that describes how it intends to use the Drinking Water State Revolving Fund's (DWSRF) available capacity to support the overall goals of the program. The IUP must contain a number of elements required by the United States Environmental Protection Agency (EPA) covering the operation of the DWSRF and is a central component of the TWDB's application to EPA for the annual capitalization grant.

Capacity - The total amount available in State Fiscal Year (SFY) 2020 remains unchanged from SFY 2019. The IUP now indicates that the capacity is based on a 10-year average capacity of $250 Million from SFY 2020 to SFY 2029.

Principal Forgiveness Allocation – the total amount allocated to principal forgiveness in SFY 2020 remains the same as SFY 2019 at $30,000,000.

Small/Rural Disadvantaged Communities – the allocation of principal forgiveness and zero-interest loans for Disadvantaged Communities that are either small or rural that was introduced in SFY 2019 has proven to be very successful and is retained in the SFY 2020 IUP.

Our Mission

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

Board Members

Peter M. Lake, Chairman | Kathleen Jackson, Board Member | Brooke T. Paup, Board Member

Jeff Walker, Executive Administrator

Significant program changes from the previous year's IUP are listed below, along with a reference to the applicable section of the IUP.

1. DWSRF program now offers funding as both Equivalency and Non-Equivalency depending on the funding option. The equivalency projects will have an interest rate subsidy of 155 basis points below market rates and non-equivalency projects will have an interest rate subsidy of 125 basis points below market rates (Section VI).
2. The loan origination fee has been reduced from 2.15% to 2.0% (Section XII).
3. Asset Management Program for Small Systems (AMPSS) Initiative - Subsequent Rounds - The TWDB anticipates awarding additional contracts under this initiative in SFY 2020 in a total amount to be determined during the year (Section XII).
4. Beginning with the SFY 2021 IUP, a small system eligible under AMPSS may receive an additional interest rate reduction for a portion of the TWDB funding for a project if it has implemented all of the Asset Management / Financial Planning tools required in the current AMPSS initiative's Scope of Work and deliverables and the proposed project is included in its current plan (Section VI).
5. Beginning with the SFY 2021 IUP, an entity that has adopted an Asset Management and Financial Planning tools within the past 5 years that contains the product deliverables under the AMPSS initiative will receive additional points (Appendix C).
6. Asset Management – Any eligible entity, not just small systems, may be eligible for up to $75,000 with an interest rate of zero percent to prepare all of the Asset Management / Financial Planning tools required in the current AMPSS program's Scope of Work and deliverables (Sections VI and XIII).
7. Beginning in SFY 2021, to be eligible to receive Very Small Systems funding the AMHI for the system's service area must not exceed 150 percent of the state's AMHI. An optional method of determining the project's AMHI may be considered (Section VI).
8. Multi-Year commitments are now available for projects that receive principal forgiveness under the Disadvantaged Communities funding (Section VII).
9. Implement a new initiative called "Securing Safe Water" that involves a comprehensive outreach, technical assistance, and funding strategy to reduce the number of public water systems that have unresolved health issues. It will support EPA's Strategic Plan goal of significantly reducing the number of public water systems with reported health violations (Sections V and XIII). Elements of the strategy include:
    a. Funding - allocating a portion of the available principal forgiveness in the Very Small Systems and Urgent Need funding options for this initiative. In addition to these special allocations, the TWDB will use principal forgiveness, zero-interest loans, and regular low-cost loans from the Disadvantaged Communities, Disadvantaged Communities – Small/ Rural and Urgent Need funding options to support this initiative;
    b. Special outreach;

c. Technical assistance tailored to needs;

d. Based on feedback received, assessing viable long-term options that may be deployed in subsequent years in support of this initiative; and

e. Tracking outcomes.

10. TWDB will allocate a portion of the Very Small Systems and Urgent Need funding for a "Securing Safe Water" initiative to reduce the number of public water systems with unresolved public health issues (Sections VI and XIII).
11. Under Urgent Need funding, facilities being replaced or repaired for a disaster recovery project must be built to mitigate future damage and destruction, to the extent it is practical based on the nature of the project activities (Section VI).
12. A project must demonstrate to the TWDB that it is viable, feasible, and sustainable (Section X).
13. The deadline to close a commitment that includes only principal forgiveness has been extended from three to four months (Section X).
14. As announced in the SFY 2019 IUP, any survey being used for income determination must be completed within five years of the date the TWDB receives the Project Information Form (Section X).
15. The maximum amount that may be transferred under the ongoing cash flow transfer mechanism is increased from $125 Million to $150 Million (Section X).
16. The TCEQ revised its scoring of the Physical Deficiency Factors covering production and storage capacity (Appendix C).
17. New Goals – implement the Securing Safe Water initiative and continue to implement the AMPSS and CPA to Go initiatives (Section IX).
18. The IUP contains a detailed description of the TWDB's Asset Management Program for Small Systems, CPA to Go, and Securing Safe Water initiatives (Section XIII).

The TWDB accepts Project Information Forms for eligible projects at any time throughout the year to allow entities greater flexibility in obtaining financing. These projects are periodically included within the IUP as they are received. However, annually the TWDB solicits entities to submit project information for inclusion in the IUP and the initial project priority list. The solicitation period, which for SFY 2020 ended on March 1, 2019, allows the TWDB to score and rank eligible projects received by the deadline. The importance of submitting proposals within this timeframe is primarily for those entities seeking financial assistance that includes principal forgiveness.

The SFY 2020 DWSRF IUP includes 130 eligible projects totaling $570,768,665. The amount of funds available is at least $250,000,000.

PUBLIC REVIEW, HEARING, AND COMMENTS

A notice of the 30-day public comment period and the associated public hearing on the draft IUP was placed on the TWDB website and sent via email to all entities that submitted projects for the SFY 2020 IUP. A copy of the IUP was sent to EPA for review and comment. The public comment period was from July 3, 2019 to August 1, 2019. A public hearing was conducted on July 23, 2019 at 1:30 P.M. in Room 170 of the Stephen F. Austin Building.

The public comments and TWDB's responses are shown in Attachment 2.

KEY ISSUES

The initial list of projects to be invited to apply for funding is the Initial Invited Projects List (IIPL). Formal invitation letters to those projects listed in the IIPL will be sent upon Board approval of the IUP. After the initial invitation period, all other projects on the Project Priority List will be invited and applications will be processed on a first-come, first-served basis.

Revisions to the Project Lists

Based on public comments, revisions to the project lists were made as shown in Attachment 2.

Revisions to the Narrative and Appendices

Based on public comments and further review, revisions were made to the narrative section as shown in Attachment 3. No changes were made to the appendices, except in Appendix A to reflect the conclusion of the public comment period.

RECOMMENDATION

The Executive Administrator recommends approval of the SFY 2020 DWSRF IUP with the ability to make non-substantive changes. At the time this was prepared, the Office of the Attorney General (OAG) was still reviewing the grant application to EPA, which includes the SFY 2020 IUP. The Executive Administrator requests authority to make non-substantive changes to the IUP as necessary.

Attachments:
1.) Explanation of significant program changes from the previous year's IUP
2.) Response to public comments on the draft SFY 2020 DWSRF IUP and revisions to the project lists
3.) Proposed changes to the narrative of the Final SFY 2020 DWSRF IUP
4.) Proposed Final SFY 2020 DWSRF IUP

Explanation of significant program changes in the SFY 2020 DWSRF Program Intended Use Plan (IUP) from the previous year's IUP

There are a number of changes from the previous year's IUP that will enhance the overall program and support special initiatives.

The DWSRF program will now offer funding as both Equivalency and Non-Equivalency, similar to the CWSRF program. The Equivalency projects will have an interest rate subsidy of 155 basis points below market rates and Non-Equivalency projects will have an interest rate subsidy of 125 basis points below market rates. Offering Non-Equivalency terms and requirements in addition to Equivalency funding in the DWSRF program will provide customers with options on the degree of paperwork preferred compared to the interest rate subsidy received. For example, Equivalency projects must satisfy the Disadvantaged Business Enterprise (DBE) requirements, among other federal requirements. Non-Equivalency projects will not have DBE requirements nor certain other federal compliance requirements. There are other benefits to the program recipients as well as the TWDB. For Urgent Need projects that need to move rapidly, removing the DBE and other procurement requirements can expedite recovery efforts and the full restoration of service. For the TWDB staff, Non-Equivalency projects require less project management effort and will lessen the overall project management workload.

The loan origination fee has been reduced from 2.15% to 2.0%. This will lower the cost to the customer of borrowing from the DWSRF program, while still allowing to the recovery of adequate funds to support administrative costs and program initiatives.

To support the development and use of Asset Management and Financial Planning tools the TWDB anticipates awarding additional contracts under the Asset Management Program for Small Systems (AMPSS) initiative in SFY 2020 in a total amount to be determined during the year. This program provides up to $75,000 to approved contractors to evaluate a small system and create an asset management plan in accordance with the guidelines created by the Texas Commission on Environmental Quality's Small Business and Governmental Assistance Section. This comprehensive plan will become the basis for planning system sustainability by identifying replacement dates and estimated costs, developing best practices for operation and maintenance, and developing financial plans for obtaining funding for future needs.

The IUP announces several incentives designed to encourage more systems to implement Asset Management and Financial Planning tools. Beginning with the SFY 2021 IUP, a small system eligible under AMPSS may receive an additional interest rate reduction for a portion of the TWDB funding for a project if it has implemented all of the Asset Management / Financial Planning tools required in the current AMPSS initiative's Scope of Work and deliverables and the proposed project is included in its current plan.

To demonstrate the importance the agency attributes it its recent initiatives, the IUP incorporates as specific goals the agency's intention of implementing the Securing Safe Water initiative and continuing to implement the AMPSS and CPA to Go initiatives.

Additionally, the agency is announcing that for next year's SFY 2021 IUP, an entity that has adopted Asset Management and Financial Planning tools within the past five years that contains the product deliverables under the AMPSS initiative will receive additional points for their proposed project. This will increase the project's score and overall rank on the Project Priority List. The increase in the overall rank will increase the probability of the entity receiving principal forgiveness and/or zero interest funding for their proposed project.

Recognizing the benefits of comprehensive Asset Management Planning for all systems, this year any eligible entity, not just small systems, may be eligible for up to $75,000 with an interest rate of zero percent to prepare all of the Asset Management / Financial Planning tools required in the current AMPSS program's Scope of Work and deliverables. For systems taking advantage of this financial incentive, the zero percent funding will be blended with any other repayable SRF financial assistance to create one interest rate on the bond or loan.

Beginning in SFY 2021, to be eligible to receive Very Small Systems funding the Annual Median Household Income (AMHI) for the project must not exceed 150 percent of the state's AMHI. For comparison purpose, approximately 12 percent of the cities in Texas exceed this AMHI threshold. To lessen the need for the very small systems to conduct income surveys, the TWDB will consider on a case by case basis making the presumption that the average of the AMHI of all United States Census Bureau Block Groups containing any portion of the project service area is the AMHI for the project. The applicant will retain the current option of submitting information on the number of customers in each Block Group or conducting an income survey.

The multi-year commitment option is a beneficial option for both the DWSRF program and its customers. This option allows customers to meet their long-term financial planning needs by providing a reliable source of capital for the next five years through the SRF program. The IUP will make the multi-year funding option available for those receiving principal forgiveness under the Disadvantaged Communities funding.

The TWDB will implement a new initiative called "Securing Safe Water" that involves a comprehensive outreach, technical assistance, and funding strategy to reduce the number of public water systems that have unresolved health issues. It will support EPA's Strategic Plan goal of significantly reducing the number of public water systems with reported health violations. To support this initiative, the TWDB will allocate a portion of the Very Small Systems and Urgent Need funding to address these unresolved public health issues.

For any funded Urgent Need project involving a flood event or other disaster, TWDB has encouraged and financed mitigation measures. This goal was implemented from the inception of the agency's recovery funding options. This goal has allowed customers to use TWDB's principal forgiveness and zero interest financing to mitigate future damage even when other federal recovery agencies did not. Although it has always been strongly encouraged, the IUP now specifically requires that facilities being replaced or repaired for a

disaster recovery project must be built to mitigate future damage and destruction. This will ensure that all SRF-funded disaster recovery projects will be built to lessen the impact and degree of damage in any future disaster.

The IUP now specifically mentions that a project must demonstrate to the TWDB that it is viable, feasible, and sustainable prior to being invited to submit an application and prior to receiving a commitment for any funding option, including principal forgiveness, for the acquisition, design or construction phases of the project. A loan feasibility assessment has always been part of the agency's overall review of the repayment ability of proposed projects. The IUP now specifically requires that the entity demonstrate the viability, feasibility, and sustainability of its proposal prior to receiving a commitment for any funding option, including principal forgiveness, for the acquisition, design or construction phases of the project. If the TWDB deems it appropriate for a particular proposal, the IUP lays out a process of receiving funds for the planning phase only to assess the viability and feasibility of a project, including funds to prepare an asset management plan.

The deadline to close a commitment that includes only principal forgiveness has been extended from three to four months. This change is based on feedback from TWDB staff and our customers. It has proven to be difficult to meet the three-month time period in all instances. Based on experience, it appears that four months is a more realistic minimum timeframe and this change will benefit both TWDB and our customers.

As announced in the SFY 2019 IUP, any survey being used for income determination in SFY 2020 must be completed within five years of the date the TWDB receives the Project Information Form. This will ensure that the income levels from a survey used for determining eligibility as a disadvantaged community reflects more recent characteristics of the project service area.

The maximum amount that may be transferred under the ongoing cash flow transfer mechanism is increased from $125 Million to $150 Million. This transfer mechanism introduced last year allows the agency to use surplus funds in one SRF to temporarily meet loan demand in the other SRF. The additional EPA grant funds received last year allowed the maximum amount to be increased to $150 Million.

The Texas Commission on Environmental Quality (TCEQ) revised its scoring of the Physical Deficiency Factors covering production and storage capacity. The revised scoring was applied to all projects submitted for this IUP.

Finally, the IUP incorporates a detailed description of the TWDB's AMPSS, CPA to Go, and Securing Safe Water initiatives. This will serve as a readily accessible reference for customers exploring the incentives that will available in the support of AMPSS as well as the agency's efforts to provide technical assistance to selected current recipients under the CPA to Go initiative. The detailed description of the Securing Safe Water initiative provides the public an overview of TWBD's current strategy to reduce the number of public water systems in Texas with unresolved health violations.

Texas Water Development Board

Response to Comments on the Draft State Fiscal Year (SFY) 2020 Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP)

The following provides a summary of the public comments, the Texas Water Development Board (TWDB) responses, and changes to the draft SFY 2020 DWSRF IUP.

The actual letters from members of the Texas Legislature are included at the end of this document as Appendix A.

Victoria County WCID #1 – Project Information Form (PIF) #13114

Comment submitted by: The Honorable Geanie W. Morrison, Texas House of Representatives

Comment Date: July 19, 2019

Comment:

July 19, 2019

Texas Water Development Board
1700 North Congress A venue
PO Box 13231
Austin, Texas 78711-3231

RE: Victoria County WCID #1 PIFs for the Drinking Water State Revolving Fund and Clean Water State Revolving Fund

Dear Honorable Members of the Board:

It has come to my attention that the Victoria County WCID #1 has submitted their Project Information Forms (PIFs) for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund and are currently being evaluated. I am writing to strongly voice my support for both of these grant applications.

The grants will be used to expand a current wastewater treatment plant and establish a new public water supply well. These projects are being built to support a plan that will build a $4.6 million, 40-house subdivision in Bloomington for Victoria County residents still struggling to recover after Hurricane Harvey. The organizations working to build this subdivision are a combination of national faith-based nonprofits, local nonprofits and businesses, including the Mennonite Disaster Service, Disaster Aid Ohio, Civil Corp, Cullen Law Firm and First Community Bank of Victoria. The organizations intend to begin the building of these much needed homes by mid-October of this year.

I cannot emphasize enough how important these projects are in Victoria County, a community in which initial FEMA assessments broadly cited that more than 19,000 households were affected by Hurricane Harvey. This project is especially important for Bloomington, which is one of the poorest areas of Victoria County and has no grocery stores or medical services. Compared with the rest of the county, poverty and unemployment are significantly more common in Bloomington, which offers few jobs. I hope that you will look positively on the grant applications.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Geanie W. Morrison

Response:

The TWDB appreciates receiving the expression of support that has conveyed beneficial information on the impact of this project to the community. The agency looks forward to working with Victoria County WCID #1 to implement this project.

Change:

None

Greater Gardendale Water Supply Corporation – Project Information Form (PIF) #12976

Comment submitted by: The Honorable Brooks Landgraf, Texas House of Representatives

Comment Date: July 23, 2019

Comment:

July 23, 2019

Mr. Jeff Walker
Executive Director
Texas Water Development Board
1700 North Congress Avenue
Austin, Texas 78701

Dear Mr. Walker,

It is a pleasure to write in support of the Greater Gardendale Water Supply Corporation as the entity moves throughout the Texas Water Development Board grant application process.

It has been brought to my attention that the Greater Gardendale Water Supply Corporation has submitted an application for the Drinking Water State Revolving Fund program. I cannot more highly recommend the application on the basis of water supply needs and economic hardship in their part of the state. At the heart of the Permian Basin, the Gardendale area has been greatly strained by immense growth and oil production over the past few years, and is therefore in desperate need of water.

I hope you will consider the application and my recommendation favorably.

Sincerely,

Brooks Landgraf

Response:

The TWDB appreciates receiving the expression of support that has conveyed beneficial information on the impact of this project to the community. The agency looks forward to working with Greater Gardendale Water Supply Corporation to implement this project.

Change:

None

City of Rotan – Project Information Form (PIF) #13211 and City of Santa Anna - Project Information Form (PIF) #13212

Comment submitted by: Ken Martin and Luke Van Diest, Jacob | Martin

Comment Date: July 24, 2019

Comment:

I was reviewing the draft DWSRF IUP and noticed that a couple of the projects that I had submitted updates for were missing from the list of projects. Can you check into these for me? Thanks.

- City of Rotan – PIF Number 12619
- City of Santa Anna – PIF Number 12647

Response:

Based on our review of the information provided, the updates to the Project Information Forms for these projects were submitted correctly and received before the deadline. The City of Rotan and City of Santa Anna's submittals were sent to the Texas Commission on Environmental Quality to be scored for SFY 2020 and added to the list in the appropriate rank.

Change:

The City of Rotan's project has been included in the DWSRF SFY 2020 IUP on both the Project Priority List and the Initial Invited Projects List with 44 points and a rank of 16. The City of Santa Anna's project has been included in the DWSRF SFY 2020 IUP on the Project Priority List with 13 points and a rank of 40.

Sandbranch Development and Water Supply Corporation – Project Information Form (PIF) # 13038

Comment submitted by: Mark McPherson, Esq.

Comment Date: July 31, 2019

Comment:

July 31, 2019

VIA EMAIL: iupcomments@twdb.texas.gov

Mr. Mark Wyatt
Director, Program Administration and Reporting
Texas Water Development Board
P.O. Box 13231
Austin, TX 78711

Applicant: Sandbranch Development and Water Supply Corp.

Re: CWSRF PIF# 13037; New Clean Water (Sewer) System; initial rank #1
DWSRF PIF# 13038; New Drinking Water System; initial rank #3

Dear Mr. Wyatt:

I represent Sandbranch Development and Water Supply Corporation (Sandbranch WSC).

Sandbranch WSC has filed the above two-referenced project information forms (PIFs) for the SFY20 SRF Intended Use Plan. In response, the Texas Water Development Board (TWDB) determined that PIF# 13037 is acceptable to be included in the SFY 2020 Clean Water State Revolving Fund (CWSRF) Draft Intended Use Plan, and PIF# 13037 is acceptable to be included in the SFY 2020 Drinking Water State Revolving Fund (DWSRF) Draft Intended Use Plan.

This letter is to formally request the opportunity to seek additional funds as necessary to complete all remaining planning, acquisition and design work on both of these projects, for the reasons explained below.

1. Substantial Progress to Date with USDA-RD

Sandbranch WSC is also seeking funding for these projects from USDA-RD, and is well into that process. Much of the planning and preliminary design work has already been completed. Sandbranch WSC has already received a $30,000 SEARCH grant from USDA-RD to complete certain initial planning and preliminary design work for this project. In July of 2016 Sandbranch WSC's engineering firm, Jacob & Martin Engineering, completed the Preliminary Engineering Report (PER) and Environmental Assessment (EA) for these proposed systems. I have attached a copy of the PER as Exhibit A and the EA as Exhibit B. By letter dated January 17, 2017, USDA-RD issued a Finding of No Significant Impact (FONSI) for the proposed systems. I have attached a copy of the FONSI as Exhibit C.

According to the conclusions in the PER, the most economically efficient way for Sandbranch WSC to obtain a drinking water supply is to negotiate a wholesale treated water contract with Dallas Water Utilities. The most efficient way for Sandbranch WSC to obtain sanitary sewer treatment services is to likewise enter into a contract with Dallas Water Utilities for treatment at its Southside Wastewater Treatment Plant, which sits immediately adjacent to the Sandbranch WSC proposed service area. The PER also includes the proposed supply lines, conveyance lines, and other associated infrastructure necessitated by this arrangement.

As these documents demonstrate, much of the planning and design work for the proposed system has already been completed. Furthermore, the initially proposed design in the PER locates the substantial majority of the proposed systems in already-existing public right of ways owned by Dallas County, and so land acquisition efforts and costs should be relatively straightforward and less complicated. Given this progress to date, Sandbranch WSC is therefore poised and ready to move on to the next stage.

As you know, when an applicant applies for financing from the USDA-RD for a proposed drinking water and/or sanitary sewer system, it must work through a very long checklist of items to undertake and documents to complete. The applicable checklist is referred to as the TX Form 1780-6 (Rev. 2-2010). Sandbranch WSC has competed the checklist items in Step 1 and Step 2. It is now in need of sufficient funds from TWDB to complete Step 3 of the checklist. Step 3 is critical because, once Step 3 is complete, the USDA-RD will be in position

to complete its Letter of Conditions (LOC). The LOC, when issued, will effectively confirm the percentage of the Sandbranch WSC project USDA-RD will fund, which may be up to 75%, and will assign USDA-RD funds to this project for that amount.

The most challenging open item in Step 3 of the USDA-RD checklist is Item 52, "Evidence of Availability of Other Funds." Sandbranch WSC filed these PIFs in order to obtain TWDB financing to meet that USDA-RD requirement of no less than 25% of the total proposed system cost.

This means that Sandbranch WSC needs to obtain enough funds in the 2020 IUP to complete TWDB planning, design and acquisition requirements in fiscal year 2020, so that in the 2021 IUP Sandbranch WSC may complete applications for joint construction funding from USDA-RD and TWDB.

Given the actual health concerns experienced in Sandbranch WSC's proposed service area, it is beneficial that this project be able to move forward upon acceptable completion of the planning scope for TWDB.

CONCLUSION

Upon review of the TWDB's ranking and proposed funding levels for these two PIFs, it appeared that TWDB may not have been fully aware of the significant progress Sandbranch WSC has already attained in the USDA-RD grant application process. We hope that, upon consideration of this clarifying information, the TWDB will invite Sandbranch WSC to apply for a larger amount of funds in IUP 2020 necessary to complete all remaining planning, acquisition and design tasks so that it will be in position to apply for construction funding in IUP 2021.

Thank you for the opportunity to comment on the initial ratings for Sandbranch WSC's PIF #13037 and PIF #13038. If you have any questions or comments, please do not hesitate to contact me. With best regards, I remain

Very truly yours,

Mark McPherson

cc: Ms. Mary Nash, President (via Email)
Sandbranch Development and Water Supply Corp.
Mr. Eddie Aguilar, PE (via Email)
Jacob & Martin
Mr. Allen Lambright (via Email)
USDA Rural Development, McKinney
Mark Pearson (via Email)
Communities Unlimited
Luis Farias (via Email)
Texas Water Development Board

Attachments are included as Appendix B.

Response:

The TWDB appreciates the additional information provided in the comments as well as the efforts to date to provide service to the Sandbranch community. The TWDB will make a determination upon further review.

Change:

Changed to "Sandbranch – To be determined upon further TWDB review".

Appendix A – Letters from members of the Texas Legislature

TEXAS HOUSE OF REPRESENTATIVES

CAPITOL OFFICE:
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(512) 463-0158 *fax*

DISTRICT OFFICE:
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(361) 572-0196
(361) 576-0747 *fax*

GEANIE W. MORRISON

COMMITTEES:
LOCAL & CONSENT CALENDARS – CHAIR
ENVIRONMENTAL REGULATION
CULTURE, RECREATION & TOURISM

DISTRICT 30
COUNTIES:
ARANSAS
CALHOUN
DEWITT
GOLIAD
REFUGIO
VICTORIA

July 19, 2019

Texas Water Development Board
1700 North Congress Avenue
PO Box 13231
Ausitn, Texas 78711-3231

RE: Victoria County WCID #1 PIFs for the Drinking Water State Revolving Fund and Clean Water State Revolving Fund

Dear Honorable Members of the Board:

It has come to my attention that the Victoria County WCID #1 has submitted their Project Information Forms (PIFs) for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund and are currently being evaluated. I am writing to strongly voice my support for both of these grant applications.

The grants will be used to expand a current wastewater treatment plant and establish a new public water supply well. These projects are being built to support a plan that will build a $4.6 million, 40-house subdivision in Bloomington for Victoria County residents still struggling to recover after Hurricane Harvey. The organizations working to build this subdivision are a combination of national faith-based nonprofits, local nonprofits and businesses, including the Mennonite Disaster Service, Disaster Aid Ohio, Civil Corp, Cullen Law Firm and First Community Bank of Victoria. The organizations intend to begin the building of these much needed homes by mid-October of this year.

I cannot emphasize enough how important these projects are in Victoria County, a community in which initial FEMA assessments broadly cited that more than 19,000 households were affected by Hurricane Harvey. This project is especially important for Bloomington, which is one of the poorest areas of Victoria County and has no grocery stores or medical services. Compared with the rest of the county, poverty and unemployment are significantly more common in Bloomington, which offers few jobs. I hope that you will look positively on the grant applications.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Geanie W. Morrison

Geanie W. Morrison

EMAIL: Geanie.Morrison@house.texas.gov

STATE REPRESENTATIVE
BROOKS LANDGRAF

July 23, 2019

Mr. Jeff Walker
Executive Director
Texas Water Development Board
1700 North Congress Avenue
Austin, Texas 78701

Dear Mr. Walker,

It is a pleasure to write in support of the Greater Gardendale Water Supply Corporation as the entity moves throughout the Texas Water Development Board grant application process.

It has been brought to my attention that the Greater Gardendale Water Supply Corporation has submitted an application for the Drinking Water State Revolving Fund program. I cannot more highly recommend the application on the basis of water supply need sand economic hardship in their part of the state. At the heart of the Permian Basin, the Gardendale area has been greatly strained by immense growth and oil production over the past few years, and is therefore in desperate need of water.

I hope you will consider the application and my recommendation favorably.

Sincerely,

Brooks Landgraf

DISTRICT 81 – ANDREWS, ECTOR, WARD, AND WINKLER COUNTIES
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Appendix B - Sandbranch Development and Water Supply Corporation (PIF #13038)

PRELIMINARY ENGINEERING REPORT

for

SANDBRANCH DEVELOPMENT AND WATER SUPPLY CORPORATION

NEW WATER AND WASTEWATER SYSTEMS IMPROVEMENTS

NOVEMBER 2016

STATE OF TEXAS
EDUARDO AGUILAR
116203
LICENSED
PROFESSIONAL ENGINEER

11/23/16

JACOB MARTIN

Firm #2448
Project #: 16483

325.695.1070
817.594.9880

info@jacobmartin.com
www.jacobmartin.com

3465 Curry Lane
Abilene, TX 76906

1508 Santa Fe, Suite 203
Weatherford, TX 76086

TBPE Firm #: 2448 | TBAE Firm #: BR 2261 | TBPLS Firm #: 10024300 – Abilene | TBPLS Firm #: 10193992 - Weatherford

PRELIMINARY ENGINEERING REPORT

FOR

SANDBRANCH DEVELOPMENT
AND WATER SUPPLY CORPORATION

NEW WATER AND WASTEWATER SYSTEMS IMPROVEMENTS

NOVEMBER 2016

BOARD OF DIRECTORS

Mary Nash – President

Lisa King – Vice-President

Tracy McArthur – Secretary-Treasurer

Shirley Bryant – Board Member

Detra Newhouse – Board Member

Eugene Keahey – Executive Director

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TBPE Firm #: 2448 | TBAE Firm #: BR 2261 | TBPLS Firm #: 10024300 – Abilene | TBPLS Firm #: 10193992 - Weatherford

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APPENDIX A – Water System Project Map

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SANDBRANCH DEVELOPMENT AND WATER SUPPLY CORPORATION
PRELIMINARY ENGINEERING REPORT

NOVEMBER 2016

I. PROJECT PLANNING

Sandbranch Development and Water Supply Corporation (SDWSC) intends to submit an application for funding through the United Stated Department of Agriculture Rural Development (USDA-RD) to complete water and wastewater system improvements. In June of 2016, SDWSC contracted JACOB & MARTIN, LLC. to perform a preliminary engineering report for the project and to assist with completion of the design for improvements. The following is a report of the findings for the new water and wastewater systems.

A. Location

SDWSC is an existing development located in the southeast portion of Dallas County and approximately fourteen miles southeast of Downtown Dallas. The planning area is within the service area as shown on the project maps in Appendix A and B. All of the improvements for the new water and wastewater systems will be completed within existing public right-of-ways, easements, and properties to be owned or leased by SDWSC. Photographs of the planning area are also included in Appendix C.

B. Environmental Resources Present

An Environmental Report is being prepared concurrently to this preliminary engineering report and will be submitted as a separate document.

C. Population Trends

Historical data pertaining to population are essential when designing new water and wastewater systems improvements. The following provides a summary of historic and projected population for the City of Seagoville. The SDWSC service area is located within the City of Seagoville's Extraterritorial Jurisdiction (ETJ) which could potentially be annexed by the City. According to the United States Census Bureau, the population for the City of Seagoville in 1990, 2000 and 2010 were 8,969, 10,823 and 14,835, respectively. Between 1990 and 2000, there was an increase in population of 20.7%. Between 2000 and 2010, there was also an increase in population of 37.1%. Table 1 illustrates the historical and projected population growth for the City of Seagoville from 1990 through the year 2060. Projected populations were taken from the Texas Water Development Board (TWDB) 2016 Regional C Water Plan. From 2020 to 2060, the City's population is projected to increase by 85.6% to 35,000. The population within Sandbranch is also expected to increase due to its proximity to the City of Dallas and being within the City of Seagoville's ETJ. Both city limit boundaries are within a mile of Sandbranch.

TABLE 1
HISTORICAL AND PROJECTED POPULATION

	1990 Census	2000 Census	2010 Census	2020 Projected	2030 Projected	2040 Projected	2050 Projected	2060 Projected
Population	8,969	10,823	14,835	18,854	22,873	26,892	30,911	35,000

D. Community Engagement

SDWSC has hosted meetings open to the public to discuss the project planning process including the need for the project, funding, revenue strategies, and environmental concerns. SDWSC plans to host additional meeting to further discuss the project which will also be open to the public.

II. EXISTING WATER AND WASTEWATER FACILITIES

SDWSC was established on March 16, 2016, to provide water and wastewater systems services to the Sandbranch Community. Other than some private water wells and on-site sanitary facilities, there are no other existing water or wastewater systems or facilities within the SDWSC service area; therefore, this section is not applicable.

A. Location Map

Not Applicable.

B. History

Not Applicable.

C. Condition of Existing Facilities

Not Applicable.

D. Financial Status of Any Existing Facilities

Not Applicable.

E. Water/Energy/Waste Audits

Not Applicable.

III. PROJECT NEED

A. Health, Sanitation and Security

The water quality from the private wells in the service area have been determined to not meet the Environmental Protection Agency's (EPA) drinking water standards. The residents in the area rely on donated bottled water for drinking. Based on a site evaluation, there are some private septic systems in this area which may not meet the minimum acreage requirements. Since most homes in the area do not have running water, the homes do not have a septic system which can lead to health and sanitation issues.

B. Aging Water and Wastewater Infrastructure

There is no existing water or wastewater infrastructure; therefore, this section is not applicable.

C. Reasonable Growth

As previously mentioned in this Report, the projected capacities for the planning period of the water and wastewater systems were derived using the projected population from the Region C Water Plan and historical population trends. The projections are shown in Table 1 of this Report. The population in the SDWSC service area is expected to increase through the planning period. The proposed project would allow the WSC to comply with all of the TCEQ demand and capacity regulations for the water and wastewater systems.

IV. ALTERNATIVES CONSIDERED

A. Description

Alternatives were considered for different methods and material to install the proposed water and wastewater systems. For instance, fusible PVC, standard gasket PVC and high-density polyethylene (HDPE) materials were all considered for pipe material of the lines. Fusible PVC Pipe costs seventy-five percent more than standard gasket PVC Pipe. HDPE Pipe costs fifty percent more than standard PVC. Other alternatives include constructing new water and wastewater treatment plants for drinking water and wastewater treatment. However, the capital costs for constructing new water and wastewater treatment plants is not feasible for the SDWSC. Finally, a "no action" was also considered not to provide water and wastewater services to this existing developed area, and the residents can continue to live without running water in their homes or a sanitary wastewater system.

B. Design Criteria

The design criteria for the proposed water and wastewater improvements consist and comply with the EPA, TCEQ and USDA RUS Standards and Regulations. The TCEQ Regulatory Requirements can be found in the Texas Administrative Code 30 TAC 217 and 290. The RUS Design Policies can be found in 7 CFR 1780.57.

C. Maps

There are two maps showing the proposed improvements which can be found in Appendix A and B. Appendix A shows the proposed water system improvements, and Appendix B shows the wastewater system improvements.

D. Environmental Impacts

An Environmental Report is being prepared concurrently to this preliminary engineering report and will be submitted as a separate document.

E. Land Requirements

The proposed improvements will be constructed within existing public right-of-ways and easements. Permits and easements from City of Dallas, Dallas County and the Texas Department of Transportation (TXDOT) will need to be acquired for construction activities on the water and wastewater lines. The SDWSC service area also falls within the City of Seagoville's Extraterritorial Jurisdiction (ETJ) which gives the local government the ability to exercise authority for land use.

F. Potential Construction Problems

There are no potential major construction problems. The project area is located in a developed area of Dallas County.

G. Sustainability Considerations

Not Applicable.

H. Cost Estimates

An itemized cost estimate showing the construction and non-construction costs for this alternative is included in the Section VI. The cost estimate shows the water and wastewater systems construction costs separately. An itemized annual operation and maintenance (O&M) cost is also provided in the Section VI for the proposed improvements.

V. SELECTION OF ALTERNATES

Present worth cost analyses are shown in Table 2 and 3 for each alternative discussed in Sections A and B below for the selection of the water and wastewater systems improvements. Table 2 is the present worth analysis for the water system alternatives, and Table 3 is the present worth analysis for the wastewater system alternatives.

A. Life Cycle Cost Analysis

Water System

Alternative 1 in Table 2 include installing approximately 26,000 linear feet of new PVC water lines and appurtenances such as fire hydrants, gate valves, meter connections, bores, etc. This alternative includes installing a pump station with a water storage tank, pumps and disinfection facilities. This selection would also include a wholesale water agreement between SDWSC and Dallas Water Utilities (DWU). SDWSC has begun agreement negotiations with DWU for a wholesale water purchase agreement. Alternative 2 includes the same improvements as Alternative 1 with the addition of a water treatment plant, instead of a wholesale water purchase agreement with DWU. Alternative 2 would require a raw water purchase agreement with the Trinity River Authority (TRA) to pump raw water out of the Trinity River to be treated at the new water treatment plant. Alternative 3 would be "no action" taken by SDWSC which means the service area would remain without a drinking water source. Based on the present worth analysis, Alternative 1 is the most feasible selection for SDWSC water system improvements.

Wastewater System

Alternative 1 in Table 3 includes installing approximately 30,000 linear feet of new PVC wastewater lines, a lift station and appurtenances such as manholes, sewer tap connections, cleanouts, etc. for the wastewater system improvements. This alternative would also include a wastewater agreement between SDWSC and Dallas Water Utilities (DWU) to treat the wastewater at the Southside Wastewater Treatment Plant (WWTP). SDWSC has begun agreement negotiations with DWU for a wastewater treatment agreement. Alternative 2 includes the same improvements as Alternative 1 with the addition of a new WWTP, instead of a wastewater treatment agreement with DWU. Alternative 3 would be "no action" taken by SDWSC which means the service area would remain without a sanitary wastewater system. Based on the present worth analysis in Table 2, Alternative 1 is the most feasible selection for the SDWSC wastewater system improvements. Also, tying into an existing regional wastewater system like DWU would be a more efficient alternative to constructing a new WWTP.

B. Non-Monetary Factors

Environmentally, regional water and wastewater systems are more efficient alternatives to constructing new water and wastewater treatment plants. Therefore, Alternates 1 for the water and wastewater systems would be more efficient than Alternatives 2 which consists of constructing new treatment plants for both systems.

TABLE 2
Present Worth Analysis & Assests for Water System

Community Name: Sandbranch Development and Water Supply Corporation

Federal Discount Rate for Water/Sewer Resources Planning (Interest Rate) i = 0.04875
Number of Years, n = 20 years

Alternative 1: Wholesale Treated Water Purchase Agreement with DWU Water Lines and Pump Station	
Water Lines & Appurtenances =	$2,040,000
Pumps Station & Generator =	$700,000
1. Initial Capital Costs =	**$2,740,000**
Annual Operations & Maintenance (O&M) Costs* =	$45,000
PWO&M = $\frac{(1+i)^n-1}{i*(1+i)^n}$ x Annual O&M Cost	
2. Present Worth of 20 years of O&M (PWO&M)=	**$566,791**
Future Salvage Value (FSV) =	$1,500,000
PWSV = FSV x $\frac{1}{(1+i)^n}$	
3. Present Worth of 20 yr Salvage Value (PWSV) =	**$578,964**
Alternative 1 (Items Above 1 + 2 - 3) Total Present Worth =	**$2,727,827**

Alternative 2: Wholesale Raw Water Purchase Agreement with TRA WTP, Water Lines and Pump Station	
Water Lines & Appurtenances =	$2,040,000
Pumps Station & Generator =	$700,000
Water Treatment Plant =	$2,500,000
1. Initial Capital Costs =	**$5,240,000**
Annual Operations & Maintenance (O&M) Costs =	$200,000
PWO&M = $\frac{(1+i)^n-1}{i*(1+i)^n}$ x Annual O&M Cost	
2. Present Worth of 20 years of O&M (PWO&M) =	**$2,519,072**
Future Salvage Value =	$3,000,000
PWSV = FSV x $\frac{1}{(1+i)^n}$	
3. Present Worth of 20 yr Salvage Value (PWSV) =	**$1,157,929**
Alternative 2 (Items Above 1 + 2 - 3) Total Present Worth =	**$6,601,143**

Short-Lived Depreciated Assets

Item	Years of Life Expectancy	Number of Units	Replacement Cost	Funds to Set Aside Yearly
Water System				
Pumps	15	2	$10,000	$1,333
Pump Controls	10	1	$5,000	$500
Chem Feed Equipment	10	1	$3,000	$300
Tank Painting	15	1	$60,000	$4,000

Notes:
1. This is not intended to include every piece of equipment in the system. It is to itemize the critical equipment or maintenance items that money should be set aside for via rates and charges.

2. No short lived assets > 15 years of life expectancy

Long-Lived Depreciated Assets

Item	Years of Life Expectancy	Number of Units	Replacement Cost	Funds to Set Aside Yearly
Water System				
Water Lines	40	26,000	$30	$19,500
Pump Station Building	40	1	$50,000	$1,250

*See Table 5 Proposed Operating Budget for O&M Cost Breakdown (Half of Total Cost)

TABLE 3
Present Worth Analysis & Assests for Wastewater System

Community Name: Sandbranch Development and Water Supply Corporation

Federal Discount Rate for Water/Sewer Resources Planning (Interest Rate) i = 0.04875
Number of Years, n = 20 years

Alternative 1: Wastewater Treatment Agreement with DWU Sewer Lines and Lift Station	
Sewer Lines & Appurtenances =	$4,795,000
Lift Station =	$175,000
1. Initial Capital Costs =	**$4,970,000**
Annual Operations & Maintenance (O&M) Costs* =	$45,000
PWO&M = $\frac{(1+i)^n-1}{i*(1+i)^n}$ x Annual O&M Costs	
2. Present Worth of 20 years of O&M (PWO&M) =	**$566,791**
Future Salvage Value (FSV) =	$3,000,000
PWSV = FSV x $\frac{1}{(1+i)^n}$	
3. Present Worth of 20 yr Salvage Value (PWSV) =	**$1,157,929**
Alternative 1 (Items Above 1 + 2 - 3) Total Present Worth =	**$4,378,863**

Alternative 2: No Wastewater Treatment Agreement WWTP, Sewer Lines and Lift Station	
Sewer Lines & Appurtenances =	$4,795,000
Lift Station =	$175,000
Wastewater Treatment Plant =	$1,500,000
1. Initial Capital Costs =	**$5,240,000**
Annual Operations & Maintenance (O&M) Costs =	$200,000
PWO&M = $\frac{(1+i)^n-1}{i*(1+i)^n}$ x Annual O&M Costs	
2. Present Worth of 20 years of O&M (PWO&M) =	**$2,519,072**
Future Salvage Value =	$4,000,000
PWSV = FSV x $\frac{1}{(1+i)^n}$	
3. Present Worth of 20 yr Salvage Value (PWSV) =	**$1,543,905**
Alternative 2 (Items Above 1 + 2 - 3) Total Present Worth =	**$6,215,167**

Short-Lived Depreciated Assets

Item	Years of Life Expectancy	Number of Units	Replacement Cost	Funds to Set Aside Yearly
Sewer System				
Lift Station Pumps	15	2	$10,000	$1,333
Chemical Feed Equipment	5	1	$3,000	$600

Notes:
1. This is not intended to include every piece of equipment in the system. It is to itemize the critical equipment or maintenance items that money should be set aside for via rates and charges.

2. No short lived assets > 15 years of life expectancy

Long-Lived Depreciated Assets

Item	Years of Life Expectancy	Number of Units	Replacement Cost	Funds to Set Aside Yearly
Sewer System				
Lift Station	40	1	$175,000	$4,375
Sewer Lines	40	30,000	$35	$26,250

*See Table 5 Proposed Operating Budget for O&M Cost Breakdown (Half of Total Cost)

VI. PROPOSED PROJECT

SDWSC is proposing to construct new infrastructure to provide water and wastewater services throughout the service area. Alternative 1 for the water system improvements has been selected for the proposed project which would include installing approximately 26,000 linear feet of new PVC water lines and appurtenances such as fire hydrants, gate valves, meter connections, bores, etc. The proposed water system improvements also include installing a pump station with water storage, pumps and disinfection facilities. Alternative 1 for the wastewater system improvements has been selected for the proposed project which would include installing approximately 30,000 linear feet of new PVC wastewater lines, a lift station and appurtenances such as manholes, sewer tap connections, etc. Project maps showing the proposed pump station, water lines, lift station, and wastewater lines are included in Appendix A and B.

A. Preliminary Project Design

i. Drinking Water

a. Water Supply

The water supply would consist of a wholesale treated water purchase agreement with DWU including a master metering site.

b. Storage and Pumping Station

The proposed pump station will consist of a ground storage tank with elevated storage, at least two pumps and disinfection facilities. The best location for the pump station site is near the intersection of South Beltline Road and Pin Oak Street as shown on the project map. However, other alternate sites have been identified on the project map. The minimum storage capacity of a ground tank should be 80,000 gallons with 40,000 gallons of elevated storage. The minimum storage is based on a fully developed area with 400 meter connections.

c. Distribution

The water distribution system improvements would include installing approximately 26,000 linear feet of new 6-inch and 8-inich PVC water lines and appurtenances such as fire hydrants, gate valves, meter connections, etc. The distribution system would have approximately 5 commercial meter connections and 65 residential meter connections when the system is installed. The projected use for each residential meter is 246 gallons per day and 230 gallons per day per commercial meter. These projections are based on historical water use data from the Texas Water Development Board (TWDB) for the State.

ii. Wastewater

a. Collection

The collection system improvements would include installing approximately 30,000 linear feet of new 6-inch and 8-inch PVC wastewater lines and appurtenances such as manholes, wastewater connections, etc. throughout the service area.

b. Storage and Pumping Station

A lift station, with at least two pumps, will collect the wastewater from the collection system. The lift station will also consist of a wet well sized for a fully developed area with 400 sewer connections.

c. Treatment

The wastewater collected in the lift station wet well will be pumped to the existing Southside WWTP which is owned and operated by Dallas Water Utilities (DWU). The Southside WWTP is located to the north and adjacent to the Sandbranch Development. A wastewater treatment agreement will need to be negotiated between SBWSC and DWU.

B. Project Schedule

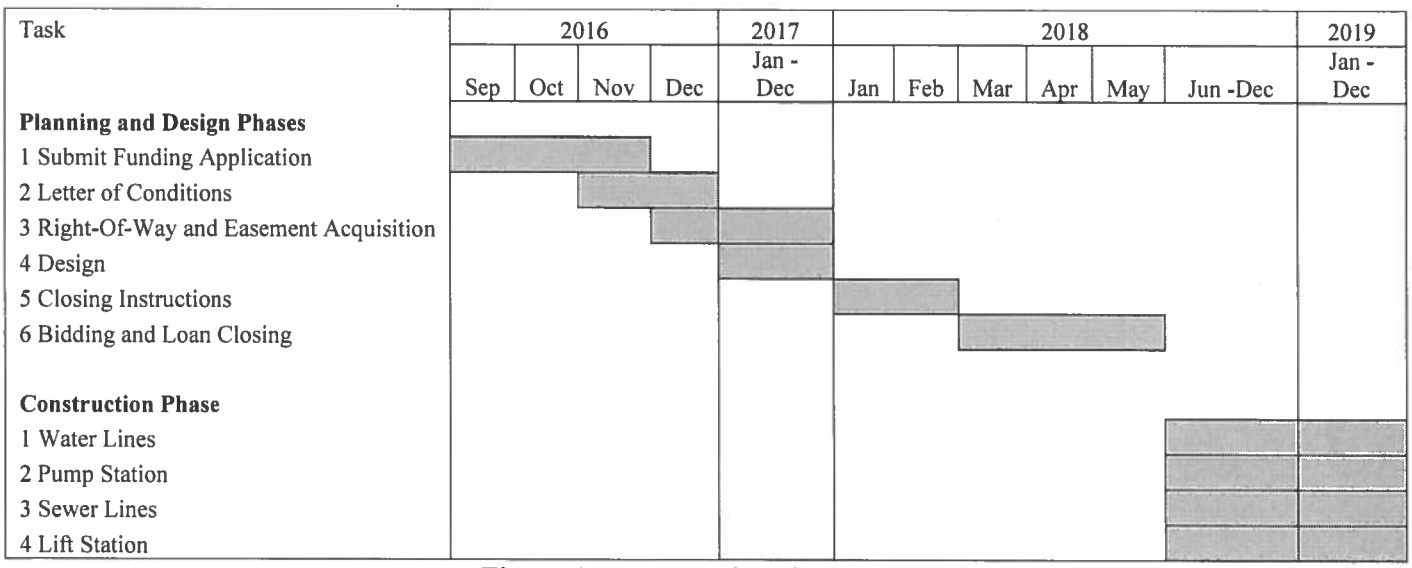

Figure 1 – Proposed Project Schedule

C. Permit Requirements

Plans and specifications for the proposed water and wastewater systems will be submitted to the TCEQ for review and approval. Permits will be required where water and wastewater lines cross or run parallel within TXDOT and County Right-Of-Ways.

D. Sustainability Considerations

Not Applicable.

E. Total Project Cost and Estimate

The opinion of probable costs for the proposed water and wastewater improvements are shown in Table 4. Based on the cost estimate, Jacob & Martin estimates the total project cost to be approximately $6,500,000.

TABLE 4
SANDBRANCH DEVELOPMENT AND WSC
WATER AND WASTEWATER SYSTEMS
PRELIMINARY COST ESTIMATE

CONSTRUCTION COSTS

WATER SYSTEM

		Unit	Quantity	Unit Cost	Total Cost
1	Pump Station with Standpipe	LS	1	$650,000.00	$650,000
2	6" PVC Water Line	LF	26,000	$30.00	$780,000
3	Valves	LS	1	$200,000.00	$200,000
4	Bores	LS	1	$200,000.00	$200,000
5	Fire Hydrants	EA	50	$3,500.00	$175,000
6	Meter Connections	EA	70	$1,000.00	$70,000
7	Pavement Repair	LF	5,000	$25.00	$125,000
8	Radio Read Metering System	LS	1	$125,000.00	$125,000
9	Master Meter and Vault	EA	1	$50,000.00	$50,000
10	Emergency Generator	EA	1	$100,000.00	$100,000
11	Water Project Contingencies				$265,000
SUBTOTAL					$2,740,000

WASTEWATER SYSTEM

		Unit	Quantity	Unit Cost	Total Cost
1	Lift Station	LS	1	$175,000.00	$175,000
2	8" PVC Sewer Line	LF	24,000	$35.00	$840,000
3	6" PVC Force Main	LF	6,000	$25.00	$150,000
4	Valves	LS	1	$20,000.00	$20,000
5	Bores	LS	1	$50,000.00	$50,000
6	Manholes	EA	75	$6,000.00	$450,000
7	Cleanouts	EA	20	$500.00	$10,000
8	Service Connections	EA	70	$2,500.00	$175,000
9	Pavement Repair	LF	5,000	$30.00	$150,000
10	Sewer Project Contingencies				$210,000
SUBTOTAL					$2,230,000

TOTAL CONSTRUCTION COST	$4,970,000

NON-CONSTRUCTION COSTS

Legal & Filing Fees	$400,000
Basic Engineering	$325,000
Preliminary Engineering	$15,000
Environmental Assessment	$15,000
Biological and Archeological	$30,000
Surveying	$150,000
Inspection	$300,000
Testing	$20,000
Land, ROW and Easement Acquisition	$100,000
Permittng	$30,000
Interest	$145,000
TOTAL NON-CONSTRUCTION COST	$1,530,000
TOTAL PROJECT COST	**$6,500,000**

F. Annual Operating Budget

i. Income

The reserves and operation and maintenance (O&M) costs related to the project will require income to balance the costs. All of the income should be expected to come from new customers since this is a new system. A proposed rate schedule is included in Appendix D.

ii. Annual Operation and Maintenance (O&M) Costs

SDWSC does not have a history of operation and maintenance. The projected annual O&M costs are shown in the operating budget in Table 5. Table 5 is shown in Section VI (E) (v) of this Report.

iii. Debt Repayments

The total cost of the proposed project is approximately $6,500,000. The estimated annual debt repayments would be approximately $230,000. SDWSC should be eligible for a grant from USDA-RD. Based on a preliminary estimate for a one hundred percent loan, SDWSC would not be able to repay this loan amount unless the minimum monthly bill is approximately $380 per connection.

iv. Reserve

The short-lived and long-lived assets are shown in Tables 2 and 3 for each system. The short-lived assets for the water and wastewater systems include new service connections, recoating the elevated storage tank, replacing pumps, chemical feed equipment, and controls. The table includes each asset, expected year of replacement, and the anticipated cost of each.

v. Operating Budget

SDWSC does not have a history of operating. Below in Table 5 is the proposed operating budget for the water and wastewater systems.

TABLE 5
Proposed Operating Budget
For First Full Year After Construction - Water & Sewer

Community Name: Sandbranch Development & WSC **County:** Dallas

Address: P.O. Box 983
Seagoville, Texas 75159

A. Applicant Fiscal Year: **From:** 1-Jan **To:** 31-Dec

B. Operating Income:	**From Water/Sewer Rates & Charges:**	$90,000
	Other	$0
	Total Operating Income:	$90,000 *
C. Operating Expenses:		
	Utilities & Wholesale Contracts	$50,000
	Insurance/Audit	$2,000
	Salaries/Benefits	$15,000
	Vehicle Expense	$3,000
	Lab or other Costs	$5,000
	Repairs/Maintenance	$7,500
	Chemicals	$5,000
	Permitting	$2,500
	Total Operating Expenses:	$90,000
D. Non Operating Income:		
	Interest:	$100
	Other:	$0
	Total Non Operating Income:	$100
E. Expenditures/Transfers		
	Repair, Replacement & Improvement Fund	$0
	Bond Reserve	$0
	Payment to USDA Loan - Proposed	$230,000
	Payment to Other Loans	$0
	Total Expenditures/Transfers:	$230,000
	Excess/Deficit over net income:	-$230,000

*Estimated revenue to cover O&M expenses.

VII. CONCLUSIONS AND RECOMMENDATIONS

The proposed project presented in this Report is the most feasible alternative for the SDWSC to provide water and wastewater services to its residents and to comply with all State and Federal requirements. It is recommended that the SDWSC continue to pursue grant funding from the USDA-Rural Development in order to move forward with the design, acquisition and construction phases of the proposed improvements as recommended in this report.

Respectfully submitted,

JACOB & MARTIN, LLC.
Architects - Engineers

By: E. Aguilar
Eduardo Aguilar, P.E.

APPENDIX A – WATER SYSTEM PROJECT MAP

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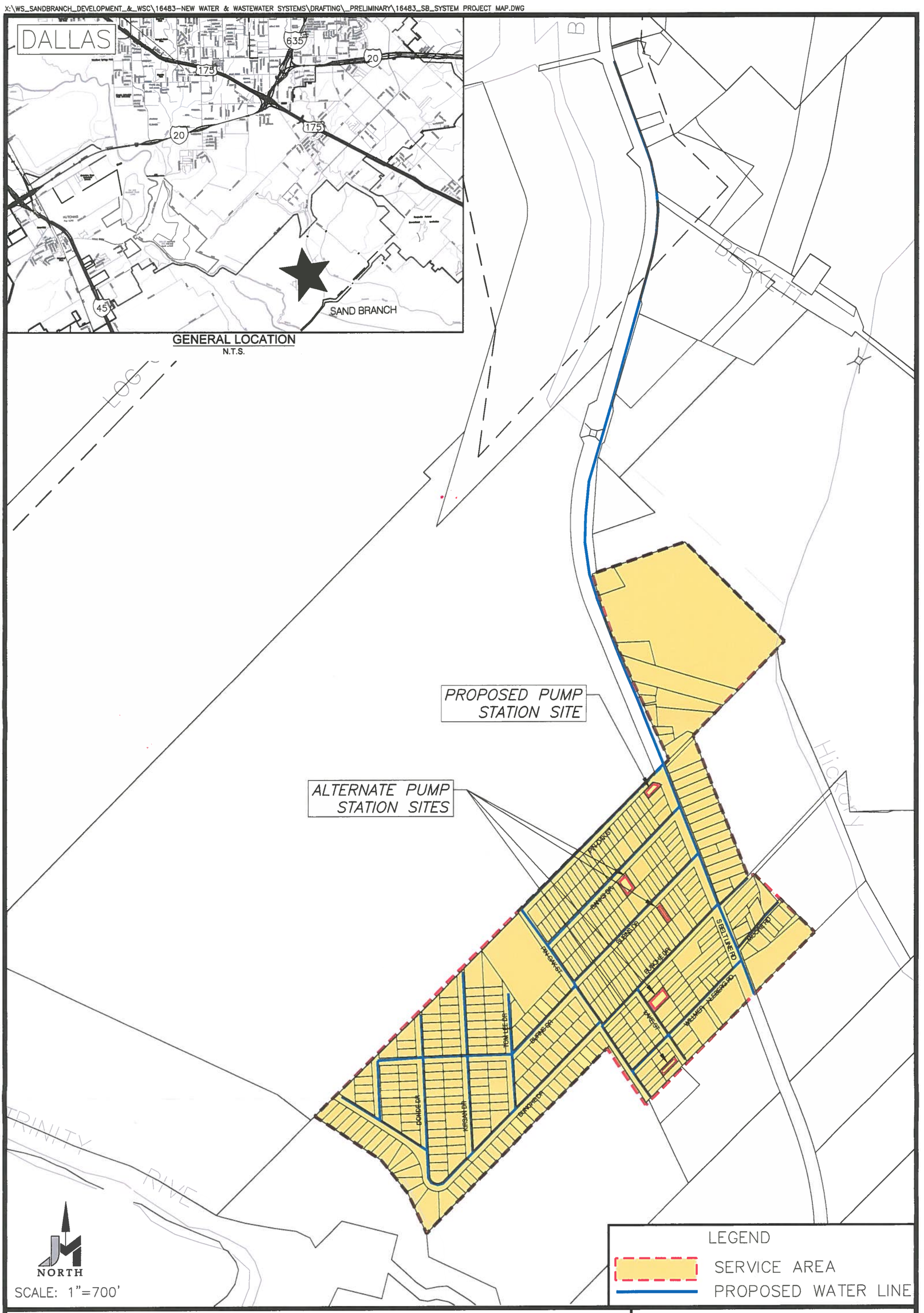

SANDBRANCH DEVELOPEMENT & W.S.C.

DALLAS COUNTY, TEXAS

WATER SYSTEM PROJECT MAP

OCTOBER 2016

JACOB MARTIN

3465 CURRY LANE
ABILENE, TX 79606
325-695-1070

1508 SANTA FE DR, STE 203
WEATHERFORD, TX 76086
817-594-9880

FIRM# F-2448

APPENDIX B – WASTERWATER SYSTEM PROJECT MAP

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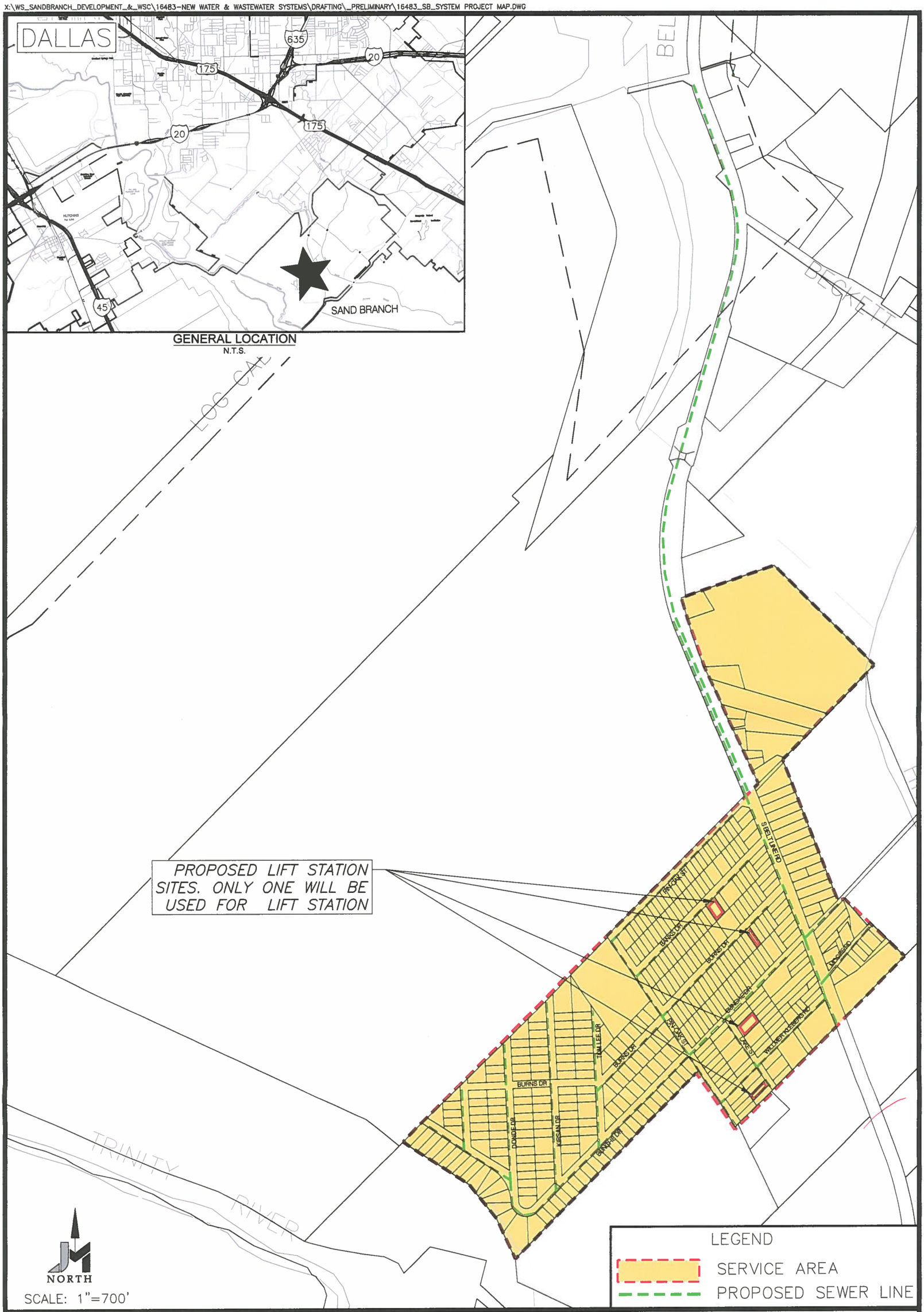

SANDBRANCH DEVELOPMENT &W.S.C.
DALLAS COUNTY, TEXAS

SEWER SYSTEM PROJECT MAP

OCTOBER 2016

JACOB MARTIN
3465 CURRY LANE
ABILENE, TX 79606
325-695-1070
1508 SANTA FE DR, STE 203
WEATHERFORD, TX 76086
817-594-9880
FIRM# F-2448

APPENDIX C – PLANNING AREA PHOTOGRAPHS

Intersection of South Belt Line Road and Pin Oak Street

Empty lot across Mt. Zion Baptist Church for proposed pump station or lift station site

Abandoned Sandbranch Community Center for proposed pump station or lift station site

APPENDIX D – PROPOSED RATE SCHEDULE

RATE ANALYSIS - 100% LOAN
SANDBRANCH DEVELOPMENT AND WSC
RD PROJECT
NOVEMBER 2016

% cust.	# OF CONN.	WATER USAGE	MIN. INCOME	OVERAGE INCOME	TOTAL MONTH	WATER USE
0.025	2	0	$437.50	$0.00	$437.50	0
0.025	2	1.0	$437.50	$0.00	$437.50	1.75
0.200	14	3.0	$3,500.00	$560.00	$4,060.00	42.00
0.100	7	5.0	$1,750.00	$560.00	$2,310.00	35.00
0.200	14	7.0	$3,500.00	$1,680.00	$5,180.00	98.00
0.330	23	9.0	$5,775.00	$3,696.00	$9,471.00	207.90
0.100	7	15.0	$1,750.00	$1,960.00	$3,710.00	105.00
0.025	2	25.0	$437.50	$840.00	$1,277.50	43.75
TOTALS	70		$17,587.50	$9,296.00	$26,883.50	533.4

MIN. BILL	MIN. AMT. GALS	PER THOU.	AVE. USE*	ANNUAL INCOME
$250.00	1,000	$20.00	7.5821	$322,602.00

TOTAL NO. OF METERS
70

*Average water use is based on 246 gallons per residential connection per day from TWDB *Water Use of Texas Water Utilities Report, January 2015*

JACOB MARTIN

INTEGRITY
EXCELLENCE
TRUST

November 23, 2016

Allen Lambright, Area Director
Rural Development
United States Department of Agriculture
1404 North McDonald, Suite 300
McKinney, Texas 75071

RE: Sandbranch Development and Water Supply Corporation (SDWSC)
New Water Distribution and Wastewater Systems
Environmental Report

Dear Mr. Lambright:

This letter is in response to your letter dated November 16, 2016, for the above reference environmental report. I have enclosed two (2) copies of the revised environmental report. Below are responses to the comments in your letter:

1. Section 1.0 (Purpose): What is the scope of work for this project? What exactly will be built? The letter (dated September 28, 2016) from the North Central Texas Council of Governments states that the Water Resources Council recommends that this project pursue the first alternative, which is to pump and treat the wastewater from the collection system to the Dallas Water Utilities wastewater treatment plant (WW1P). This letter states that "WRC encourages communities and other districts to participate in existing regional wastewater systems as a more efficient alternative to constructing new WWTPs."
   Response: Scope of work for water system and wastewater system detailed and addressing the first option of pursuing surrounding communities for potential water and wastewater services.
2. 2.0 (Alternatives): Why aren't alternatives discussed? The scope of the project isn't clear and seems to imply that there are alternative ways of providing water and wastewater services to this area.
   Response: Alternatives discussed and clarification of materials and methods.
3. 3.1.6 (Mitigation): Nationwide Permit 12 is required and is not mitigation. State that **it** is a best management practice and do not mention **it** as mitigation.
   Response: Removed Nationwide Permit 12 as mitigation.

4. 3.3 (Wetlands): What is the impact on this project of the following statement? "The SDWSC service area also falls within the City of Seagoville's Extraterritorial Jurisdiction (ETJ) which gives the local government the ability to exercise authority for land use."
Response: Moved information of City of Seagoville's (ETJ) to 3.1.1 Correspondence and Map (E16)

5. 3.4 (Water Quality): This section needs to address any existing or potential water quality issues. The letter (dated September 28, 2016) from the North Central Texas Council of Governments says that the "Upper Trinity River (Segment No. 0805 of the Trinity River Basin) is currently listed on the Texas 303(d) list for an impairment of dioxin and PCBs in edible tissue."
Response: Proposed project will not impact (Segment No. 0805 of the Trinity River Basin.)

6. 3.6.1 (Vegetation): This section must be rewritten. It looks like portions of a sentence were pasted into another sentence. It needs to discuss clearing and maintenance activities within the project area.
Response: Rewritten and discuss disturbance be kept to a minimum.

7. 3.7 (Historic and Cultural): The email response from SHPO (THC says that "We concur that the pump station/lift station sites, pipeline routes do not warrant survey. If development will occur in the tract of the proposed WWTP, we would recommend survey in that location." Again, the project scope and description needs to be clarified as it effects whether SHPO consultation is completed or not. If a WWTP is built, then SHPO consultation is not done and an archaeological survey needs to be completed.
Response: Proposed project description does not include development of new WWTP.

8. 4.0 (Cumulative Effects): Need to identify if there are potential cumulative effects (and if there are none, then describe why you reached that conclusion).
Response: Redefined to identify potential cumulative effects and conclusion.

9. 5.2 (Floodplains): Need to conduct the "Eight-Step Decision Making Process" from Subpart F, including mitigation measures. Also, the FEMA response says that this project should be in compliance with E011988 and EO 11990 and that the community floodplain administrator be contacted for review and possible permit requirements for this project. Can you get a response from the Dallas County Floodplain Administrator?
Response: Revised 3.2 The local CDC Floodplain Administrator was contacted JACOB|MARTIN received certified mail receipt dated (August 29, 2016) and have not been able to get a response. EPA Region Environmental Justice Coordinator Ms. Flores-Griggs supported the efforts on behalf of Sandbranch Development and Water Supply Corporation. (Exhibit E17)

10. 5.3 (Wetlands): Nationwide Permit 12 is required and is not mitigation. State that it is a best management practice and do not mention it as mitigation.
Response: Sandbranch Development and WSC and Jacob and Martin, LLC. Shall ensure that all requirements of the U.S. Army Corps of Engineers "Nationwide Permit 12" are complied with during the construction of the proposed projects. "Nationwide Permit 12"is a best management practice. The construction plans, specifications, and contract documents shall include all applicable provisions of best management provisions. Impacts to wetlands would be mitigated by returning any disturbed contours or alignment back to original conditions. Streams that have water will be bored under.

11. Complete Intergovernmental review. Where is the consultation with the City of Seagoville given that it has Extraterritorial Jurisdiction over this area? Can you get a response from Dallas County Planning and Development?
Response: Referred to in 3.1.1 Seagoville City Manager correspondence with Map(E16) (dated July 28, 2016) reply to McPherson Lawfirm, PC letter (dated June 27,2016) in (E16)
3.1 Dallas County Planning and Development was contacted, Jacob|Martin received certified mail receipt dated (August 29, 2016) no response has been given.

12. E16 (Nationwide Permit 12): This permit does not need to be included in this environmental report.
Response: Permit removed from (E16)

If you have any questions, please feel free to call me at (325) 695-1070 or email me at bgrant@jacobmartin.com. We truly appreciate your time and assistance.

Sincerely,

JACOB | MARTIN

Brenda Grant

Brenda Grant

Cc: Eugene Keahey, SDWSC Executive Director (email)
Mark McPherson, McPherson LawFirm, PC (email)

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GLOSSARY

Abbreviations and Terminology

ANSI	American National Standards Institute
ASTM	American Society for Testing Materials
CHC	County Historic Chairperson
DWU	Dallas Water Utility
DWWTP	Dallas Wastewater Treatment Plant
EPA, USEPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Map (FEMA)
IPaC	Information for Planning and Conservation
MGD	Million Gallons Per Day
NEPA	National Environmental Policy Act
NRCS	National Resource Conservation Service
NPS	National Park Service
NCTCOG	North Central Texas Council of Governments
OSHA	Occupational Safety and Health Administration
PE	Polyethylene (pipe material)
PVC	Poly Vinyl Chloride (pipe material)
RD	Rural Development (USDA)
RUS	Rural Utility Service (USDA)
SCADA	Supervisory Control and Data Acquisition System
SHPO	State Historic Preservation Officer (THC)
SDWSC	Sandbranch Development Water Supply Corporation
TCEQ (TNRCC)	Texas Commission of Environmental Quality
TDHCA	Texas Department of Housing & Community Affairs
TDS	Total Dissolved Solids
THC	Texas Historic Commission
TNRCC (TCEQ)	Texas Natural Resource Conservation Commission
TNRIS	Texas Natural Resource Information System (TWDB)
TPWD	Texas Parks and Wildlife Department
TWDB	Texas Water Development Board
TxDOT	Texas Department of Transportation
USACE	United States Army Corps of Engineers
USDA	United States Department of Agriculture
USFWS	United States Fish and Wildlife Service
USGS	United States Geological Survey
WRC	Water Resources Council
WTP	Water Treatment Plant
WWTP	Waste Water Treatment Plant

SECTION 1.0 PURPOSE AND NEED FOR THE PROPOSED PROJECT

This section describes the proposal and establishes the underlying purpose and need for the proposed project.

1.1 Project Description

The water system portion of the project will consist of a supply line, approximately 26,000 linear feet of distribution lines, meters, a pump station and appurtenances. The first option would be to purchase treated water from the City of Dallas (Dallas Water Utility). DWU has a waterline approximately one mile from the Sandbranch Development and WSC. SDWSC has also contacted other surrounding communities such as the cities of Seagoville and Wilmer for potential water supply and wastewater treatment services which would be a more efficient alternative.

The wastewater system would consist of 30,000 linear feet of wastewater lines, a lift station, manholes, wastewater connections and all associated appurtenances. DWU has the Southside Wastewater Treatment Plant (WWTP) adjacent to the Development as well. So the first option would be to install a collection system with a lift station and pump the wastewater to the existing DWU WWTP which would be a more efficient alternative.

1.2 Purpose and Need of the Project

Sandbranch Development and Water Supply Corporation (SDWSC) is proposing to install a new water and wastewater system for the service area. They currently do not have either systems and most of the project will take place in public right-of-way and easements. The need for the project is to provide the residents in this area with reliable water source and wastewater system. The Sandbranch residents have to rely on donated bottled water for consumption and need sanitary wastewater system.

SECTION 2.0 ALTERNATIVES TO THE PROPOSED ACTION

This section identifies all of the reasonable alternatives considered during the project planning stage.

2.1 Alternate Strategies

In addition to no-action, multiple alternatives were considered for Sandbranch Development and WSC to provide water and wastewater service.

Alternatives were considered for different methods and material to install the proposed water and wastewater systems using PVC, standard gasket PVC and HDPE materials to comply with EPA, TCEQ and USDA RUS Standards and Regulations.

Other alternatives include constructing new water and wastewater treatment plants for drinking water and wastewater treatment. However, the capital costs for constructing new water and wastewater treatment plants is not feasible for the SDWSC.

Currently, Sandbranch Development water quality from the private wells in the service area have been determined to not meet the Environmental Protection Agency's (EPA) drinking water standards. Therefore, the alternative of drilling a well would not solve the problem of meeting the EPAs drinking water standards.

DWU has the Southside Wastewater Treatment Plant (WWTP) adjacent to the Development as well. So the first option would be to install a collection system with a lift station and pump the wastewater to the existing DWU WWTP which would be a more efficient alternative.

2.1.1

No-Action Alternative

Finally, a "no action" was also considered not to provide water and wastewater services to this existing developed area, and the residents can continue to live without running water in their homes or a sanitary wastewater system.

SECTION 3.0 AFFECTED ENVIRONMENT/ENVIRONMENTAL CONSEQUENCES

This section describes and documents the environmental resources of the area to be affected by the proposed project.

3.1 Land Use

The proposed project consists of installing facilities mostly within existing right-of-ways and easements, a rapid or substantial change in land use is not anticipated as a cause of this project. The proposed project should have minimal direct or indirect impacts since it consists of installing the new facilities in developed areas of Dallas County. Dallas County Planning and Development was contacted, Jacob|Martin received certified mail receipt dated (August 29, 2016) no response has been given in time.

3.1.1 General Land Use

Majority of the land use within or near the proposed project area would be categorized under residential (single family) and open spaces. Most of the proposed distribution lines will be placed in public right-of-way and easements. The Sandbranch Community falls within the City of Seagoville's ETJ area for zoning ordinances or land uses. Seagoville City Manager correspondence with map(E16) (dated July 28, 2016) to McPherson Lawfirm, PC letter (dated June 27,2016) in (E16)

North Central Texas Council of Governments (NCTCOG) was contacted and has indicated support of the project (letter dated September 28, 2016).

Additionally, The Water Resources Council, which is made up of regional water supply entities and their customers, recommends the pursuit of the first alternative, to pump and treat the wastewater from the collection system to the Dallas Water Utilities (DWU) wastewater treatment plant (WWTP). The WRC encourages communities and other districts to participate in existing regional wastewater systems as a more efficient alternative to constructing new WWTPs.

3.1.2 Important Farmland

The project does contain soils classified as Important Farmland as indicated by the NRCS. NRCS does not consider the installation /repair of waterlines and appurtenances to be a permanent conversion of farmland. (NRCS Letter dated August 30, 2016) stated project exempt from provisions of FPPA.

3.1.3 Formally Classified Lands

There are no known formally classified lands associated with the proposed project.

3.1.4 Direct Effects on Land Use

The construction in existing public ROW for the water transmission and distribution lines would take place within the Dallas County and TXDOT ROWs that are typically 50' wide which would make the total impacted land to about 30 acres. The water transmission and distribution lines are typically placed 5' to 10' inside of the ROW Lines. Water transmission and distribution lines usually have a minimum of 36 inches of cover; therefore, waterline ROW and/or easements would be returned to the original land use as soon as construction is complete. An approximately area of 40' x 40' of land would be permanently converted to use by the Sandbranch Development and WSC to

construct a lift station. The construction in existing public ROW for the wastewater lateral and collection lines would take place within a 20' wide easement or the Dallas County and TXDOT ROWs that are typically 50' wide which would make the total impacted land to about 35 acres. The wastewater lateral and collection lines are typically placed 5' to 10' inside of the ROW Lines. Wastewater lateral and collection lines usually have a minimum of 36 inches of cover; therefore, wastewater lines ROW and/or easements would be returned to the original land use as soon as construction is complete.

3.2 Floodplains

The proposed water line routes would, in a few places, traverse through separate areas zoned as special flood hazard areas inundated by 100-year floods as described on flood insurance rate maps (FIRM) by the Federal Emergency Management Administration (FEMA). The local CDC Floodplain administrator was contacted for review to any request for service to structures in the floodplain to ensure that development conforms to FEMA approved flood management plan. Jacob|Martin received certified mail receipt dated (August 29, 2016) and have not been able to get a response. EPA Region 6 Environmental Justice Coordinator Ms. Flores-Griggs supported the efforts on behalf of Sandbranch Development and Water Supply Corporation. (Exhibit E 17)

3.2.1 Direct Effects on Floodplains

The area of this proposed project is in an already developed area and should will not raise the base flood elevation upstream of the project where any of its elements cross the 100-year floodplain. Underground utilities would be buried underground in floodplains and any excess soil would be removed out of the floodplain and spread along another upland area. This type of project will not block the flow of storm runoff nor will it create impoundments due to the installed BMPs.

3.2.2 Mitigation

No Mitigation

3.3 Wetlands

National Wetland Inventory (NWI) maps are attached in the Appendix and are labeled with the proposed project elements. The proposed improvements will be constructed within existing public right-of-ways and easements.

3.3.1 Direct Effects on Wetlands

In areas that have surface hydrology present, Parsons Slough and Hickory Creek subwatershed are located in project area, the contractor would use methods that would be compliant with NWP 12 and that would cause minimal impacts to water quality downstream. Impacts to wetlands would be mitigated by returning any disturbed contours or alignment back to original conditions. The project area is located in a developed area of Dallas County.

3.3.2 Mitigation

Sandbranch Development and WSC and Jacob and Martin, LLC. Shall ensure that all requirements of the U.S. Army Corps of Engineers "Nationwide Permit 12" are complied with during the construction of the proposed projects. "Nationwide Permit 12"is a best management practice. The construction plans, specifications, and contract documents shall include all applicable provisions of

best management provisions. Impacts to wetlands would be mitigated by returning any disturbed contours or alignment back to original conditions. Streams that have water will be bored under.

3.4 Water Quality Issues

This project is to provide customers of Sandbranch with potable water and wastewater service. Steps must be taken to protect rivers, streams, and wetland areas surrounding the project site during construction. Additionally, steps must be taken after the water and wastewater line has been placed to return the site to as close to pre-construction conditions as possible. The proposed project will be in the Trinity Aquifer area. (Map E7) We are aware from our letter (dated September 28, 2016) from North Central Texas Council of Governments that the "Upper Trinity River (Segment No. 0805 of the Trinity River Basin) is currently listed on the Texas 303(d) list for impairment of dioxin and PCBs in edible tissue." The proposed project location will not impact (Segment No. 0805 of the Trinity River Basin.)

3.4.1 Direct Effects

Some erosion of excavated materials and/or newly completed waterline trenches may occur during period of heavy rainfall, but is not anticipated to have an adverse impact on surface water quality.

3.4.2 Mitigation

No Mitigation

3.5 Coastal Resources

There are no coastal resources impacted by this project.

3.6 Biological Resources

The proposed project is located in Dallas County. Dallas County lies within the Texas Blackland Prairies Ecoregion.

3.6.1 Vegetation

Native vegetation varies between the northern and southern halves of the Texas Blackland Prairies Region. Pecan, cedar elm, various oaks and hackberry dot the landscape with some mesquite invading the southern reaches. The dominant grass of this true tall grass is little bluestem, but big blue stem, Indiangrass, eastern gammagrass, switchgrass and side oats grama can also be found. The proposed project route has been established to follow current maintained roads to the best extent practicable; therefore, the amount of disturbance by the proposed project would be kept to a minimum.

3.6.2 Wildlife Communities

Representative wildlife which can be found in the proposed project area may include Typical game species today include mourning dove and northern bobwhite on uplands and eastern fox squirrel along stream bottomlands.

3.6.3 Threatened and Endangered Species

Common Name	Scientific Name	Federal Status	State Status
American Peregrine Falcon	*Falco peregrinus anatum*	DL	T

Arctic Peregrine Falcon	*Falco peregrinus tundrius*	DL	
Bald Eagle	*Haliaeetus leucocephalus*	DL	T
Black-capped Vireo	*Vireo atricapilla*	LE	E
Golden-cheeked Warbler	*Setophaga chrysoparia*	LE	E
Interior Least Tern	*Sterna antillarum athalassos*	LE	E
Henslow Sparrow	*Ammodramus henslowii*		
Peregrine Falcon	*Falco peregrinus*	DL	T
Sprague's Pipit	*Anthus spragueii*		
Western Burrowing Owl	*Athene cuncularia hypugaea*		
Piping Plover	*Charadrius melodus*	LT	T
Red Knot	*Calidris canutus rufa*	T	
White-faced Ibis	*Plegadis chihi*		T
Whooping Crane	*Grus americana*	LE	E
Wood Stork	*Mycteria Americana*		T
Black Lordithon rove beetle	*Lordithon niger*		
Cave myotis bat	*Myotis velifer*		
Plains spotted skunk	*Spilogale putorius interrupta*		
Texas heelsplitter	*Potamilus amphichaenus*		T
Louisiana pigtoe	*Pleurobema riddellii*		T
Sandbank pocketbook	*Lampsilis satura*		T
Texas pigtoe	*Fusconaia askewi*		T
Alligator snapping turtle	*Macrochelys* Temminckii		T
Texas horned lizard	*Phrynosoma cornutum*		T
Timber rattlesnake	*Crotalus horridus*		T
Texas garter snake	*Thamnophis sirtalis annectens*		
Glass Mountains coral-root	*Hexalectris nitida*		
Glen Rose yucca	*Yucca necopina*		
Texas milk vetch	*Astragalus reflexus*		
Hall's prairie clover	*Dalea hallii*		
Plateau milkvine	*Matelea edwardsensis*		
Osage Plains false foxglove	*Agalinis densiflora*		
Tree dodder	*Cuscuta exaltata*		
Warnock's coral-root	*Hexalectris warnockii*		

Source: TPWD and USFWS / LE -Listed Endangered, T-Threatened, E-Endangered, C-Candidate, DL De-listed

3.6.4 Important Bird Areas

There are no important bird areas identified by the National Audubon Society.

3.6.5 Invasive species

Research using the Invasive Plant Atlas of the MidSouth and Texasinvasives.org was done. Observation of map showed no invasive species within the project area.

3.6.6 Direct Effects

The Texas Parks and Wildlife Department (TPWD) and the U.S. Fish and Wildlife Service (USFWS) was contacted for their determination as well as TXNDD for the project's impact on wildlife in the area. Their responses identified impacts to waterways and wetlands, migratory birds, Texas Horned Lizard, black-capped vireo, golden-cheeked warbler, and rare species along with recommended mitigation steps to reduce the project's impact on these resources. These mitigations are accepted and will be implemented as recommended. Short term impacts will be minimal due to the project being in the right-of-way. There are no long term impacts to the biological resources. A physical observation of Sandbranch project area for potential habitat has been completed revealing it is possible that species could be in the area so mitigations will be made in order to protect species initiating no adverse effects due to project being in existing public right of way and easements. Site survey October 13, 2016 (Exhibit E14)

3.6.7 Mitigation

Several mitigation measures were listed in the TPWD response letter that will be adhered to during construction and afterword during easement maintenance. Any waterways in project area which flow year-round will be bored under to avoid disturbing wetland habitat when possible. Intermittent waterways will be trenched during times of the year when flow is non-existent. Ground disturbance in the vicinity of creeks and wetlands will be done in conjunction with a storm water pollution prevention plan to protect these areas from pollution.

Migratory Bird Treaty Act

To comply with the Migratory Bird Treaty Act,

If clearing vegetation during the nesting season is unavoidable, TPWD recommends surveying the construction area to ensure that no nests with eggs or young will be disturbed by construction. Any vegetation or bare ground areas where occupied nests are located should not be disturbed until the eggs have hatched and the young have fledged.

Endangered Species Act (ESA)

If within the interior least tern nesting period, then TPWD recommends assessing the site for potential nesting habitat and ensuring that project activities do not affect nesting terns, if they occur in or near the project area.

An on-the-ground site assessment of the project construction areas to identify suitable habitat for federally-listed species to assess potential impacts to federally-listed species and to determine route adjustments to avoid or minimize adverse impacts to federally-listed and candidate species.

If impact to federally-listed species is anticipated, TPWD recommends that SDWSC consult with USFWS-Arlington Ecological Services at (817) 277-1100 pursuant to the ESA. The USFWS should be contacted for additional species occurrence data, guidance, permitting, survey protocols, and mitigation for federally-listed species.

State - Listed Species

Encourage SDWSC and its contractors to be informed of the federal and state listed Species of Greatest Conservation Need (SGCN) with potential to occur in the project county and to take precautions avoid impacts to rare species if encountered in the project area. Wildlife observed during construction should be allowed to safely leave the site.

To avoid further loss and fragmentation of potential habitat for the timber rattlesnake and other native wildlife species along the Trinity River corridor, SDWSC project is hoping to tie into an existing wastewater treatment system.

Because snakes are generally perceived as a threat and sometimes killed when encountered during clearing or construction, TPWD recommends SDWSC inform employees and contractors of the potential for the state-listed threatened timber rattlesnake to occur in the study area. Contractors should be advised to avoid impacts to this and other snakes. Compared to other rattlesnakes, the timber rattlesnake is a rater docile species. Injury to humans usually occurs when the snake becomes agitated following harassment or when someone attempts to handle a recently dead snake that still contains its bite reflex. Therefore, contractors should avoid contact with the species if encountered.

If trenching is involved, TPWD recommends that the contractors keep trenching and backfilling crews close together to minimize the amount of trenches left open at any given time during construction. TPWD recommends that open trenches or excavation areas be covered overnight and/or inspected every morning to ensure no reptiles or other wildlife species have been trapped. Trenches left open for more than two daylight hours should be inspected for the presence of trapped reptiles prior to backfilling. If trenches cannot be backfilled the day of initial trenching, then escape ramps should be installed at least every 90 meters. Escape ramps can be short lateral trenches or wooden planks sloping to the surface at an angle of less than 45 degrees (1.1).

For Soil stabilization and/or revegetation of disturbed areas within the proposed project area, TPWD recommends erosion and seed/mulch stabilization materials that avoid entanglement hazards to snakes and other wildlife species. Because the mesh found in many erosion control blankets or mats pose an entanglement hazard to wildlife, TPWD recommends the use of no till drilling, hydromulching and/or hydroseeding rather than erosion control blankets or mats due to a reduced risk to wildlife. If erosion control blankets or mats will be used, the product should contain no netting or contain loosely woven, natural fiber netting in which the mesh design

allows the threads to move, therefore allowing expansion of the mesh openings. Plastic mesh matting should be avoided.

To aid in the scientific knowledge of a species' status and current range, TPWD encourages reporting encounters of state-listed species to the Texas Natural Diversity Database according to the data submittal instructions found at http://tpwd.texas.gov/txndd.

3.7 Historic Properties

Inquiries concerning historical, archeological, and cultural resources for the project area have been made. To determine the effect of this project on cultural resources the following sources were consulted: State Historic Preservation Officer (SHPO) of the Texas Historical Commission (THC), the Texas Historic Sites Atlas website, and tribal groups that showed interest in the project area as shown in Section 106 of the National Historic Preservation Act of 1966. A search of the Texas Archeological Sites Atlas 2016 (TASA) revealed that no National Register (NR) Properties or State Antiquities Landmarks fall within 1km of the proposed project area. Due to the nature of this project the majority of construction will occur in disturbed rights-of-way using directional drilling in high probability areas if necessary.

3.7.1 Direct Effects on Historic Properties

Through the research and coordination with the SHPO and tribal groups there should not be any direct effect on historic properties due to majority of the construction occurring in disturbed right-of-ways. If development will occur in the tract of the proposed WWTP, we would recommend survey in that location per consultation with THC letter dated (October 18,2016). Proposed project does not include development of new WWTP.

No table of figures entries found. If cultural materials are encountered during construction, work must cease in the immediate area of the discovery. Work may continue in those project locations outside of the discovery area, with written approval from USDA Rural Development. The contractor must immediately notify consulting engineer at Jacob & Martin LLC. (325) 695-1070, the THC (512) 463-5867, and the USDA Rural Development State Environmental Coordinator (254) 742-9700

3.8 Aesthetics

No visually sensitive areas or landscape features will be affected by the proposed project.

3.9 Air Quality

The proposed project area is not in a nonattainment area. No permit will be required.

3.9.1 Direct Effects

Short term effects on air quality will be dust from construction activities. There are no long term effects due to this proposed project.

3.10 Socio-Economic

The proposed project would provide improvements to the water quality. Water and wastewater service would add to the security of living in the area and would help provide a higher quality of living to customers.

Table 1. Socio-Economics of Sandbranch Development and WSC

Total Population	52
Minority Population	41
White Alone	32
Black Alone	13
Hispanic Alone	28
Other	6

3.10.1 Direct Effects

The proposed project would not create adverse human health impacts on any population group. All socio-economic impacts are anticipated to be beneficial to all inhabitants of the proposed project area. There will be no disproportionately high human health or environmental effects associated with the project.

3.10.2 Mitigation

Adverse impacts to socio-economic or environmental justice resources are not anticipated; therefore, no mitigation would be required.

3.11 Miscellaneous Issues

Air quality, transportation, and noise will all be affected while the project is under construction and will return to pre-construction conditions upon completion of the project.

Nearly all residents and businesses in the project area would be affected by the project during construction. Traffic control may be necessary where equipment must be operated temporarily on roads. These disturbances are expected to be short-lived.

3.11.1 Direct Effects

Air quality will be affected by short-term construction dust and construction equipment emissions. The project itself will produce no emissions.

Transportation on county roads, Farm to Market Roads, State, and Federal highways, may experience minor temporary interruptions during construction activities. All paved highway crossing will be bored and encased under the highway.

3.11.2 Mitigation

It is not anticipated that this proposed project would have any adverse impacts to air quality, transportation, and/or noise; therefore, mitigation will not be necessary at this time.

3.12 Human Health and Safety

Installation of waterlines, wastewater lines, pump station and lift station do not pose a threat to human health and safety.

3.13 Corridor Analysis

The proposed water and wastewater lines will be in the highway right-of-way and the proposed lift station and pump station will be on leased land.

SECTION 4.0 CUMULATIVE EFFECTS

An underground utility project such as this water and wastewater distribution system improvements project usually has few cumulative effects on wildlife and plant resources. These resources will begin to return to pre-construction conditions soon after the installation of the water and wastewater lines are complete. After this proposed project is completed and the waterline and wastewater line easement is stabilized, adverse cumulative effects on threatened and endangered species due to this project are not anticipated. No past, present, or reasonably foreseeable future actions occurring in the proposed project area.

SECTION 5.0 SUMMARY OF MITIGATION

5.1 Prime Farmland

The proposed project should have minimal direct or indirect impacts since it consists of installing the new facilities in developed areas of Dallas County. Excepted erosion control methods will be used during construction and topsoil replaced back as the surface layer when backfilling trenches of the proposed project per USDA NRCS.

5.2 Floodplains

No Mitigation

5.3 Wetlands

Sandbranch Development and WSC and Jacob and Martin, LLC. Shall ensure that all requirements of the U.S. Army Corps of Engineers "Nationwide Permit 12" are complied with during the construction of the proposed projects. "Nationwide Permit 12"is a best management practice. The construction plans, specifications, and contract documents shall include all applicable provisions of best management provisions. Impacts to wetlands would be mitigated by returning any disturbed contours or alignment back to original conditions. Streams that have water will be bored under.

5.4 Historic Properties

If cultural materials are encountered during construction, work must cease in the immediate area of the discovery. Work may continue in those project locations outside of the discovery area, with written approval from USDA Rural Development. The contractor must immediately notify Jacob & Martin LLC., the THC (512) 463-5867, and the USDA Rural Development State Environmental Coordinator (254) 742-9700.

5.5 Biological Resources

Migratory Bird Treaty Act

To comply with the Migratory Bird Treaty Act,

If clearing vegetation during the nesting season is unavoidable, TPWD recommends surveying the construction area to ensure that no nests with eggs or young will be disturbed by construction. Any vegetation or bare ground areas where occupied nests are located should not be disturbed until the eggs have hatched and the young have fledged.

Endangered Species Act (ESA)

If within the interior least tern nesting period, then TPWD recommends assessing the site for potential nesting habitat and ensuring that project activities do not affect nesting terns, if they occur in or near the project area.

An on-the-ground site assessment of the project construction areas to identify suitable habitat for federally-listed species to assess potential impacts to federally-listed species and to

determine route adjustments to avoid or minimize adverse impacts to federally-listed and candidate species.

If impact to federally-listed species is anticipated, TPWD recommends that SDWSC consult with USFWS-Arlington Ecological Services at (817) 277-1100 pursuant to the ESA. The USFWS should be contacted for additional species occurrence data, guidance, permitting, survey protocols, and mitigation for federally-listed species.

State - Listed Species

Encourage SDWSC and its contractors to be informed of the federal and state listed species of greatest conservation need (SGCN) with potential to occur in the project county and to take precautions avoid impacts to rare species if encountered in the project area. Wildlife observed during construction should be allowed to safely leave the site.

To avoid further loss and fragmentation of potential habitat for the timber rattlesnake and other native wildlife species along the Trinity River corridor, SDWSC project is hoping to tie into an existing wastewater treatment system.

Because snakes are generally perceived as a threat and sometimes killed when encountered during clearing or construction, TPWD recommends SDWSC inform employees and contractors of the potential for the state-listed threatened timber rattlesnake to occur in the study area. Contractors should be advised to avoid impacts to this and other snakes. Compared to other rattlesnakes, the timber rattlesnake is a rater docile species. Injury to humans usually occurs when the snake becomes agitated following harassment or when someone attempts to handle a recently dead snake that still contains its bite reflex. Therefore, contractors should avoid contact with the species if encountered.

If trenching is involved, TPWD recommends that the contractors keep trenching and backfilling crews close together to minimize the amount of trenches left open at any given time during construction. TPWD recommends that open trenches or excavation areas be covered overnight and/or inspected every morning to ensure no reptiles or other wildlife species have been trapped. Trenches left open for more than two daylight hours should be inspected for the presence of trapped reptiles prior to backfilling. If trenches cannot be backfilled the day of initial trenching, then escape ramps should be installed at least every 90 meters. Escape ramps can be short lateral trenches or wooden planks sloping to the surface at an angle of less than 45 degrees (1.1).

For Soil stabilization and/or revegetation of disturbed areas within the proposed project area, TPWD recommends erosion and seed/mulch stabilization materials that avoid entanglement hazards to snakes and other wildlife species. Because the mesh found in many erosion control blankets or mats pose an entanglement hazard to wildlife, TPWD recommends the use of no till drilling, hydromulching and/or hydroseeding rather than erosion control blankets or mats due to a reduced risk to wildlife. If erosion control blankets or mats will be used, the product should contain no netting or contain loosely woven, natural fiber netting in which the mesh design allows the threads to move, therefore allowing expansion of the mesh openings. Plastic mesh matting should be avoided.

To aid in the scientific knowledge of a species' status and current range, TPWD encourages reporting encounters of state-listed species to the Texas Natural Diversity Database according to the data submittal instructions found at http://tpwd.texas.gov/txndd.

5.6 Water Quality

No mitigation

5.7 Coastal Resources

No Mitigation

5.8 Socio-Economic Issues/Environmental Justice

No Mitigation

5.9 Miscellaneous Issues

No Mitigation

SECTION 6.0 CORRESPONDENCE & COORDINATION

6.1 Agency Correspondence Summary

The following, Federal, State, and Local Agencies were initially contacted:

Date	Agency	Contact	Response Date
8/26/2016	Alabama-Coushatta Tribe	Bryant J. Celestine	9/29/2016
8/26/2016	Comanche Nation	Jimmy Arterberry	No Response
8/26/2016	CDC/Floodplain Administrator	Steve Parker	No Response
8/26/2016	Dallas County Planning & Development	Rick Loessberg	No Response
8/26/2016	FEMA	Mayra Diaz	9/8/2016
8/26/2016	NCTCOG	Rachel Evans	9/28/2016
8/26/2016	NRCS	Carlos Villarreal	8/30/2016
8/26/2016	TPWD	Karen Hardin	9/30/2016
8/26/2016	THC	Rebecca Shelton	10/6/2016
8/26/2016	Tonkawa Tribe	Lauren Norman-Brown	9/17/2016
8/29/2016	USFWS	Arlington office	IPaC-10/13/20106

6.2 Correspondence Listing

No.	Agency Name
C1	Alabama-Coushatta Tribe
C2	Comanche Nation
C3	Tonkawa Tribe
C4	FEMA
C5	NRCS
C6	CDC/Floodplain Administrator
C7	TPWD
C8	THC
C9	NCTCOG
C10	Dallas County Planning & Development
C11	USFWS

SECTION 7.0 REFERENCES

U.S. Department of Agriculture (USDA). *Soil Survey of Dallas County.*

U.S. Fish & Wildlife Service. (2011). *Online list of Threatened and Endangered Species: Dallas County, Texas.* Retrieved October 13, 2016.

Texas A&M Forest Service (2014). *Texas Ecoregions.*
http://texastreeid.tamu.edu/content/texasEcoRegions/blacklandprairies/

Ecoregions of Texas
Glenn Griffith1, Sandy Bryce2, James Omernik3, and Anne Rogers4
ftp://newftp.epa.gov/EPADataCommons/ORD/Ecoregions/tx/TXeco_Jan08_v8_Cmprsd.pdf

Texas Parks and Wildlife Department
http://tpwd.texas.gov/gis/rtest/

EPA EJSCREEN
http://ejscreen.epa.gov
www.epa.gov/air-quality

SECTION 8.0 LIST OF PREPARERS

8.1 Names of Persons Contributing

- Brenda Grant – Environmental Specialist (Jacob & Martin, LLC)
    - Authored Environmental Report
- Eddie Aguilar – Professional Engineer (Jacob & Martin, LLC)
    - Engineering of project

SECTION 9.0 EXHIBITS AND MAPS

No.	Exhibit/Map Name
E1	Project Map
E2	Topographic Map(s)
E3	Soils Map(s) & Report
E4	Flood Plain Map(s)
E5	Wetland Map(s)
E6	Geologic Map(s)
E7	Aquifer Map(s)
E8	Aerial Map
E9	Prime Farmland
E10	Texas Historic Sites Atlas Map(s)
E11	IPaC Trust Resource Report
E12	EJSCREEN Report
E13	TPWD Endangered & Threatened Species List
E14	Endangered & Threatened Species Habitat Survey
E15	TXNDD
E16	Seagoville ETJ Map/Letter
E17	Meeting Minutes/EPA Region 6 Ms. Flores-Griggs

July 28, 2016

Mr. Mark McPherson
McPherson Law Firm
15950 Dallas Parkway, Suite 400
Dallas, TX 75248-6628

Dear Mr. McPherson

Pursuant to your request, please find attached to this letter a copy of Seagoville's Ordinance that relates to development in our ETJ. Also attached, is a current map showing our existing City limits and ETJ.

We would be happy to discuss with you the potential of providing wholesale treated water to the Sandbranch WSC. As you consider water supply options for Sandbranch, please be aware of the following issues related to Seagoville:

- We are a wholesale water customer of the City of Dallas, and their approval would be required for us to sell water to Sandbranch.
- Prior to executing an agreement, Seagoville would require a hydraulic analysis of our water distribution system to estimate the impacts caused by providing water service and the infrastructure upgrades that might be necessary as a result. We also request that the costs for this analysis be covered by Sandbranch WSC.
- Sandbranch WSC will be responsible for any and all costs associated with the City of Seagoville providing a point-of-connection, including engineering, waterline installation and any upgrades necessary to the City of Seagoville's water distribution system.

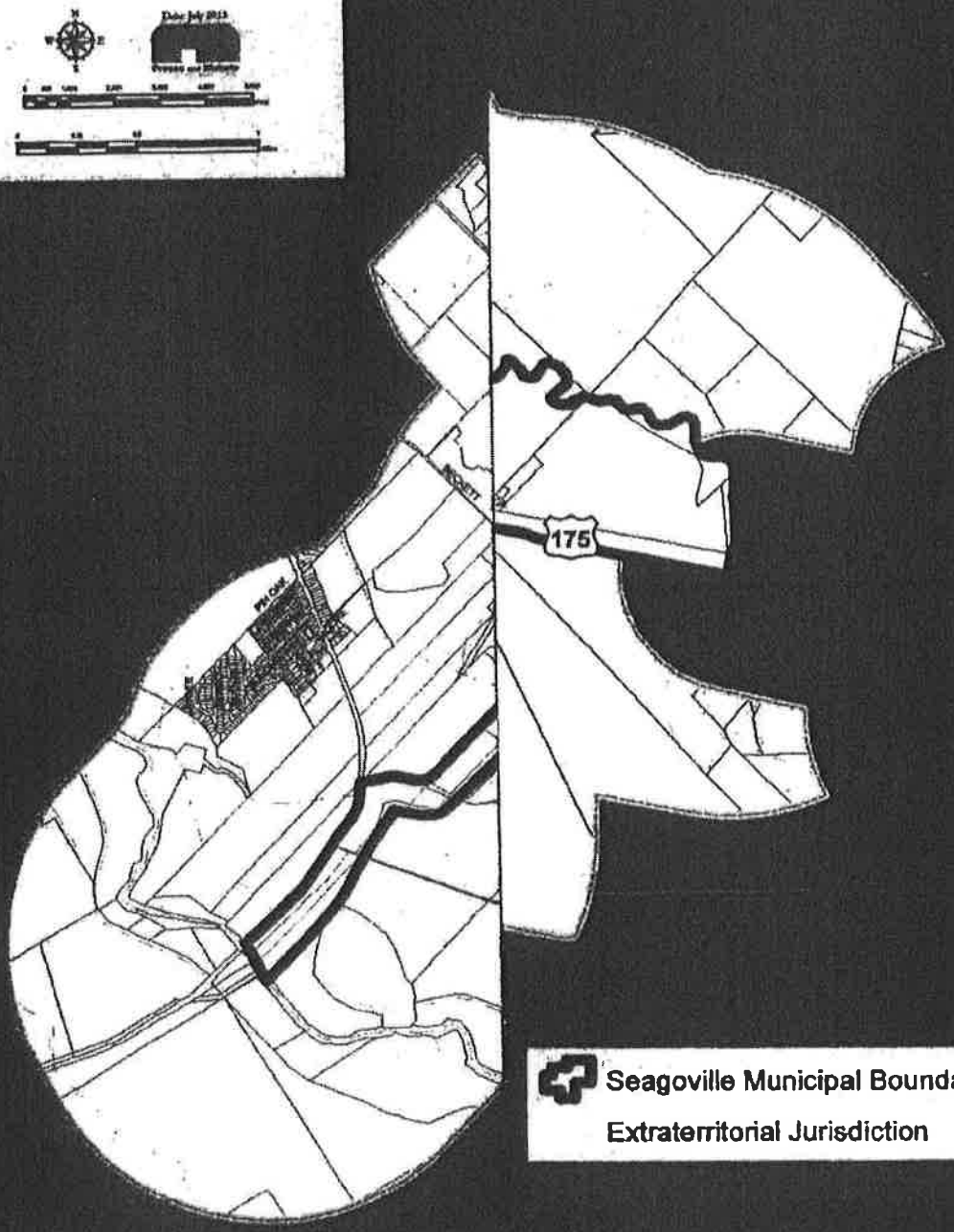
If you would like to discuss this further please do not hesitate to contact me. My direct telephone number is 469-383-4888.

Respectfully,

Patrick Stallings
City Manager

Municipal Boundary and ETJ Map

City of Seagoville, Texas



McPherson LawFirm, PC
@enviropinions

15950 Dallas Parkway
Suite 400
Dallas, TX 75248
214-722-7096
Facsimile 214-540-9866

Mark McPherson, Esq.
mark@texasenvironmentallaw.com

June 27, 2016

VIA REGULAR MAIL

Mr. Patrick Stallings
City Manager
City of Seagoville
101 N. Watson
Seagoville, TX 75159

Re: Potential Development in the ETJ of Seagoville

Dear Mr. Stallings:

I represent the Sandbranch Development and Water Supply Corporation (Sandbranch WSC). Sandbranch WSC was formed on March 16, 2016, for the purpose of providing municipal water supply and wastewater treatment services to the Sandbranch community, situated in the unincorporated area of Dallas County. I have enclosed a map that shows the general area of interest. The exact service area boundaries are not expected to be finalized until the process of obtaining a CCN is complete.

Sandbranch WSC has retained Jacob and Martin, LLC, an engineering firm, to complete a Preliminary Engineering Report and Environmental Assessment. These reports are necessary to obtain a grant from the United States Department of Agriculture to pay for a portion of the projected costs to construct these conveyance systems.

The entire expected service area of Sandbranch WSC appears to be in Seagoville's ETJ. It is reasonable to expect that the provision of water and sewer service may bring new development to Sandbranch WSC's service area. As such, it is imperative that Sandbranch WSC understand which of Seagoville's city ordinances will apply to any such development.

Ideally, I would appreciate your sending me a copy of Seagoville's ordinances that apply to development in its ETJ, as well as a copy of Seagoville's official map showing its city limits and its ETJ. I am open to any alternative means you may suggest as to how I could efficiently obtain this information with assurance of its completeness and accuracy.

Also, Sandbranch WSC would like to discuss with Seagoville whether it would be interested in contracting with Sandbranch WSC for the wholesale provision of treated water. If so, I would propose to introduce our respective civil engineers to discuss the details and reasonability of such arrangement.

Thank you for your time in advance. I look forward to hearing from you. If you have any questions or comments, please do not hesitate to contact me. With best regards, I remain

Very truly yours,

Mark McPherson

Encls.

cc: Eugene Keahey, Executive Director
Sandbranch Development and Water Supply Corp.

Derek Turner
Eddie Aguilar
Jacob and Martin, LLC

BOARD OF DIRECTORS MINUTES of the

SANDBRANCH DEVELOPMENT AND WATER SUPPLY CORPORATION

at the

Mount Zion Baptist Church

128 Burns Street

Seagoville, TX

Saturday, July 2, 2016, at 12:00 p.m.

The meeting of the Sandbranch Development and Water Supply Corporation was held on Saturday, July 2, 2016, 9 a.m., at the Mt. Zion Baptist Church. The meeting was called to order by vice-president, Lisa King. Secretary-Treasurer Tracy McArthur called the roll and announced a quorum with directors Lisa King, Tracy McArthur, Shirley Bryant, and Detra Newhouse being present. Director Mary Nash was absent.

Lisa King invited Paula Flores-Griggs, EPA Region 6 Environmental Justice Coordinator, to speak. Ms. Flores-Griggs said that the EPA supported the efforts being made on behalf of Sandbranch and that Gina McCarthy, Administrator of the U.S. Environmental Protection Agency, is planning a visit to Sandbranch in July 2016.

Lisa King invited Eddie Aguilar, representative from Jacob and Martin LLC, to speak. Mr. Aguilar said Jacob and Martin would begin working on the preliminary engineering report and environmental assessment immediately. Work on the report will be completed in 90-120 days.

Lisa King opened the floor for comments and questions from the audience and asked for a show of hands of those who wanted water and wastewater service in Sandbranch. All attendees raised their hands. Thirty-eight Sandbranch residents and property owners were in attendance. Executive director Eugene Keahey and Attorney Mark McPherson answered questions from the audience concerning possible funding sources to upgrade homes and timelines for completing the project.

On motion of Lisa King, and second by Shirley Bryant, the members voted to adjourn.

The meeting adjourned at 12:05 p.m.

Respectfully submitted,

Secretary-Treasurer

July 18, 2016

Date

United States Department of Agriculture
Rural Development
McKinney Area Office

January 17, 2017

Sandbranch Development and Water Supply Corporation
Pastor Eugene Keahey
P.O. Box 983
Seagoville, Texas 75159

SUBJECT: Sandbranch Development and Water Supply Corporation
New Water Distribution and Wastewater Systems
Environmental Review

Dear Pastor Keahey:

Rural Development has completed an Environmental Assessment (EA) on your proposal requesting financial assistance to Sandbranch Development and Water Supply Corporation (SDWSC) for the construction of new water and wastewater infrastructure. Rural Development has determined that your proposal will not significantly affect the quality of the human environment, and has therefore issued a Finding of No Significant Impact (FONSI).

Before further consideration can be given to your proposal, our regulations require you to publish a notice of the FONSI in a newspaper of general circulation and in any local or community newspaper in your proposal's vicinity. The notice will be published once in easily readable type in the non-classified section in the same newspaper(s) where the NOA was published. It is your responsibility to make the necessary arrangements to publish the notice. You must also provide our office with a copy of the published notice as it appeared, the name(s) of the newspapers in which the notice was published, the date(s) of publication, and an affidavit of publication.

A copy of the notice is enclosed. If you have any questions or require additional information, contact Angela Richardson at (972) 542-0081 x 115

Sincerely,

ALLEN M. LAMBRIGHT
Area Director

cc: Jacob and Martin, attn.: Eddie Aguilar, P.E. (electronic only)
Community Programs Director, Temple, Texas (electronic only)

Enclosure

1404 North McDonald Suite 300• McKinney, Texas 75071
Phone: (972) 542-0081 Ext 4 • Fax: (844) 496-8032 • TDD: (254) 742-9712 • Web: http://www.rurdev.usda.gov

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FINDING OF NO SIGNIFICANT IMPACT

Sandbranch
Development and
Water Supply
Corporation Dallas
County, Texas

Rural Utilities Service
U.S. Department of Agriculture

Sandbranch Development and Water Supply Corporation

Prepared by: Angela M. Richardson Woods and Terry E. Czerwien
Rural Utilities Service

January 2017

A. INTRODUCTION

Sandbranch Development and Water Supply Corporation (SDWSC) plans to submit a financing request to the U.S. Department of Agriculture, Rural Utilities Service (RUS) to construct the proposed new water and wastewater infrastructure (Project) in Dallas County, Texas. RUS is considering this financing request. Prior to taking a federal action (i.e., providing financial assistance), RUS is required to complete an environmental impact analysis in accordance with the National Environmental Policy Act of 1969 (NEPA) (U.S.C. 4231 et seq.), the Council on Environmental Quality's (CEQ) regulations for implementing NEPA (40 CFR Parts 1500-1508), and RD's NEPA implementing regulations, Environmental Policies and Procedures (7 CFR Part 1970). After completing an independent analysis of an environmental report prepared by SDWSC and its consultant, RUS concurred with its scope and content. In accordance with 7 CFR § 1970.102, RUS adopted the report and issued it as the Agency's Environmental Assessment (EA) for the proposed Project. RUS finds that the EA is consistent with federal regulations and meets the standards for an adequate assessment. Sandbranch Development and WSC published a newspaper notice, announcing the availability of the EA for public review, in accordance with 7 CFR § 1970.102. In addition, RUS considers the proposed Project an undertaking subject to review under Section 106 of the National Historic Preservation Act (NHPA), 16 USC 470(f), and its implementing regulation, "Protection of Historic Properties" (36 CFR Part 800).

B. PROJECT DESCRIPTION AND PURPOSE/NEED

The overall purpose of the Project is to construct new infrastructure to provide water and wastewater services throughout the service area. The water system improvements has been selected for the proposed project which would include installing approximately 26,000 linear feet of new PVC water lines and appurtenances such as fire hydrants, gate valves, meter connections, bores, etc. The proposed water system improvements also include installing a pump station with water storage, pumps and disinfection facilities. The wastewater system improvements has been selected for the proposed project which would include installing approximately 30,000 linear feet of new PVC wastewater lines, a lift station and appurtenances such as manholes, sewer tap connections, etc. SDWSC is proposing to install a new water and wastewater system for the service area. SDWSC residents currently do not have either systems and most of the project will take place in public right-of-way and easements. The need for the project is to provide the SDWSC residents with a reliable water source and sanitary wastewater system. Water and wastewater service would add to the security of living in the project area and will provide a higher quality of living to SDWSC residents. RUS has reviewed the purpose and need for the Project and determined that the proposal will meet the present and future needs of SDWSC.

C. PROJECT DESCRIPTION AND PURPOSE/NEED

1. No Action

Under the No Action Alternative, RUS would not provide financial assistance to SDWSC, and/or the proposed Project would not be constructed. This alternative would not assist SDWSC in providing water and wastewater services throughout its service area. The need for the project is to provide the residents in this area with a needed reliable water source and wastewater system.

2. **Action Alternative (Preferred Alternative)**

Under the Action Alternative, RUS would consider financing the proposed Project, and SDWSC would construct new infrastructure to provide water and wastewater services. The proposed project would include installing approximately 26,000 linear feet of new PVC water lines and appurtenances such as fire hydrants, gate valves, meter connections, bores, etc. The proposed water system improvements also include installing a pump station with water storage, pumps and disinfection facilities. The wastewater system improvements has been selected for the proposed project which would include installing approximately 30,000 linear feet of new PVC wastewater lines, a lift station, and appurtenances such as manholes, sewer tap connections, etc.

3. **Alternatives Eliminated from Further Consideration**

In addition to the No Action Alternative and Action Alternative, SDWSC considered other technology and siting alternatives, which are documented in the **Alternatives** section of the EA.

D. SUMMARY OF ENVIRONMENTAL EFFECTS

The analyses in the EA documented that the proposed Project would have no adverse effects to prime farmland, flood plains, wetlands, Historic Properties, biological resources, coastal resources, socio-economic/environmental justice, and historic property. A summary of anticipated impacts on the human environment is provided below, including any mitigation measures deemed necessary to avoid or minimize impacts. SDWSC is responsible for implementing these measures.

The project consists of installing facilities mostly within existing right-of-ways and easements, so a substantial change in land use is not anticipated as a result of this project. Steps will be taken to protect rivers, streams, and wetland areas surrounding the project site during construction. In areas that have surface hydrology present, the contractor will use methods that will cause minimal impacts to water quality downstream. Impacts to wetlands would be mitigated by returning any disturbed contours or alignment back to original conditions. Additionally, steps will be taken after the water and wastewater line has been placed to return the site to as close to pre-construction conditions as possible. The proposed project will be in the Trinity Aquifer area, but it will not impact the Trinity River Basin.

The Texas Parks and Wildlife Department (TPWD) and the U.S. Fish and Wildlife Service (USFWS) were contacted for their determination on the project's impact on wildlife in the area. Mitigation measures recommended by TPWD and USFWS have been accepted and will be implemented. A survey of SDWSC project area for potential endangered and threatened species habitat has been completed. It found no critical habitat or sightings of endangered or threatened species.

Under the National Historic Preservation Act, Section 106 consultation, the following entities were contacted: Alabama-Coushatta Tribe, Comanche Nation, Tonkawa Tribe, and the Texas Historic Commission (as the State Historic Preservation Officer). The Alabama-Coushatta Tribe and the Tonkawa Tribe responded that there were no properties identified within the project area of potential effect. No other tribes responded. SHPO indicated the Project was

not eligible for listing in the national register of historic places and therefore there is no effect to historic property. SHPO also stated that archaeological surveys at the proposed pump/lift station sites and pipeline routes is not warranted. Mitigation measures regarding Historic Property/Cultural Resources are as follows. If cultural materials are encountered during construction, work shall immediately cease in the area of discovery. The contractor shall immediately notify the consultant/engineer, the Texas Historical Commission (State Historic Preservation Officer) (512) 463-6100, and the USDA Rural Development State Environmental Coordinator (254) 742-9704.

E. PUBLIC AND AGENCY INVOLVEMENT

A local newspaper advertisement announcing the availability of the EA and participation under Section 106 of the National Historic Preservation Act, was published on December 22 and December 29, 2016, in Ellis County Press, Ellis County, Texas. A copy of the EA was available for public review at 1404 North McDonald, Suite 300, McKinney, Texas 75071. The 14-day comment period ended on 01-05-2017. RUS received no comments.

F. FINDING OF NO SIGNIFICANT IMPACT

Based on its EA, RUS has concluded that the proposed Project would have no significant effects to prime farmland, flood plains, wetlands, biological resources, coastal resources, socio-economic/environmental justice and historic property. The proposed Project will have no effects on historic properties listed or eligible for listing on the National Register of Historic Places and no effects to federally listed species or designated critical habitat.

The proposed Project would not disproportionately affect minority or low-income populations.

In accordance with the National Environmental Policy Act, as amended (42 U.S.C. 4321 et seq.), the Council on Environmental Quality Regulations (40 CFR 1500-1508), and RD's Environmental Policies and Procedures (7 CFR Part 1970), RUS has determined that the environmental impacts of the proposed Project have been adequately addressed and that no significant impacts to the quality of the human environment would result from construction and operation of the proposed Project. Any final action by RUS related to the proposed Project will be subject to, and contingent upon, compliance with all relevant federal and state environmental laws and regulations. Because RUS action will not result in significant impacts to the quality of the human environment, RUS will not prepare an Environmental Impact Statement for its potential federal action associated with the proposed Project.

G. RUS LOAN REVIEW AND RIGHT OF ADMINISTRATIVE REVIEW

This FONSI is not a decision on a loan application and therefore not an approval of the expenditure of federal funds. Issuance of the FONSI and its notices concludes RUS's environmental review process. The ultimate decision on loan approval depends upon conclusion of this environmental review process in addition to financial and engineering reviews. Issuance of the FONSI and publication of notices will allow for these reviews to proceed. The decision to provide financial assistance also is subject to the availability of loan funds for the designated purpose in RUS's budget. There are no provisions to

appeal this decision (i.e., issuance of a FONSI). Legal challenges to the FONSI may be filed in Federal District Court under the Administrative Procedures Act.

H. APPROVAL

This Finding of No Significant Impact is effective upon signature.

Michael B Canales
Signature

Michael B. Canales
Name

Community Programs Director
Title

1/13/17
Date

Revisions to the SFY 2020 DWSRF Intended Use Plan – Narrative Portion

Substitute "Securing Safe Water" for "Healthy Water" throughout the document as the name for the new initiative that involves a comprehensive outreach, technical assistance, and funding strategy to reduce the number of public water systems that have unresolved health issues.

XI. Set-Asides

B. Texas Commission on Environmental Quality Activities

Funds for TCEQ Set-Aside activities from the FFY 2019 capitalization grant totaling $12,147,000.28 may be used in SFY 2020. Remaining funds from the previous DWSRF grant, except for funds for Local Assistance and Other State Programs, may also be used in SFY 2020. (A one-time use of the $0.72 balance in Local Assistance and Other State Programs will occur in SFY 2020 resulting in a total of $1,800,001 of Local Assistance and Other State Programs expenditures in SFY 2020.)

State Program Management Set Aside from FFY 2019 grant	$8,622,500
Small Systems Technical Assistance Set Aside from FFY 2019 grant	$1,724,500
Local Assistance and Other State Programs Set Aside from FFY 2019 grant	$1,800,000.28
Total TCEQ Set-Aside amount from FFY 2019 grant	**$12,147,000.28**

The amount of $8,622,500 for the State Program Management Set Aside may include funds held back by EPA from the allocation to Texas to provide Drinking Water Needs Survey training.

A detailed description of SFY 2020 activities may be found in TCEQ's DWSRF Set-Aside Work Plans. Activities are expected to be completed by August 31, 2020.

STATE OF TEXAS

Texas Water Development Board

Intended Use Plan

Drinking Water State Revolving Fund

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

SFY 2020

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

Drinking Water State Revolving Fund

SFY 2020 Intended Use Plan

Dated: August 13, 2019

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Texas Water Development Board rules governing the Drinking Water State Revolving Fund program (Texas Administrative Code, Title 31, Part 10, Chapter 371) may be accessed online at http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=31&pt=10&ch=371

Drinking Water State Revolving Fund
Acronyms

ACS	American Community Survey
AIS	American Iron & Steel
AMHI	Annual Median Household Income
CWSRF	Clean Water State Revolving Fund
DWSRF	Drinking Water State Revolving Fund
EPA	Environmental Protection Agency
FFY	Federal Fiscal Year
FMT	Financial, Managerial, and Technical
GPR	Green Project Reserve
HCF	Household Cost Factor
IUP	Intended Use Plan
IIPL	Initial Invited Projects List
MCL	Maximum Contaminant Level
NEPA	National Environmental Policy Act
PIF	Project Information Form
PPL	Project Priority List
PWS	Public Water System
SDWA	Safe Drinking Water Act
SFY	State Fiscal Year
SRF	State Revolving Fund
TCEQ	Texas Commission on Environmental Quality
TWDB	Texas Water Development Board

I. Overview

The Drinking Water State Revolving Fund (DWSRF) assists communities by providing below market-rate financing and various levels of principal forgiveness for a wide range of projects that facilitate compliance with primary drinking water standards or otherwise significantly further the health protection objectives of the Safe Drinking Water Act (SDWA). The program provides year-round funding of water projects after they have been included in the Intended Use Plan.

For State Fiscal Year (SFY) 2020, at least $250 Million is available under the DWSRF for all financing options including $30 Million in principal forgiveness. The total amount available is based on a 10-year average capacity of $250 Million from SFY 2020 to SFY 2029. Of the total amount available, at least $220 Million will be offered at interest rates of 125 or 155 basis points below the borrower's market rate level or at zero percent for special funding categories. These savings directly lower the overall cost of providing safe, affordable water to every customer.

The $250,000,000 level for SFY 2020 will be allocated to the following funding options:

Funding Option	Allocation
Disadvantaged Community	$16,000,000
Disadvantaged Community – for Small / Rural only	$2,000,000
Subsidized Green (incl. Water Conservation)	$2,000,000
Very Small Systems	$2,000,000
Very Small Systems – "Securing Safe Water Initiative	$1,000,000
Urgent Need – Contaminants (Lead, Radionuclides, Arsenic)	$2,000,000
Urgent Need – "Securing Safe Water" Initiative	$2,000,000
Urgent Need – Other than Contaminants (Disasters, etc.)	$3,000,000
Bonds/Loans	$220,000,000
Total	**$250,000,000**

II. Purpose

In 1996 Congress passed federal amendments to the SDWA that established the DWSRF program. The Texas Water Development Board (TWDB) is authorized by state law to administer this program for Texas.

The TWDB is the financing agency for the DWSRF and has a contractual relationship with the state's primacy agency, the Texas Commission on Environmental Quality (TCEQ), to perform DWSRF activities. TCEQ performs DWSRF activities that include rating proposed projects, state program management, small systems technical assistance, assessments for ground water sources, source water technical assistance, sanitary surveys, complaint investigations, enforcement activities, disaster assistance, and implementation of the State of Texas approved Capacity Development Strategy.

Annually, the State must prepare an Intended Use Plan (IUP) that describes how it intends to use DWSRF program funds to support the overall goals of the program. The IUP must contain a number of elements required by the Environmental Protection Agency (EPA) covering the operation of the DWSRF and is a central component of the TWDB's application to EPA for the capitalization grant.

The IUP contains the state's priority list of projects to receive funding under the DWSRF. This list is subdivided further into an Initial Invited Projects List (Appendix K), which represents the projects that will be invited to submit applications after Board approval of the IUP. After the initial invitation round, the remaining applications for funding under this SFY 2020 IUP will be accepted on a first-come, first-served basis throughout the year until the SFY 2021 IUP is approved.

III. Projects to Fund

A. Eligible Applicants

Applicants eligible to apply for assistance are:

- Existing community Public Water Systems (PWSs) including political subdivisions, nonprofit water supply corporations and privately-owned community water systems
- Non-profit, non-community public water systems
- State agencies

B. Eligible and Ineligible Use of Funds

1. Examples of eligible project costs include planning, acquisition, design, and construction of projects to:

- Correct water system deficiencies including water quality, capacity, pressure, and water loss
- Upgrade or replace water systems
- Provide new or existing water service to other water systems through consolidation projects
- Purchase capacity in water systems
- Purchase water systems
- Implement green projects (pursuant to EPA guidance)
- Implement source water protection projects
- Pay for other costs necessary to secure or issue debt

All projects funded through the DWSRF must be consistent with the most recently adopted TWDB State Water Plan.

2. Examples of ineligible project costs include:

- Projects primarily intended to facilitate growth
- Water rights, unless owned by a system being purchased through consolidation

- Construction of reservoirs
- Dams or rehabilitation of dams
- Projects for systems in significant noncompliance, unless funding will ensure compliance
- Projects for systems that lack adequate financial, managerial, and/or technical (FMT) capability, unless assistance will ensure compliance
- Routine laboratory fees or ongoing operational expenses
- Fire protection projects (unless incidental to the main project scope)

IV. Significant Program Changes

Significant program changes from the previous year's IUP are highlighted below.

1. DWSRF program now offers funding as both Equivalency and Non-Equivalency depending on the funding option. The equivalency projects will have an interest rate subsidy of 155 basis points below market rates and non-equivalency projects will have an interest rate subsidy of 125 basis points below market rates (Section VI).

2. Beginning in SFY 2021, to be eligible to receive Very Small Systems funding the AMHI for the system's service area must not exceed 150 percent of the state's AMHI. An optional method of determining the project's AMHI may be considered (Section VI).

3. Implement a new initiative called "Securing Safe Water" that involves a comprehensive outreach, technical assistance, and funding strategy to reduce the number of public water systems that have unresolved health issues. It will support EPA's Strategic Plan goal of significantly reducing the number of public water systems with reported health violations (Sections V and XIII). Elements of the strategy include:

a. Funding - allocating a portion of the available principal forgiveness in the Very Small Systems and Urgent Need funding options for this initiative. In addition to these special allocations, the TWDB will use principal forgiveness, zero-interest loans, and regular low-cost loans from the Disadvantaged Communities, Disadvantaged Communities – Small/ Rural and Urgent Need funding options to support this initiative;

b. Special outreach;

c. Technical assistance tailored to needs;

d. Based on feedback received, assessing viable long-term options that may be deployed in subsequent years in support of this initiative; and

e. Tracking outcomes.

4. TWDB will allocate a portion of the Very Small Systems and Urgent Need funding for a “Securing Safe Water” initiative to reduce the number of public water systems with unresolved public health issues (Sections VI and XIII).

5. Under Urgent Need funding, facilities being replaced or repaired for a disaster recovery project must be built to mitigate future damage and destruction, to the extent it is practical based on the nature of the project activities (Section VI).

6. Asset Management Program for Small Systems (AMPSS) Initiative - Subsequent Rounds - The TWDB anticipates awarding additional contracts under this initiative in SFY 2020 in a total amount to be determined during the year (Section XIII).

7. Asset Management – Any eligible entity, not just small systems, may be eligible for up to $75,000 with an interest rate of zero percent to prepare all of the Asset Management / Financial Planning tools required in the current AMPSS program’s Scope of Work and deliverables (Sections VI and XIII).

8. Beginning in SFY 2021, a small system eligible under AMPSS may receive an additional interest rate reduction for a portion of the TWDB funding for a project if it has implemented all of the Asset Management / Financial Planning tools required in the current AMPSS initiative’s Scope of Work and deliverables and the proposed project is included in its current plan (Section VI).

9. Multi-Year commitments are now available for projects that receive principal forgiveness under the Disadvantaged Communities funding (Section VII).

10. Goals – implement the Securing Safe Water initiative and continue to implement the AMPSS and CPA to Go initiatives (Section IX).

11. A project must demonstrate to the TWDB that it is viable, feasible, and sustainable (Section X).

12. The deadline to close a commitment that includes only principal forgiveness has been extended from three to four months (Section X).

13. As announced in the SFY 2019 IUP, any survey being used for income determination must be completed within five years of the date the TWDB receives the Project Information Form (Section X).

14. The maximum amount that may be transferred under the ongoing cash flow transfer mechanism is increased from $125 Million to $150 Million (Section X).

15. The loan origination fee has been reduced from 2.15% to 2.0% (Section XII).

16. The IUP contains a detailed description of the TWDB's Asset Management Program for Small Systems, CPA to Go, and Securing Safe Water initiatives (Section XIII).

17. The TCEQ revised its scoring of the Physical Deficiency Factors covering production and storage capacity (Appendix C).

18. Beginning with the SFY 2021 IUP, an entity that has adopted an Asset Management and Financial Planning tools within the past 5 years that contains the product deliverables under the AMPSS initiative will receive additional points (Appendix C).

V. Amount Available

1. Allocations

Texas will be eligible for a federal capitalization grant from funds appropriated by Congress for Federal Fiscal Year (FFY) 2019. The TWDB will use the grant, along with other available sources of funds, to offer up to $250,000,000 for projects in this SFY 2020 IUP. The sources of funds include the FFY 2019 capitalization grant, unexpended funds from prior grants, state match, principal and interest repayments from financial assistance, investment earnings, additional cash resources, and if demand warrants, the net proceeds from bond issues.

The DWSRF program offers subsidies in the form of both below-market interest rates and additional subsidization. The additional subsidization is offered as principal forgiveness to eligible disadvantaged communities, very small systems, urgent need projects, and green projects. Throughout the IUP, this principal forgiveness may be referred to as Additional Subsidization, Disadvantaged Community funding, including Disadvantaged Community funding for Small / Rural only, Subsidized Green funding, Very Small Systems funding, or Urgent Need funding.

2. Allocations and Terms Available Under Each Funding Option:

Funding Option	Amount	Principal Forgiveness	Interest Rates		Origination Fee
			Equivalency	Non-Equivalency	
Disadvantaged Community	$16,000,000	30%, 50%, or 70%*	155 basis points below market **	N/A	2.0%***
Disadvantaged Community – Small / Rural only - Principal Forgiveness	$2,000,000	Maximum amount per project/entity varies from $300,000 to $500,000	N/A	N/A	N/A
Subsidized Green Principal Forgiveness	$2,000,000	Up to 15% of DWSRF-funded Green Costs – Maximum of $1,000,000	N/A	N/A	N/A
Very Small Systems Principal Forgiveness	$3,000,000	Up to $300,000 per project	N/A	N/A	N/A
Urgent Need – Contaminants Principal Forgiveness	$3,000,000	Maximum amount per project/entity varies from $500,000 to $800,000	N/A	N/A	N/A
Urgent Need – Other than Contaminants Principal Forgiveness	$4,000,000	Maximum amount per project/entity varies from $500,000 to $800,000	N/A	N/A	N/A
Urgent Need – Bond/Loan	$25,000,000		N/A	0%	2.0%
Disadvantaged Community – Small / Rural only – Bond/Loan	$15,000,000		0%	0%	2.0%
Asset Management Bonds/Loans (AMPSS)	$2,025,000		0%	0%	2.0%
Bond/Loan - Regular	$180,000,000	N/A	155 basis points below market **	125 basis points below market **	2.0%

* Percentage of DWSRF-funded project costs remaining after subtracting other DWSRF principal forgiveness
** Based on a level debt service schedule
*** Not assessed on the principal forgiveness portion

3. Allocation of Principal Forgiveness:

DWSRF SFY 2020 - Grant of $86,225,000		% of Grant
Maximum & Minimum - Principal Forgiveness		
Minimum	$22,418,500	26%
Optional Additional Amount	$25,005,250	29%
Maximum	**$47,423,750**	55%
Current Allocation of Principal Forgiveness		
Disadvantaged Community	$16,000,000	19%
Disadvantaged Community - for Small / Rural only	$2,000,000	2%
Subsidized Green (incl. Water Conservation)	$2,000,000	2%
Very Small Systems	$2,000,000	2%
Very Small Systems - "Healthy Water" Initiative	$1,000,000	1%
Urgent Need - Contaminants (Lead, Radionuclides, Arsenic)	$2,000,000	2%
Urgent Need - "Healthy Water" Initiative	$2,000,000	2%
Urgent Need - Other (Disaster Recovery, etc.)	$3,000,000	3%
Total Currently Allocated	**$30,000,000**	35%
Additional amount that could be allocated to principal forgiveness	*$17,423,750*	*20%*
Total Breakdown		
Total Principal Forgiveness Allocated to Projects	$30,000,000	35%
TWDB Administration & Technical Assistance	$3,449,000	4%
TCEQ	$12,147,001	14%
Loans/Bonds	$40,628,999	47%
Total	**$86,225,000**	100%

VI. Funding Options and Terms

The DWSRF has two tiers of funding: Equivalency projects and Non-Equivalency projects.

Equivalency projects (Federal Requirements) - A portion of the DWSRF funded projects must follow all federal requirements commonly known as “cross-cutters”. This type of financial assistance is referred to broadly as “Equivalency” and offers an interest rate of 155 basis points below the market rate based on a level debt service schedule. A portion of the available Equivalency funds may be reserved for projects receiving Additional Subsidization. More information on the federal cross-cutters may be found in Appendix E.

Non-Equivalency projects (State Requirements) - Non-Equivalency projects are not subject to federal cross-cutter requirements, with the exception of the federal anti-discrimination laws, also known as the “super cross-cutters”. This type of assistance offers an interest rate of 125 basis points below the market rate based on a level debt service schedule.

1. **Funding Options Available:**

Entities listed on the Initial Invited Projects List (IIPL) and subsequent Project Priority Lists (PPLs) may be invited to apply for one or more of the funding options.

a. Disadvantaged Community Funding (Equivalency only)

For an entity to qualify as a disadvantaged community, the community must meet the DWSRF's affordability criteria based on income, unemployment rates, and population trends. In summary, the Annual Median Household Income (AMHI) of the entity's area to be served must be less than or equal to 75 percent of the State's AMHI and the Household Cost Factor that considers income, unemployment rates, and population trends must be greater than or equal to 1 percent if only water or sewer service is provided or greater than or equal to 2 percent if both water and sewer service are provided. The percent of principal forgiveness is based on the difference between the calculated and minimum required household cost factors. The maximum principal forgiveness as a percentage of DWSRF-funded project costs remaining after subtracting other DWSRF principal forgiveness is provided in the following table:

Household Cost Factor Difference	Principal Forgiveness as a % of DWSRF-funded project costs remaining after subtracting other DWSRF principal forgiveness
≥ 0% and < 1.5%	30%
≥ 1.5% and < 3%	50%
≥ 3%	70%

This funding option offers a financial assistance component with the interest rate subsidy and 30 percent, 50 percent, or 70 percent of the DWSRF-funded project cost in principal forgiveness. TWDB will calculate the Disadvantaged Communities principal forgiveness amount based on the amount of State Revolving Fund (SRF)-funded project costs remaining after subtracting all other DWSRF principal forgiveness funding being provided in SFY 2020 to the proposed project. (As an option at TWDB's discretion, if the DWSRF loan portion would be less than $100,000, the entity may reduce the amount of DWSRF funds requested by the amount of the loan portion and the Disadvantaged Communities percentage calculation will be based on the amount of DWSRF-funded costs before other DWSRF program principal forgiveness amounts are subtracted from the total requested.) The maximum repayment period is 30 years. The origination fee will not be applied to project costs that are funded with principal forgiveness. Additional information may be found in Appendix D.

Maximum Allocation to Any Entity in SFY 2020

Not more than 25 percent of the total regular Disadvantaged Community allocation, or $4,000,000, may be provided to any particular entity for their projects in the SFY 2020 IUP, with one exception. If the Household Cost Factor in excess of the base (i.e., the HCF difference) for an entity's project is greater than 5 percent, the maximum amount provided would be not more than 33 percent of the total regular Disadvantaged Community allocation, or $5,280,000.

The Household Cost Factor will be established based on the PIF, and associated Disadvantaged Community worksheets and income information, submitted by the PIF deadline for inclusion in the IUP.

b. Disadvantaged Community Funding – Small / Rural only (Equivalency only)

An entity qualified as a disadvantaged community and that additionally meets the definition of either a small community or a rural project may receive funding under this option. The entity must submit to TWDB acceptable evidence that it meets the qualification criteria to be eligible for this funding option.

Small Community – an entity serving a population of not more than 10,000.

Rural project – a project that fits any of the following:

i. An entity that provides services predominately in a rural area. Using the U.S. Bureau of the Census definitions of a rural area, not more than 20 percent of the residential service connections are in urbanized areas and not more than 50 percent are in urban clusters according to the most recent data available to TWDB. The calculation will be based on the utility service(s) associated with the proposed project;

ii. A project from a political subdivision with a population of 10,000 or less and located outside the extraterritorial jurisdiction of a city with a population of 500,000 or greater; or

iii. A project in a county in which no urban political subdivision exceeds 50,000 in population based upon the most current data available from the U.S. Bureau of the Census or TWDB-approved projections.

<u>Amount of Funding available as Principal Forgiveness and a 0% Loan</u>

Entities may be eligible to receive 100 percent of the total project cost in principal forgiveness up to the amount specified in the chart below. The maximum amount of principal forgiveness that an entity may receive per project is based on eligibility for Disadvantaged Community funding as described in Appendix D.

If eligible project costs that would have qualified for this option exceed the maximum

principal forgiveness allowable or available for the project, the entity may receive funding with an interest rate of zero percent up to the limits established in the chart above.

Disadvantaged Community - Principal Forgiveness Eligibility Percentage Level	Maximum Amount of Principal Forgiveness per Project/ Entity	Maximum Amount of 0% Loan per Project/ Entity (excluding additional funds for rounded bond increment and the associated fee financed at 0%)
30%	$300,000	$1,000,000
50%	$400,000	$2,000,000
70%	$500,000	$3,000,000

The definition of a "project" includes the planning, acquisition, design and construction phases. In addition, a particular recipient may only receive the maximum eligible amounts in principal forgiveness or 0% loans under this funding option in a program year for all of its projects.

Amount of funding available in SFY 2020 with an Interest Rate of Zero Percent

To ensure the long-term viability of the program, the amount of funding with an interest rate of zero percent made available during SFY 2020 is $15 Million. The TWDB Executive Administrator may establish a higher amount consistent with maintaining the DWSRF in perpetuity and any other appropriate factors.

An entity may receive funds that are a combination of rates. For example, a portion of the funding may be available at an interest rate of zero percent and the remainder required for the project may be available at the standard reduced interest rate.

An entity allocated program funding in SFY 2020 under the regular Disadvantaged Community Funding option that is less than the eligible project costs specified in the IUP and meets either the small community or rural definition is eligible to receive principal forgiveness and a 0% loan under this option up to the maximum amounts established in the chart above. The maximum principal forgiveness amount is based on the sum of the amount received under the regular Disadvantaged Community Funding option and the remaining allowable amount received this option.

This means that an entity/project that qualifies as a small or rural disadvantaged community and is allocated the maximum of principal forgiveness under the regular Disadvantaged Community funding option (i.e., $4,000,000 or $5,280,000 as applicable) may not receive an additional allocation of principal forgiveness under this funding option. Similarly, an entity/project that is allocated from the regular Disadvantaged Community funds an amount greater than the amount in the chart above, such as $1,000,000, may not receive an additional allocation of principal

forgiveness under this funding option. However, an entity/project that received less than $300,000 to $500,000 in regular Disadvantaged Community funding, as applicable based on their disadvantaged level in the chart above, may receive the shortfall under this funding option. For example, if the small or rural disadvantaged community was allocated only $125,000 of principal forgiveness under the regular Disadvantaged Community option yet is eligible to receive $500,000 based on the chart above, it would be eligible to receive the remainder of $375,000 in principal forgiveness from this funding option.

Funds not allocated by March 1, 2020 for entities and projects that qualify for this option may be re-allocated to other funding options.

c. Subsidized Green Funding (Equivalency or Non-Equivalency)

Entities may be eligible to receive Subsidized Green principal forgiveness if their project has elements that are considered green and the cost of the green portion of their project is 30 percent or greater than the total project cost. This funding option offers principal forgiveness for up to 15 percent of the total DWSRF-funded eligible green component costs.

Maximum allocation – A maximum of $1,000,000 of subsidized green funding may be provided to any project. The definition of a "project" for SFY 2020 includes the planning, acquisition, design and construction phases. Subsidized green funding received by the project prior to SFY 2019 IUP funding will not count against this limit. Additional information may be found in Appendix E.

d. Very Small Systems Funding (Equivalency or Non-Equivalency)

The TWDB recognizes the difficulty for very small systems to secure financial assistance. In an effort to extend resources to address critical issues with these public water systems, the TWDB will allocate up to $3,000,000 in Additional Subsidization to target systems with populations of 1,000 or fewer for projects addressing public health, compliance, or water quantity issues, of which $1,000,000 will be allocated to the Securing Safe Water initiative through the first round of funding.

Beginning in SFY 2021, to be eligible to receive Very Small Systems funding the AMHI for the project must not exceed 150 percent of the state's AMHI. To lessen the need for the applicant to conduct income surveys, the TWDB will consider on a case by case basis making the presumption that the average (mean) of the AMHI of all U.S. Census Bureau Block Groups containing any portion of the project service area is the AMHI for the project. The applicant has the option of proving otherwise by submitting more information on the number of customers in each Block Group or conducting an income survey. Applicants must provide a detailed map of the proposed service area to be considered for this option and the TWDB will determine the associated Block Groups. The Executive Administrator will then determine whether this option would result in a reasonable estimate of the AMHI for the project

service area and may be used for the AHMI threshold calculation. (The income data used in the calculation will be the same data source as described in "Affordability Criteria to Determine Disadvantaged Community Eligibility, found in Appendix D.)

Entities may be eligible to receive 100 percent of the total project cost in principal forgiveness up to a total of $300,000 per project. A particular public water system may only receive a total of $300,000 in principal forgiveness of Very Small Systems funds in a program year. The definition of a "project" for SFY 2020 includes the planning, acquisition, design and construction phases. In the event funding does not fully cover total project costs, the entity will need to secure additional financial assistance to complete the proposed project.

e. Urgent Need (Non-Equivalency)

Urgent Need projects must address situations that require immediate attention to protect public health and safety. They may result from (1) an unanticipated reduction in the adequate supply of water due to prolonged drought that will result in the loss of water service to customers within the next 180 days; (2) a catastrophic natural event or accident resulting in the loss of over 20 percent of the water service connections or 20 percent of the total water provided to customers; (3) situations that require immediate attention to address a substantial, imminent public health issue affecting at least 20 percent of the water provided to customers, such as contamination in excess of water quality standards; (4) situations that require immediate attention to address a substantial, imminent public health issue affecting at least 20 percent of the water provided to customers from severe flood damage that occurred during a Governor-designated natural disaster; and (5) other situations as established by TWDB guidelines.

Urgent Need projects submitted after the March 1, 2019 project information form submission deadline may be invited in the first round of invitations for funding. To recover from a disaster, an entity may change the scope of an existing project in the IUP by simply providing the proposed new scope and budget to the TWDB without the need to submit a new Project Information Form. The Executive Administrator may bypass projects to provide funding to Urgent Need projects. An Urgent Need project may qualify and receive funding concurrently as a Disadvantaged Community, Very Small System, and Subsidized Green project, provided funding is available. The proposed project must not be for replacement of facilities that have failed because they exceeded their useful life or failed due to lack of adequate maintenance. For projects addressing contamination levels in excess of water quality standards, the system must currently be in noncompliance with TCEQ requirements and the proposed project must be designed to bring the system into compliance to the extent financially practical. Funds will not be provided for acquisition or construction in a Special Flood Hazard Area in a community that the Federal Emergency Management Agency (FEMA) considers a sanctioned jurisdiction or area.

Amount of Urgent Need Funding available as Principal Forgiveness

Entities may be eligible to receive 100 percent of the total project cost in principal forgiveness up to the amount specified in the chart below. The maximum amount of principal forgiveness that an entity may receive per project is based on eligibility for Disadvantaged Community funding as described in Appendix D.

Maximum Amount of Principal Forgiveness per Project / Entity	Disadvantaged Community - Principal Forgiveness Eligibility Percentage Level
$500,000	0% - Project Not Eligible Under Disadvantaged Community Criteria.
$600,000	30%
$700,000	50%
$800,000	70%

In addition, a particular recipient may only receive the maximum eligible amount in principal forgiveness under Urgent Need in a program year for all of its projects. Entities that previously received principal forgiveness under the Urgent Need funding option for a particular project may not receive additional principal forgiveness for that project if the total amount of principal forgiveness provided under the Urgent Need funding option would exceed the amount specified in the chart above. The definition of a “project” includes the planning, acquisition, design and construction phases.

If eligible project costs that would have qualified for Urgent Need exceed the maximum principal forgiveness allowable or available for the project, the entity may receive funding for the remainder with an interest rate of zero percent for the term of the financing. For disaster recovery, special terms and conditions on loan/bond financing, including the repayment terms, may be available that are not offered under other funding options.

Any commitment receiving Urgent Need funds will be considered non-equivalency funds, even if the project concurrently receives Disadvantaged Community funds.

Amount of Urgent Need funding available with an Interest Rate of Zero Percent

To ensure the long-term viability of the program, the amount of funding made available for Urgent Need projects with an interest rate of zero percent for SFY 2020 is $25 Million, or such other higher amount as the TWDB Executive Administrator may establish consistent with maintaining the DWSRF in perpetuity and any other appropriate factors. The funds will be obligated only as the TWDB Board makes commitments.

Urgent Need – The TWDB will set aside $2,000,000 to address contaminants such as lead, radionuclides and arsenic. It will set aside another $2,000,000 for its new Securing Safe Water initiative as described in Section XIII. The TWDB will set aside $3,000,000 out of the $7,000,000 of Urgent Need allocation for SFY 2020 for addressing purposes other than addressing contamination in excess of water quality standards, such as addressing drought or disaster recovery. Reserved funds not allocated by March 1, 2020 for entities and projects that qualify for this set-aside may be re-allocated to projects that address contamination or the Securing Safe Water initiative.

Disadvantaged / Small / Rural Set-aside

A portion of the total amount available under the Urgent Need funding will be reserved for entities and projects that qualify for the Disadvantaged/Small/Rural set-aside. Entities that qualify for two out of the three criteria will be eligible for this set-aside funding. A total of 50 percent of the principal forgiveness and 20 percent of the funds with an interest rate of zero percent made available for Urgent Need funding will be reserved for this set-aside.

Set-aside criteria:

a. Disadvantaged Community – a entity/project eligible as described in Appendix D.

b. Small Community – an entity serving a population of not more than 10,000.

c. Rural project – a project that fits any of the following:
   i. An entity that provides services predominately in a rural area. Using the U.S. Bureau of the Census definitions of a rural area, not more than 20 percent of the residential service connections are in urbanized areas and not more than 50 percent are in urban clusters according to the most recent data available to TWDB. The calculation will be based on the utility service(s) associated with the proposed project;
   ii. A project from a political subdivision with a population of 10,000 or less and located outside the extraterritorial jurisdiction of a city with a population of 500,000 or greater; or
   iii. A project in a county in which no urban political subdivision exceeds 50,000 in population based upon the most current data available from the U.S. Bureau of the Census or TWDB-approved projections.

Reserved funds not allocated by July 1, 2020 for entities and projects that qualify for this set-aside may be re-allocated to other projects that met the Emergency Relief funding criteria.

Single-year commitments only

Multi-year funding commitments are not offered for Urgent Need funding.

Mitigation

Facilities being replaced or repaired for an Urgent Need disaster recovery project must be built to mitigate future damage and destruction, to the extent it is practical based on the nature of the project activities.

Co-funding

DWSRF funds may only be used for project costs that are reasonable and necessary and must not result in the entity receiving a duplication of benefits from other sources, including the U.S. Housing and Urban Development Community Development Block Grant (CDBG) Disaster Recovery or FEMA grant funds. A duplication of benefits occurs when an entity receives and permanently retains funding to cover the same cost from more than one entity or source. Reimbursement of interim financing is not a duplication of benefits. Entities that anticipate being reimbursed for a portion of their project with a federal source such as the Federal Emergency Management Agency's Public Assistance funding must follow the federal procurement rules found in 2 CFR Part 200 and other federal requirements.

f. Asset Management – Bonds/Loans (AMPSS Scope of Work) (Equivalency or Non-Equivalency)

Any eligible entity, not just small systems, may be eligible for up to $75,000 with an interest rate of zero percent to prepare all of the Asset Management / Financial Planning tools required in the current AMPSS program's Scope of Work and deliverables as described in Section XIII. The entity's asset management plan may include enhancements or tools that extend beyond the minimum requirements of the AMPSS initiative's Scope of Work. Any zero percent funding would be blended with any other repayable SRF financial assistance to create one interest rate on the bond or loan. The maximum amount available for this option in SFY 2020 is $2,025,000 (excluding the additional funds for the rounded bond increment and associated fee that may also be financed at zero percent). Allocation of any available funding at an interest rate of zero percent for this option would occur concurrently with the allocation of any other funding for the project.

g. AMPSS – Additional Interest Rate Reduction

Beginning in SFY 2021, a small system eligible under AMPSS may receive an additional interest rate reduction for a portion of the TWDB funding for a project if it has implemented all of the Asset Management / Financial Planning tools required in the current AMPSS initiative's Scope of Work and deliverables as described in Section XIII and the proposed project is included in its current plan. The small system's asset management program may include enhancements or tools that extend beyond the minimum requirements of the AMPSS initiative's Scope of Work. The total amount of funding available in SFY 2021 with an additional interest rate

reduction may be limited.

h. Bond/Loan Funding (Equivalency or Non-Equivalency)

All entities that are listed on a PPL that are invited to submit applications are eligible to receive funding through the TWDB's purchase of the entity's bonds or through a loan agreement as allowed under the entity's governing law.

An origination fee of 2.0 percent is assessed at closing on the portion of a commitment that requires repayment. The origination fee does not apply to any principal forgiveness amounts. The financial assistance recipient has the option of financing the origination fee or paying this fee up front at closing.

An entity may receive Disadvantaged Community, Disadvantaged Community – Small/Rural only, Green, Very Small System, and Urgent Need principal forgiveness, concurrently with a bond or loan. The entity may also be eligible for a maximum repayment period of 30 years provided the extended term reserve has not been met.

2. Terms of Financial Assistance

Loans may be offered for a term of up to 30 years for the planning, acquisition, design, and/or construction phases. For the purchase of bonds, up to 75 percent of available funds according to TWDB determined guidelines and in accordance with the SDWA may be offered with a term of up to 30 years. The remainder of available bonds purchased may be offered for a term up to 20 years. The term of financial assistance offered may not exceed the expected design life of an eligible project. The TWDB may allow principal and interest payments on a bond or loan to commence not later than 18 months after completion of the project, if considered appropriate as determined by the Executive Administrator

3. Federal Requirements on Available Funds

Funds are subject to federal requirements such as Davis-Bacon Act prevailing wages and American Iron and Steel provisions. DWSRF-funded projects must follow all federal "cross-cutter" requirements and EPA's signage requirements. These requirements are outlined in Appendix E.

A portion of the DWSRF funds, in an amount at least equal to the federal capitalization grant, must follow all federal cross-cutters. These DWSRF-funded projects are referred to as Equivalency projects. The federal cross cutters that apply to Equivalency projects include compliance with EPA's Disadvantaged Business Enterprise program administered by TWDB. Equivalency projects receive an additional interest rate reduction of 30 basis points over the 125-basis point reduction for non-equivalency projects. (see Appendix E for details of Federal Requirements)

VII. Multi-year Commitments

In SFY 2020, the DWSRF will offer multi-year commitments up to five years to assist entities that need to fund projects over a period of time. This option will provide a reliable source of capital based on a commitment structure that meets the annual capital requirements of the project. To assist in providing for long-term financial planning, the minimum interest rate reduction (e.g. 155 or 125 basis points) for the multi-year commitments will be established and locked for the five-year period based on the interest rate reduction in the IUP for the first year's commitment. If the interest rate reduction is increased for a particular year during the multi-year commitment period, the entity will receive the benefit of the increased reduction for that year. Similarly, if the loan origination fee is reduced for a particular year during the multi-year commitment period, the entity will receive the benefit of the lower loan origination fee for that year.

This option is available for projects that receive Additional Subsidization in the form of principal forgiveness except for those projects that receive Urgent Need funding.

If an entity receives regular Disadvantaged Community funding then the TWDB would generally close on the funding for each year on a pro rata basis to retain the applicable 30%, 50% or 70% level. However, because there is a limit on the total amount of Disadvantaged Community principal forgiveness than may be received, the Executive Administrator may approve closing on a higher amount of principal forgiveness during the first and subsequent years. For each year, the calculation would compare the calculated principal forgiveness amount based on the applicable 30%, 50% or 70% level to the pro rata amount based on the limit for each of the five years. If the calculated amount without the limit for a particular year is greater, then that would be the maximum principal forgiveness that may close in the year. This will ensure that the limit on the amount of Disadvantaged Community principal forgiveness does not reduce the amount of principal forgiveness that an entity selecting the multi-year option would otherwise be able to receive in a given year.

Principal forgiveness awarded as Green subsidy will be allocated on a pro rata basis over the total number of years selected. All Disadvantaged Community – Small/Rural and Very Small Systems principal forgiveness may be received in the first year that funds are received.

For multi-year commitments, any zero-interest funding will receive the blended rate and, in essence, will be closed pro-rata with any regular loan/bond funding.

Annually, prior to the development of each year's IUP, any entity receiving a multi-year commitment will be required to re-confirm their anticipated funding needs established with the initial commitment.

VIII. Cost Savings Calculation

The DWSRF program provides lower cost funding that will result in significant savings compared to market-rate financing. The chart below illustrates the estimated savings from using the DWSRF program using TWDB's methodology for calculating cost savings for new commitments. This example assumes a borrower with an AA market rating receives DWSRF financial assistance of $10 Million over 30 years with an interest rate reduction of 125 basis points from the market rate.

Funding Option	Cost of Funds	DWSRF - $10,000,000 borrowed over 30 years	
		Total Principal and Interest Payments over 30 Years	% Savings over Market
Market – Borrower rating of AA	2.37% *	$13,775,372 **	
DWSRF Program	1.10% *	$11,780,486	
Savings Using DWSRF *		**$1,994,886**	**15%**

* Rates were current as of June 4, 2019. The example above is for illustrative purposes only.
** The market amount used for comparison was $9,799,118.

In this example, the borrower would make approximately $2 million dollars, or 15 percent, less in payments.

IX. Goals

The primary goal of the Texas DWSRF program is to improve public health protection. In addition, the overall goals of the Texas DWSRF program are to identify and provide funding for maintaining and/or bringing Texas' PWSs into compliance with the SDWA; to support affordable drinking water and sustainability; and to maintain the long-term financial health of the DWSRF program fund. Specific goals to achieve those ends are listed below.

A. Short-Term Goals

1. Encourage the use of green infrastructure and technologies by offering principal forgiveness for green infrastructure, energy efficiency, water efficiency, or environmentally innovative portions of projects and allocating an equivalent of 10 percent of the capitalization grant to approved green project costs.

2. Offer terms of up to 30 years for the planning, acquisition, design, and/or construction for up to 75 percent of available funds in accordance with TWDB determined guidelines and the SDWA.

3. Increase the amount of DWSRF program funding available by leveraging the program as necessary to meet the demand for funding additional drinking water projects.

4. Continue to enhance the DWSRF by cross-collateralizing the program with the Clean Water State Revolving Fund (CWSRF) program in accordance with state and federal law.

5. Enhance our current level of outreach on the SRF programs by hosting regional financial assistance workshops in conjunction with the continued use of social media.

6. Assist water systems with urgent needs through financial assistance in the form of principal forgiveness and loans with an additional interest rate subsidy from the Urgent Need reserve.

7. Provide outreach, technical assistance and special allocations of funding to reduce the number of public water systems with unresolved health issues as part of the Securing Safe Water initiative.

8. Continue to implement the TWDB's AMPSS and CPA to Go initiatives.

B. Long-Term Goals

1. Maintain the fiscal integrity of the DWSRF in perpetuity.

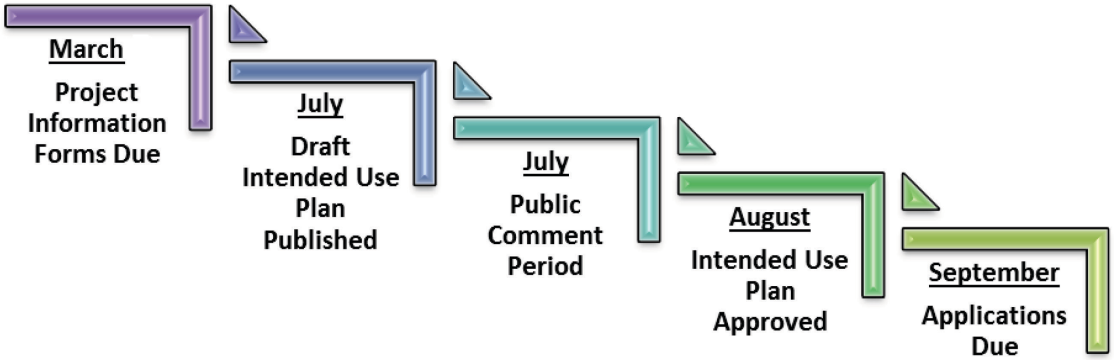
2. Employ the resources in the DWSRF in the most effective and efficient manner to protect public health and assist communities in maintaining compliance with SDWA requirements and maintain a strong financial assistance program that is responsive to changes in the state's priorities and needs.

3. Assist borrowers in complying with the requirements of the SDWA by meeting the demands for funding eligible water projects by providing financial assistance with interest rates below current market levels and with Additional Subsidization in the form of principal forgiveness.

4. Support the development of drinking water systems that employ effective utility management practices to build and maintain the level of financial, managerial and technical (FMT) capacity necessary to ensure long-term sustainability.

X. Participating in the DWSRF Program

Below are the major steps in the production of the initial IUP for SFY 2020.



A. Solicitation of Project information

Project information was solicited from eligible entities across the state using direct emails, notices posted on the TWDB website, and financial assistance workshops held throughout the State. Potential applicants submitted PIFs by the response deadline of March 1, 2019.

The required information submitted on a PIF consisted of:

- A detailed description of the proposed project.
- A map(s) showing the location of the service area.
- An estimated total project cost that is certified by a registered professional engineer if project costs are greater than $100,000.
- A checklist and schedule of milestones to determine a project's readiness to proceed to construction.
- The population currently served by the applicant.
- Green project information, if applicable.
- Signature of the applicant's authorized representative.
- Additional information detailed within the solicitation for projects as needed to establish the priority rating.

Any survey being used for income determination must be completed within five years of the date the TWDB receives the PIF.

B. Updating Projects from the Prior Intended Use Plan

For SFY 2020, a potential applicant must update, at a minimum, the readiness to proceed information, and if seeking disadvantaged community eligibility, the socioeconomic economic census data and utility rate information. The requirement to update the readiness to proceed information will apply to an entity that previously received a commitment for Planning, Acquisition and/or Design only and desires to be considered for the construction portion of the project.

C. Evaluation of the Project Information Received and Priority Rating System

All PIFs received an initial review by TWDB staff. The TWDB evaluated submissions requesting eligibility for disadvantaged community status using the affordability criteria, which is described in detail in Appendix D. The TWDB rated projects based on effective management criteria presented in Appendix C. The scores are based on information received by any established PIF deadline. Throughout the evaluation process, entities were contacted by staff if additional information was needed for clarifying their eligibility for disadvantaged status or effective management points.

Concurrent with TWDB's rating process for disadvantaged community status, effective management, and Planning, Acquisition, and Design (PAD) projects, TCEQ performed the priority rating for water system projects. The general rating criteria for projects are briefly described below, with details provided in Appendices C and D. For information on scoring for specific projects, a report detailing the scoring for each project will be posted on the TWDB's website.

1. Rating Criteria for Water System Projects

- Health and Compliance – factors regarding public health concerns/issues or violations of Maximum Contaminant Levels (MCLs) pursuant to 40 Code of Federal Regulations Part 141 (see Appendix C)
- Secondary Compliance – factors regarding secondary chemicals and/or physical deficiencies (see Appendix C)
- Effective Management – factors relating to the implementation of effective management practices (see Appendix C)
- Affordability / PAD – factor applied to an entity that qualifies as a disadvantaged community or had TWDB PAD financing for the project (see Appendix D)

2. Rating Criteria for Source Water Protection Projects

- Groundwater System Vulnerability – factor relating to vulnerability of groundwater systems (see Appendix C)
- Surface Water System Vulnerability – factor relating to vulnerability of surface water systems (see Appendix C)

- Effective Management – factors relating to the implementation of effective management practices (see Appendix C)
- Affordability / PAD – factor applied to an entity that qualifies as a disadvantaged community or had TWDB PAD financing for the project (see Appendix D)

D. Ranking and Creation of the Project Priority List and Initial Invited Projects List

Each project submitted by the initial deadline and determined to be eligible is ranked from highest to lowest by the combined rating factors and included on the PPL. In the event of ties in the rating, priority is given to the project serving the smaller total population. Project information submitted after the March 1st deadline was not considered for rating purposes prior to adoption of the initial PPL. Following approval of the IUP, changes to a ranked project that result in a project no longer addressing the issues for which it was rated will require the project to be re-rated and re-ranked. Changes in the project that do not trigger re-rating and re-raking are:

1. The applicant for a proposed project changes but the project does not change;
2. The number of participants in a consolidation project changes and the change does not result in a change to the combined rating factor; and
3. The fundable amount of a proposed project does not increase by more than 10 percent of the amount listed in the approved IUP. The Executive Administrator may waive the 10 percent limit to incorporate additional elements to the project; however, any Additional Subsidization awarded may not exceed the original IUP amount's allocation.

The IIPL presented in the IUP (Appendix K) refers to a subset of projects from the PPL and includes only the projects to be invited to apply for funding during the initial invitation round following the Board's approval of the IUP. The IIPL includes the type and amount of funding necessary to meet requirements and goals of the DWSRF, such as Additional Subsidization and Reserve requirements. Based on a review of readiness to proceed to construction, the TWDB determined which phases would be eligible to receive funding during SFY 2020. The phases indicated on the IIPL represent the phases deemed eligible based on that review. Projects that were determined to be ready to proceed to construction were included on the IIPL. If an entity is interested in applying for additional phases of the project not listed on the IIPL or not mentioned in the invitation letter, an updated Readiness to Proceed to Construction form must be submitted and an eligibility determination will be made by TWDB prior to the pre-application meeting. For SFY 2020, all projects requesting only loan funds, without any principal forgiveness, will be included on the IIPL.

An entity that previously received a commitment for Planning, Acquisition and/or Design only and desires to be considered for the construction portion of the project must update, at a minimum, the readiness to proceed information. It will then be added to the PPL for construction phase funding based on the same number of points, or higher, they

received in the year they were rated. Any invitation for construction phase funding is contingent upon the project having met the required ready to proceed milestones.

A project submitted for the SFY 2020 IUP that received a commitment for all requested phases from TWDB prior to creation of the initial PPL has not been included on the initial PPL. Those projects that already received the commitment are shown as being ineligible for funding in SFY 2020. A project that previously received a commitment from TWDB for only the initial phase of the project, such as planning, acquisition, and/or design, and also provided an update of the project's readiness to proceed to the construction phase has been listed on the initial PPL.

For SFY 2020, the IIPL represents projects with costs exceeding the available amount of funds allocated for Equivalency projects. Once the amount of funds allocated to Equivalency projects has been reached, funds will be allocated to Non-Equivalency projects.

E. Bypassing Projects

The TWDB's Executive Administrator may decide to bypass, or skip, higher ranked projects in favor of lower ranked projects to ensure that funds available are utilized in a timely manner and that statutory and capitalization grant requirements are met. In addition, if an entity is offered funding for any project that has an interrelated project ranked lower on the list, the Executive Administrator has discretion to also offer funding for the interrelated project. Reasons for bypassing projects are discussed in Appendix F.

F. Phases for Invited Projects

1. Pre-Design Funding Option (or Planning, Acquisition, Design and Construction Funding)

The pre-design funding option allows an applicant to receive a single commitment for all phases of a project. The construction portion of the project must be deemed ready to proceed before funds for the construction phase will be released.

2. Construction Funding Only

All projects that were determined to be ready to proceed to construction based on the current status of their planning, acquisition, and design activities were included on the IIPL and will receive an invitation to fund the construction portion of the project.

3. Planning, Acquisition, and Design

A project that was not deemed ready to proceed to construction may receive an invitation to fund only the Planning, Acquisition, and/or Design portion of the project.

4. Viability and Feasibility of Projects

A project must demonstrate to the TWDB that it is viable, feasible, and sustainable prior to being invited to submit an application and prior to receiving a commitment for any funding option, including principal forgiveness, for the acquisition, design or construction phases of the project. A project may receive funds for the planning phase to assess the viability and feasibility of a project, including funds to prepare an asset management plan.

G. Invitations and Application Submissions

Entities with projects on the IIPL will be informed of the opportunity to submit an application for the project phases shown on the list using the funding options in the next section. **The projects listed on the IIPL that are interested in pursuing funding are encouraged to begin working on their applications upon publication of the draft IUP in order to have a complete application ready to submit after the IUP is approved.** Prior to submitting an application, entities are required to participate in a pre-application meeting to discuss the application process and project requirements. Invited applications from projects on the IIPL that are received during the initial invitation round after Board approval of the IUP will be allotted available Additional Subsidization (principal forgiveness) based on rank order. All projects must be determined administratively complete as submitted or within 14 days from the date the applicant receives a notice to correct deficiencies or any Additional Subsidization may be re-allotted on a first-come, first-served basis.

Each application received by the TWDB will be reviewed to ensure that the required milestones have been met to allow funding of the phase(s) being requested. If the application review determines that a project is not ready to proceed for funding for the phase(s) being requested, the project may be bypassed for any additional subsidy amounts or receive limited phases of funding.

Entities invited for only planning, acquisition and/or design phases but wish to pursue Construction phase funding, may provide an updated Readiness to Proceed to Construction form for review.

Projects may be bypassed if an applicant fails to timely submit a complete application or additional requested information. After the initial invitation period, all other projects on the PPL will be invited and applications will be processed on a first-come, first-served basis, with funding allocations based on the date the application is considered administratively complete. Under the first come, first served processing, for a brief, initial period of time TWDB will first consider for allocation of available principal forgiveness or zero interest loans funds those projects listed in the initial IUP.

Applicants may submit a PIF at any time for a project to be considered for inclusion on the amended PPL. Eligible projects will be rated and ranked and added to the project lists. Amendments to the project lists will undergo a 14-day public review period that will be advertised on the agency website. Projects requesting Urgent Need funding may

undergo a 7-day public review period if the TWDB determines it is necessary to protect public health and safety. Once the project has been added to the amended PPL, the TWDB will send out an invitation to apply on a first-come, first-served basis provided funding is available.

H. Addressing Any Water Loss Mitigation within the Application

If an applicant that is a retail public utility providing potable water has a water loss that meets or exceeds the threshold for that utility in accordance with §358.6 of Title 31, Part 10, Texas Administrative Code, the retail public utility must use a portion of any financial assistance received from the DWSRF, or any additional financial assistance provided by the TWDB, to mitigate the utility's water loss. However, at the request of a retail public utility, the TWDB may waive this requirement if the TWDB finds that the utility is satisfactorily addressing the utility's system water loss. Mitigation, if necessary, will be in a manner determined by the retail public utility and the TWDB's Executive Administrator in conjunction with the project proposed by the utility and funded by TWDB.

I. Self-Certification for Certain Systems Serving 500 or Fewer Persons

The Water Infrastructure Improvements for the Nation Act (Public Law 114-322) requires DWSRF assistance recipients serving 500 or fewer persons to consider publicly-owned wells (individual, shared or community) as an option for their drinking water supply. Any applicable project involving the construction, replacement or rehabilitation of a drinking water system which is not already using a publicly-owned well for the source are required to self-certify. If the community already uses a publicly-owned well (including a privately-owned well for a public water system) and the project does not involve a new water source, then the self-certification is not needed. The self-certification is only for projects which do not involve a publicly-owned well source to ensure that this was one of the water supply options considered but not selected as the best alternative.

J. Commitment Timeframes for Projects with Principal Forgiveness Component(s)

Due to the high demand and limited availability of subsidized funding, it is imperative that applicants offered these funds proceed in a timely manner. Therefore, the TWDB has established commitment timeframes for projects that qualify and have been designated to receive Additional Subsidization in the form of principal forgiveness. If an applicant does not proceed through the application process and obtain a funding commitment within the timeframes listed below, the Additional Subsidization may be re-allocated to another eligible project. In extenuating circumstances, TWDB may grant an extension of time for obtaining a commitment if an applicant demonstrates sufficient reason for a delay.

Principal Forgiveness Type	Commitment Deadline
Disadvantaged Community/ Disadvantaged Community – Small / Rural only	4 months
Very Small Systems	4 months
Green Subsidy	4 months
Urgent Need	3 months

K. Closing Deadlines

The deadline to close a commitment is dependent on whether the commitment includes Additional Subsidization in the form of principal forgiveness. Commitments that include only principal forgiveness must close within three months from the date of commitment. All commitments that include principal forgiveness funding concurrently with bonds/loan funding must close within six months from the date of the commitment. All commitments for bonds/loan funding without any principal forgiveness funding must close within one year from the date of commitment. For multi-year commitments described in the next section, the closing deadline for the initial year will follow the chart below. For each subsequent year, the commitment must close within the dates established by the TWDB at commitment. In extenuating circumstances, the Board may grant extensions of time to close if an applicant demonstrates sufficient reason for a delay.

Type of Financial Assistance	Closing Deadline
Commitments that include only principal forgiveness	4 months
All commitments that include principal forgiveness and bonds/loan	6 months
All commitments for bonds/loan without any principal forgiveness	12 months

L. Limits

1. Proportionate Share/Capacity

The TWDB may limit the amount of funding available to an individual entity based on a proportionate share of total funds available. The TWDB may elect to provide financing in excess of the initial capacity level if the Board approves the increase consistent with maintaining the DWSRF in perpetuity and after consideration of other relevant factors. TWDB may limit the interest rate reduction for the amount being provided to a project in a single year that exceeds $250 Million. This single-year threshold does not affect the total multi-year commitment amount under the multi-year funding option.

2. Additional Project Funding Before Closing

The total project costs may be increased if the entity shows that additional funds are necessary to implement the project. If the project includes Additional Subsidization, the total amount of Additional Subsidization in the form of principal forgiveness

allocated to the project may not increase from the amount listed in the adopted IUP unless Additional Subsidization funding is available.

3. Cost Overruns After Closing

In the event of cost overruns on projects funded from a previous commitment, additional funding may be considered on a case by case basis.

4. Reduction in Closing Amount

For commitments that consist of both principal forgiveness and loans/bonds, if the closing amount is reduced from the commitment amount, then the principal forgiveness amount for the closing will be reduced on a pro rata basis. Any remaining principal forgiveness may be applied to subsequent closings of the remaining commitment amount, subject to the closing requirements of paragraph K of this section.

M. Leveraging to Provide Additional Funding

The TWDB may leverage the DWSRF program as necessary to meet the demand for funding additional drinking water projects.

N. Funds from Prior Years

Additional funds that may become available through unobligated previous grant funds, or deobligation or closure of previous commitments will be available for eligible projects.

O. Transfer of Funds

1. Reserving Transfer Authority for Future Use

Section 302 of the SDWA Amendments of 1996 provides states the authority to reserve and transfer funds between the DWSRF and the CWSRF programs. In accordance with Section 302, the TWDB hereby reserves the authority to transfer an amount up to thirty-three percent (33 percent) of the DWSRF program capitalization grant(s) to the CWSRF program or an equivalent amount from the CWSRF program to the DWSRF program.

2. Ongoing cash flow transfer mechanism

The TWDB may transfer in accordance with the authority in Section 302 of the SDWA up to $150,000,000 of funds derived from repayments between the CWSRF and DWSRF. No grant funds would be transferred under this standing transfer mechanism. Funds derived from repayments from each SRF may flow from one SRF to the other SRF in both directions throughout the year. This mechanism will use surplus funds in one SRF to temporarily meet loan demand in the other SRF. It will achieve savings by eliminating issuance costs from bond sales that would otherwise be necessary to meet cash flow demands in a particular SRF. The actual amount TWDB transfers at any time throughout the year will be based on the cash flows needs of the each SRF program.

TWDB will track the transfers on an absolute basis for reporting purposes and also a net basis to ensure the net amount of transfer does not exceed the limit under law of thirty-three percent of the respective program's capitalization grants. This will result in a positive impact on funds being available to finance projects in both SRFs. The SRF that receives the funds will be able to fund projects more efficiently and rapidly. The transferred funds will be returned to the originating SRF so it will be able to meet its project funding needs. In addition, because both SRFs are leveraged they may borrow funds to finance projects if necessary. The long-term impact on both SRFs is positive because of the improved operational efficiencies and ability to achieve program savings. The TWDB will include any amount that was transferred in SFY 2020 in the DWSRF program's SFY 2020 Annual Report. (See Appendix E for the calculation demonstrating that $150,000,000 may be transferred in accordance with Section 302 of the SDWA Amendments of 1996.)

P. Updates to the Intended Use Plan

Substantive changes to the IUP may be made through an amendment after a 14-day public review and comment period. Non-substantive changes may be made by the TWDB without public notification.

XI. Set-Asides

Federal regulations allow states to set aside up to 31 percent of the capitalization grant funds for purposes other than financing construction projects for water systems. The set asides for SFY 2020 will be allocated as follows: 4 percent for the TWDB for administration/technical assistance, 10 percent for TCEQ for State Program Management, 2 percent for TCEQ for Small Systems Technical Assistance, and $1,800,001 (approximately 3 percent) for TCEQ for Local Assistance and Other State Programs.

A. Texas Water Development Board Administration and Technical Assistance Activities

The SDWA allows a state to set aside funds to cover the reasonable costs of administering the DWSRF and to provide technical assistance to public water systems. The amount that may be taken for these purposes is the amount of any fees collected by the State, regardless of the source; and the greatest of (1) $400,000, (2) one-fifth of one percent of the current valuation of the DWSRF (both loan and set-asides), and (3) an amount equal to four percent of all grant awards to the DWSRF for the particular fiscal year.

The TWDB will draw administrative and technical assistance set-asides from the FFY 2019 Capitalization Grant in the amount of $3,449,000. This amount is based on the option of using four percent of the FFY 2019 capitalization grant. These funds will be used for allowable expenses such as reporting activities, payment processing, application assistance, project development and monitoring, and technical assistance to public water systems. In addition, the TWDB assesses fees for the purpose of

recovering administrative costs. These fees are placed in a separate account for future administrative expenses. The fees are generated by an assessment of 2.0 percent of the portion of the DWSRF financial assistance that is repaid and is assessed at closing. Fees collected will be deposited into the Administrative Cost Recovery Fund.

Federal regulations governing the DWSRF program permit a state to reserve its authority to take an amount equal to 4 percent of the current year's grant from a future grant to defray the cost of administering the program. The TWDB, as it has done since SFY 1998, is reserving that authority.

B. Texas Commission on Environmental Quality Activities

Funds for TCEQ Set-Aside activities from the FFY 2019 capitalization grant totaling $12,147,000.28 may be used in SFY 2020. Remaining funds from the previous DWSRF grant, except for funds for Local Assistance and Other State Programs, may also be used in SFY 2020. (A one-time use of the $0.72 balance in Local Assistance and Other State Programs will occur in SFY 2020 resulting in a total of $1,800,001 of Local Assistance and Other State Programs expenditures in SFY 2020.)

State Program Management Set Aside from FFY 2019 grant	$8,622,500
Small Systems Technical Assistance Set Aside from FFY 2019 grant	$1,724,500
Local Assistance and Other State Programs Set Aside from FFY 2019 grant	$1,800,000.28
Total TCEQ Set-Aside amount from FFY 2019 grant	**$12,147,000.28**

The amount of $8,622,500 for the State Program Management Set Aside may include funds held back by EPA from the allocation to Texas to provide Drinking Water Needs Survey training.

A detailed description of SFY 2020 activities may be found in TCEQ's DWSRF Set-Aside Work Plans. Activities are expected to be completed by August 31, 2020.

C. Coordination of Activities with the Texas Commission on Environmental Quality

The TWDB and TCEQ regularly communicate to discuss projects in need of financial assistance through the DWSRF program. The two agencies hold periodic DWSRF coordination meeting and TCEQ staff attend many of TWDB's pre-application meetings and financial assistance workshops.

XII. Financial Status

The base amount of funding available for SFY 2020 is set at $250,000,000. The total amount available is based on a 10-year average capacity of $250 Million from SFY 2020 to SFY 2029. The amount of the FFY 2019 capitalization grant allotment for the DWSRF program is $86,225,000, with a match of $17,245,000 to be provided by the state. As demand warrants, the TWDB will leverage the DWSRF to provide additional financial

assistance to projects. The TWDB will comply with the requirements associated with the FFY 2019 allotment in SFY 2020.

A. Sources of State Match

The deposit of required state match will occur in advance or at the time of the scheduled grant payment and the source of funding for the match, which may include the proceeds of bonds sales or state appropriations, varies based upon availability.

B. Binding Commitment Requirement

The TWDB will enter into binding commitments with entities during SFY 2020 that total 120 percent of the amount of a FFY 2019 grant payment allocated to projects within one year after the receipt of the grant payment. A binding commitment occurs when the TWDB's Board adopts a resolution to commit funds to a project.

C. Leveraging

The DWSRF program will be leveraged as necessary to provide funds to meet the needs of public water systems in the state. The TWDB will leverage funds through the issuance of debt obligations in accordance with a Master Resolution and supplemental resolutions covering the issuance of each bond series.

D. Cross-collateralization

On March 1, 2018, the TWDB has cross-collateralized the CWSRF and the DWSRF as a source of revenue and security for the payment of the principal and interest on bonds for the DWSRF and CWSRF programs. State authority is provided under Section 15.6042 of the Texas Water Code. The TWDB has received a certification from the state Attorney General that state law permits the TWDB to cross-collateralize the assets of the CWSRF and the DWSRF. Cross-collateralization of the CWSRF and DWSRF will enhance the ability of the DWSRF to leverage its funds and increase its lending capacity without detriment to either of the SRF programs.

1. Summary of the cross-collateralization structure:

   a. The type of moneys which will be used as security – Pledged Political Subdivision Bonds and certain other funds included in the Master Resolution (program account, portfolio account, and revenue account) will secure the bonds.

   b. How moneys will be used in the event of a default - In the cross-collateralized scenario, Political Subdivision Bonds from the non-defaulting program will be used to cover the debt service delinquency on the defaulting program. If, for any reason, insufficient Political Subdivision Bonds exist in both programs, then program equity will be utilized.

   c. Whether or not moneys used for a default in the other program will be repaid; and, if it will not be repaid, what will be the cumulative impact on the funds - While a decision to repay or not repay would be made at the time of default, the TWDB would either require repayment when funds are available or transfer repayment funds.

2. Proportionality – The proceeds generated by the issuance of bonds will be allocated to the purposes of the CWSRF and the DWSRF in the same proportion as the assets from the two funds that are used as security for the bonds.
3. State Match – In accordance with Texas Water Code §§ 17.853(c)(1) and 17.859, the TWDB intends to provide state match through the issuance of one or more revenue bonds in a program series that will fund the two SRF programs. Supplemental bond resolutions for the issuance of each series will provide detail on what specific money is pledged as security for each program (CWSRF or DWSRF) within the series. As required, the CWSRF and DWSRF will continue to be operated separately. The cash flows for the DWSRF program and the CWSRF program will be accounted for separately. Repayments on loans in the CWSRF program will be paid to the CWSRF and repayments on loans made in the DWSRF program will be paid to the DWSRF.

Similar to other states' financing methods where state match is not provided by appropriation and is instead generated through debt issuance, the TWDB cross-collateralization structure allows the TWDB to retire bonds for the State Match with interest earnings payments only, not principal, earned from each SRF in accordance with 40 CFR § 35.3550(g)(3).

E. Inter-fund Loan / Investment

During SFY 2020, the TWDB may invest funds from the CWSRF in the DWSRF in an amount not to exceed $150 million. If the TWDB elects this option, it will execute an inter-fund loan agreement between the CWSRF and the DWSRF with a term that will not exceed three years. Any CWSRF recycled funds deposited in accordance with the inter-fund loan agreement would be used exclusively for DWSRF eligible purposes. The TWDB would also issue a reimbursement resolution providing for repayment of funds to the CWSRF using the proceeds of a DWSRF bond issuance once the DWSRF program is leveraged. The TWDB received EPA approval for this option on March 8, 2017.

F. Method of Cash Draw

The method of cash draw for the FFY 2019 capitalization grant is to expend the required state match first, and then federal funds will be drawn at a rate of 100 percent.

G. Long-Term Financial Health of the Fund

The long-term financial health of the DWSRF is monitored through ongoing cash flow and capacity modeling. The TWDB lending rate policy has been established to preserve the corpus of the capitalization grants and state match funds, excluding the amount of principal forgiveness and set-aside amounts from each grant. The TWDB will continue to manage the DWSRF to ensure funds will be available in perpetuity for activities under the SDWA.

H. Interest Rate Policy

The TWDB has established an interest rate policy that provides for fixed rates. For SFY 2020, Equivalency financial assistance will be offered at 155 basis points below the market rate and Non-Equivalency financial assistance will be offered at 125 basis points below the market rate based on a level debt service payment schedule. Fixed rates are set five business days prior to the adoption of the political subdivision's bond ordinance or resolution or the execution of the financial assistance agreement, but may be based on interest rate levels determined as of an earlier date, and are in effect for forty-five days.

I. Fees

The only fee is an origination fee of 2.0 percent that is assessed at closing. Fees are not deposited into the DWSRF. The fees may be used for administrative costs, including, but not limited to, project oversight, long-term financial monitoring, and for the AMPSS program, CPA to Go program, and to provide technical assistance under the Securing Safe Water initiative as described in Section XIII.

J. EPA Program Evaluation Report and Audit

EPA conducted an annual program review of the DWSRF for SFY 2017 through an onsite review occurring from April 29, 2019 to May 3, 2019. EPA will send their final report to TWDB upon completion.

The Texas State Auditor's Office published the results of the SFY 2018 Single Audit of the DWSRF on February 21, 2019 (Report 19-315). There were no findings as a result of the review.

XIII. TWDB Special Program Initiatives

Asset Management Program for Small Systems (AMPSS) Initiative

Purpose and Overview:

Smaller water and wastewater utilities often operate reactively rather than proactively, usually due to a lack of resources and planning tools. For some of the smaller utilities, system components are replaced only after failure, while system expansion occurs only as requested by users or mandated by regulatory agencies. The TWDB has developed and implemented an initiative to assist these water and wastewater utilities in creating a plan for managing their systems in a financially and technically sustainable manner by delivering management tools developed by the Texas Commission on Environmental Quality (TCEQ). TWDB will contract with qualified entities to evaluate the existing system and create an asset management plan in accordance with the guidelines created by TCEQ's Small Business and Governmental Assistance Section. This plan will become the basis for planning for system sustainability by identifying replacement dates and estimated costs, developing best practices for operation and maintenance, and developing financial plans for obtaining funding for future needs.

The system will receive the following tangible assistance:

a. Asset Management Plan.

b. Sustainability Plan.

c. System Operations and Maintenance Manual.

d. Training for system management and staff.

e. A Compliance Manual.

f. Installation of all tools that were developed on the system's computer system.

Funding – Administrative Costs

The funds to cover the contracted services for these smaller systems come from origination fees from the CWSRF and DWSRF. The TWDB considers the planned activities to be administrative activities under the CWSRF program and administration / technical assistance under the DWSRF program. The benefit to wastewater systems would be covered through CWSRF origination fees while projects that benefit water systems would be covered through DWSRF origination fees.

a. The TWDB will pay not more than $75,000 per project.

b. Match - There is no match requirement for the system; however, the system will be required to contribute 80 hours of staff participation to the development of the plan. (TWDB may waive the required contribution requirement if the TWDB determines it would constitute a serious hardship on the operations of a system with only a few or no full-time staff.)

Systems to be Assisted

The target systems are defined as (a) having 5,000 service connections or less or (b) an entity that has a population of less than 10,000 and one that is not located within the borders of any municipality with a population over 10,000, including its extra-territorial jurisdiction.

Selection of Contractors

The TWDB may select multiple contractors according to qualifications that are specified in a RFQ. The procurement process will follow all state procurement laws and requirements, including use of Historically Underutilized Businesses.

Scope of Work to be Performed by Contractors for Selected Systems

The work must meet the following requirements:

a. Asset Management – (1) Conduct a system evaluation (asset identification, location, and date of service or approximate age), as needed, resulting in an inventory of the system and prioritization of assets, (2) develop a comprehensive plan for managing system assets, (3) develop a budget for managing system assets, (4) develop an

implementation plan, including a time schedule, for implementing and updating the asset management plan, and (5) determine whether a rate study is necessary.

The resulting asset management plan must fulfill the general requirements of a Fiscal Sustainability Plan as outlined in the Federal Water Pollution Control Act.

Further, in the section of the asset management plan that discusses funding sources, it must identify current TWDB financial assistance programs, including the CWSRF and DWSRF programs as applicable, that may be utilized to meets the system's needs. The asset management plan must include an analysis of whether current utility rates would provide adequate revenue to meet future system needs but it does not have to include a full rate study that establishes a new rate structure.

b. For Water Systems: Source Assessment and Planning - Identify the utility's drinking water source, develop any appropriate best management practices for sustaining the source (at a minimum develop or update the system's conservation and drought contingency plans), and, if needed, identify options for alternative sources. It will discuss plans for water conservation and detecting and minimizing water loss.

For Wastewater Systems: Sustainable Systems - Create a plan to manage the system more efficiently by conducting an energy assessment of the system and including recommendations for energy-efficiency improvements, and potential public-participation programs.

c. Operations and Maintenance - Create an operations and maintenance manual for the utility that includes a plan for scheduling and performing preventative and general maintenance. The plan may identify other resources available to the system such as TCEQ's financial, managerial, and technical assistance.

d. Compliance - Train the utility's management and staff on monitoring, reporting, and record-keeping requirements, the TCEQ's investigation and enforcement process (including an enforcement scenario), and develop a compliance manual that includes copies of all required reports, compliance checklists and tables for keeping track of State and/or Federal requirements. The compliance manual may be incorporated into the Operations and Maintenance manual.

e. Other Requirements - As part of the project, all tools that are developed, such as spreadsheets and manuals, shall be nonproprietary and will be installed on the system's computer system and key staff members will be trained sufficiently to implement the plan. The TWDB-procured contractor must coordinate development activities, including the training of key system staff members, with the utility's management. The utility's management and the TWDB must be kept informed quarterly of the status of the project while it is under development and be provided an opportunity to provide ample input on the development of plans.

The project activities conducted by the TWDB-procured contractor must include at least one presentation to the system's governing body or owner that provides an overview of

the developed plans, the benefits to the system of implementing the plans, and any recommendations.

The TWDB-procured contractor must return to the system between 12 months and 18 months after delivery of the final plans to assess the system's implementation progress and provide TWDB and the system's governing body or owner a written analysis of the system's implementation of the plans.

The TWDB-procured contractor and the smaller system will negotiate and execute a contract in a form acceptable to TWDB covering the development of the project prior to the contractor initiating any work. The contractor must complete the project within 9 months after the date of the contract between the contractor and the system.

Initial Round:

In the fall of 2018, a total of $450,000 was made available for six small systems in the initial round. Three projects addressed water systems and three projects addressed wastewater systems. Systems. The work is scheduled to be completed in the summer of 2019.

Subsequent Rounds:

The TWDB anticipates awarding additional contracts under this initiative in SFY 2020 in a total amount to be determined during the year.

Reporting:

The TWDB will report on the amount of fees allocated, recipients assisted, and outcomes under this initiative in its Annual Report.

CPA to Go Initiative

Similar in concept to the AMPSS program, the TWDB has developed and implemented a pilot program called "CPA to Go" using origination fees collected under the Clean and Drinking Water State Revolving Fund programs. Under this program, the TWDB will contract with Certified Public Accountants (CPAs) to provide technical assistance services to designated recipients of TWDB funding under the State Revolving Fund (SRF) programs. The TWDB will select recipients determined to be in need of special assistance from a CPA to maintain adequate compliance with the requirements of the SRF programs.

The contracted CPA's anticipated work activities would fall into two broad categories of services for the designated recipients.

First, the contracted CPA would evaluate regulatory and financial assistance covenant compliance procedures in the following areas for designated recipients:

- Activities allowed/unallowed, including compliance with financial instrument covenants,
- Allowable costs/cost principles,
- Federal funding eligibility, and/or

• Financial Reporting.

Second, the CPAs will provide professional services in areas such as the following:

• Advising recipients on the design and implementation of internal control procedures, particularly those addressing Internal Controls Over Financial Reporting in response to control weaknesses identified in audits of Comprehensive Annual Financial Reports and/or in Single Audit Reports and Management Letters (or the equivalent),

• Assisting recipients in the design of procedures for preparing financial statements required by the covenants of loan and other financial commitment documents that require compliance with Generally Accepted Accounting Principles and Generally Accepted Government Accounting Standards. This assistance will not include actually performing the independent audit of the entity's financial statement, or

• Assisting recipients in the identification and interpretation of funding commitment provisions and covenants and best practices related to compliance disclosure.

While these provide examples of the contracted CPA services contemplated at this time, the TWDB may alter the scope of services under this program to reflect the needs of the agency and the recipients.

The expenditures under the CPA contracts will be allocated to the respective SRF programs based on the initial amount provided under existing SRF loans with the designated recipient. The TWDB considers the planned activities to be administrative activities under the CWSRF program and administration / technical assistance under the DWSRF program.

The TWDB will report on the amount of fees allocated and the recipients assisted under this initiative in its Annual Report.

Securing Safe Water – Outreach, Technical Assistance and Funding Initiative

TWDB is in the process of developing and implementing an initiative to reduce the number of public water systems in Texas with unresolved health violations. This initiative will support EPA's Strategic Plan's goal of significantly reducing the number of systems with health violations. As of April 29, 2019, TCEQ reported 261 public water systems had unresolved health violations in Texas. Below is an outline of TWDB's overall strategy.

1. Funding

In the SFY 2020 IUP, the TWDB has specifically allocated a portion of the available principal forgiveness in the Very Small Systems and Urgent Need funding options for this initiative. In addition to these special allocations, the TWDB will use principal forgiveness, zero-interest loans, and regular low-cost loans from the Disadvantaged Communities, Disadvantaged Communities – Small/ Rural and Urgent Need funding options to support this initiative.

2. Outreach & Determining Need

   a. Contacting systems – letters, telephone calls, and notifications of workshops

   b. Site visits

c. Special workshops

d. Developing outreach documents or videos

3. Technical Assistance

a. Determining the appropriate first steps for the public water system.

b. Application assistance

c. Income survey assistance

d. Developing technical guidance such as pamphlets and videos

e. Partnering with others such as TCEQ

f. Facilitating the appropriate involvement of professional entities such as engineering firms to prepare and seal the Project Information Forms and assist with project implementation

4. Based on feedback received, assessing viable long-term options that may be deployed in subsequent years in support of this initiative, including

a. Consider using the AMPSS and CPA to Go initiatives

b. Determine whether a fee-supported program would be beneficial to provide engineering or other assistance

5. Tracking outcomes

a. Develop special reports to track: Outreach Contacts, Technical Assistance provided, Type of violation, TWDB funding provided, and date removed from TCEQ's list.

b. Report outcomes in the Annual Report.

XIV. Navigating the Lists

Appendices G – K are a series of lists that detail the proposed project information of each project based upon the PIFs received.

- **Appendix G** - The alphabetical list is the PPL sorted alphabetically. It contains the project information; the name of the applying entity, their total number of points and associated priority order rank, the type of system, the system's PWS ID number, the total population based on TCEQ data, a detailed description of the proposed project, all project phases requested by the entity, the estimated construction start date, total project cost, the percentage of principal forgiveness if the project is eligible to receive disadvantaged funding, information regarding included green components, and a reference to any other related PIFs from the current or previous IUPs. A grand total for all of the projects is listed on the last page of the appendix.
- **Appendix H** – Lists projects that were deemed ineligible to receive DWSRF funding with a brief description as to why they were deemed ineligible.

- **Appendix I** – Lists projects that were deemed ineligible to receive disadvantaged funding with a brief description as to why they were deemed ineligible. The project may still be eligible to receive other funding options.
- **Appendix J** – Lists projects in order of highest priority to receive funding. The content is the same as the alphabetical list in Appendix G.
- **Appendix K** – Is the list of projects that will be invited in the initial invitation round. The information provided in this list is similar to the alphabetical and priority order lists. The TWDB has determined which project phases are eligible to receive funding during this SFY, which is depicted in the Phase(s) column. Projects on this list will receive an invitation letter from the TWDB upon Board approval of the IUP. Pertinent notes and the definitions of acronyms and footnotes are listed on the last page of the appendix along with a grand total for the projects.
- **Appendix L** - The Initial Invited Green Projects List is a subset of the IIPL of only projects with green components. The information detailed includes a description of the green components, the categories of those green components, the eligible phases of the project, the total project cost, the total of the green component costs, the type of green project, and whether the proposed project is eligible to receive subsidized green funding. A grand total for the projects is listed on the last page of the appendix along with any pertinent notes and the definitions of acronyms and footnotes.

Appendix A. Public Review and Comment

Public Participation in the Development of the Intended Use Plan

Public participation is an important and required component of the IUP development process. The TWDB takes seriously its responsibility in administering these funds and considers public input necessary and beneficial.

A. Notice

To seek public comment on the proposed uses of funds, the draft amended IUP, including the associated lists, was made available for a 30-day public comment period. The draft SFY 2020 DWSRF IUP was announced as follows:

- Public notification of the draft IUP, the public comment period, and public hearing notice was posted on the TWDB website at www.twdb.texas.gov.
- The notice was sent via email to all entities that submitted projects for the SFY 2020 IUP and everyone who had signed up to received TWDB email notifications.
- A copy of the draft amended IUP was sent to EPA.

B. Comment

Comments were accepted via the following three options from July 3, 2019, until 5:00 P.M. on August 1, 2019.

1. Attending a public hearing to be held on July 23, 2019, at 1:30 P.M. in Room 170 of the Stephen F. Austin Building located at 1700 N. Congress Avenue in Austin, Texas
2. Emailing comments to the following electronic mail address and specifying in the subject line "*DWSRF comments*".

   iupcomments@twdb.texas.gov.
3. Mailing comments to the following postal mail address:

   Mr. Mark Wyatt
   Director, Program Administration and Reporting
   Texas Water Development Board
   P.O. Box 13231
   Austin, TX 78711-3231

In accordance with federal requirements, all comments on the proposed amendments were responded to on an individual basis.

C. Approval

The SFY 2020 DWSRF IUP will be finalized once it is considered and approved by the TWDB.

D. Documentation

After TWDB approval, the final approved IUP will be formally submitted to the EPA and posted on the TWDB website.

Appendix B. Projected Sources and Uses of Funds

9/1/2019 to 8/31/2020

(As of May 31, 2019)

SOURCES:	
FFY 2019 Federal Capitalization Grant	$86,225,000
State Match - for FFY 2019 Federal Capitalization Grant	$17,245,000
Undrawn previous grants	$32,163,752
Principal Repayments	$62,860,206
Interest Repayments	$21,254,745
Investment Earnings on Funds	$6,279,408
Cash available	$426,653,722
Additional net leveraging bond proceeds (based on "Projects to be Funded")	$276,658,821
TOTAL SOURCES:	**$929,340,654**
USES:	
Set-Asides from FFY 2019 Grant:	
TWDB Administrative Set-Aside	$3,449,000
Total TWDB Set-Aside:	$3,449,000
TCEQ Small Systems Technical Assistance Program Set-Aside	$1,724,500
TCEQ Texas State Management Program Set-Aside	$8,622,500
TCEQ Local Assistance and Other State Programs Set-Aside	$1,800,000
Total TCEQ Set-Asides	$12,147,000
Set-Asides from prior grant	$10,044,025
Projects to be funded:	
SFY 2020 IUP Commitments – Additional Subsidization	$30,000,000
SFY 2020 IUP Commitments – Bonds/Loans (Available Amount less Addit. Subsidy)	$220,000,000
Total Projects To Be Funded - SFY 2020:	$250,000,000
Projects already pledged	
Commitments [1]	$407,048,344
Applications	$218,081,003
Installment closings during SFY 2020	$9,057,000
Total Projects Already Pledged or being processed:	$634,186,347
Debt Service:	
Principal Payments	$12,815,792
Interest Payments	$6,263,255
Total Debt Service:	$19,514,282
TOTAL USES:	**$929,340,654**
NET SOURCES (USES):	**$0**

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

1. Excludes multi-year commitments closing after SFY 2020

Appendix C. Rating Criteria

TCEQ Ratings

All TCEQ ratings will be summed then multiplied by 10 before adding effective management and affordability points.

Combined Rating, Health and Compliance, and Primary Compliance Factors

Microbiological Factors	**Points**
The sum of the total coliform MCL violations, total acute coliform MCL violations, and the treatment technique violations (including all exceedances of the 0.5 Nephelometric Turbidity Units standard), disregarding one violation.	(TCV=s)+(ACV=s)+(TT)-1
Chronic Chemical	
The compliance result above the MCL for any chronic exposure chemical, divided by the MCL level.	Result/MCL
Acute Chemical	
Three times the compliance result above the MCL for Nitrate or Nitrite, divided by the MCL level.	(Result/MCL) X 3
Carcinogen	
Two times the compliance result above the MCL for any carcinogenic chemical, divided by the MCL level.	(Result/MCL) X 2
Lead/Copper	
Two times the greater of the 90th percentile lead level divided by the lead action level or the 90th percentile copper level divided by the copper action level.	[Greater of (Pb90/0.015) or (Cu90/1.3)] X 2
Filtration	
Awarded to any system with one or more sources identified as surface water or groundwater under the direct influence of surface water for which no filtration is provided.	12.00
Groundwater Rule Factor	
Awarded to any system with one or more sources of water identified as groundwater requiring 4-log viral inactivation for which 4-log inactivation is not provided.	12.00

Population Factor

Added to the sum of the other Primary compliance factors to determine the overall compliance rating.

Population Range	
0-100	0.00
101-1,000	1.00
1,001-10,000	2.00
10,001-100,000	3.00
100,001+	4.00

Secondary Compliance Factors

Secondary Chemical	
One half the compliance result above the MCL for any secondary chemical violation for sulfate, chloride, and total dissolved solids, divided by the MCL level. (Maximum of 1 pt.)	(Result/MCL) X 0.5

Physical Deficiency Factor
A rating based on the confirmed existence of physical deficiencies within the water system. This rating will be used to prioritize systems with no other Health and Compliance Factors or Affordability Factors.

Deficiency:

Pressure <20 psi	1.00	Water Loss >25%	0.25
No disinfection	1.00	Pressure ≥20 & ≤35 psi	0.25
Production ≥85% total capacity	0.25	Other Secondary MCLs	0.25
Storage >85% total capacity	0.25		

Consolidation Factor
The sum of all factors for each system which will be consolidated. One half the sums of all factors for each system which will be provided wholesale water.

TWDB Ratings

Effective Management

An adopted asset management plan that contains an inventory of assets, an assessment of the criticality and condition of assets, a prioritization of capital projects, and a budget.	2.50
Beginning in SFY 2021 - Entity has adopted an Asset Management / Financial Planning tools within the past 5 years that contains the product deliverables under the AMPSS initiative as described in Section XIII.	5
Entity plans to prepare an asset management plan with completion of proposed project	0.50
Providing asset management training for the entities governing body and employees	0.50
Project addresses a specific goal in a water conservation plan	1.00
Project involves the use of reclaimed water	1.00
Project addresses a specific goal in an energy assessment, audit, or optimization study conducted within the past three years	1.00
Project is consistent with a municipal and/or state watershed protection plan, water efficiency plan, integrated water resource management plan, a regional facility plan, regionalization or consolidation plan, or an approved Total Maximum Daily Load implementation plan	2.00

Disadvantaged Eligibility

Awarded to any entity that qualifies as a disadvantaged community (see Appendix D for eligibility criteria)	10.00

Previously Received TWDB Planning, Acquisition or Design Funds

The project is requesting construction financing and previously received a TWDB commitment for Planning, Acquisition, and/or Design (PAD) financing within the prior five years (60 months) of the PIF due date under the DWSRF program or the TWDB's	10.00

Economically Distressed Areas Program, the entity has completed and received TWDB completion approval for all of the PAD activities and is ready to proceed to the construction phase, TWDB has released from escrow at least eighty percent of the PAD funds, and the project has not received any TWDB funding for construction.

Tie Breaker

Equal combined rating factors will be ranked in descending order with priority given to the least population first.

Source Water Protection Rating Criteria and Process

This program provides financial assistance to assist communities in implementing source water protection Best Management Practices recommended by TCEQ. The TWDB will determine annually the amount of capitalization grant funds to be reserved for source water protection projects and will include this information in the intended use plan, provided however that no more than 10 percent of any DWSRF capitalization grant can be so reserved. All projects classified as source water protection projects are subject to the requirements established in 31 Texas Administrative Code §371.4 (relating to Other Authorized Activities: Source Water Protection and Technical Assistance) and those set forth in this intended use plan. If funds which have been reserved for source water protection projects are unused after all applicants have been provided an opportunity to submit an application, such funds may be made available for other projects in the DWSRF program.

Rating Process – To be eligible for consideration, PWS must be willing to participate in TCEQ's Source Water Assessment and Protection program. Eligible entities that seek consideration for source water protection funding will be rated according to the following criteria:

a. Groundwater System Vulnerability Factor
   (1) Groundwater systems without the necessary water well geologic protection will receive 4 points.
   (2) Groundwater systems with documented Nitrate concentrations of greater than two milligrams/liter will receive 1 point.
   (3) Groundwater systems obtaining water from selected vulnerable aquifers will receive 1 point.
   (4) Groundwater systems with confirmed detections of organic chemical contamination identified in Table 1 will receive 2 points.
   (5) No groundwater system may receive more than 6 system vulnerability points. Groundwater systems that receive no system vulnerability points will not be considered for source water protection funding.

b. Surface Water System Vulnerability Factor
   (1) Surface water systems with contributing watersheds of 20 square miles or less as determined by TCEQ will receive 3 points.
   (2) Surface water systems with confirmed detections of organic chemical

Table 1.	
Organic Chemical Contaminants	
2,4,5-TP	Endrin
2,4-D	Epichlorohydrin
Acrylamide	Ethylbenzene
Alachlor	Glyphosate
Aldicarb	Heptachlor
Aldicarb sulfone	Heptachlor epoxide
Aldicarb sulfoxide	Hexachlorobenzene
Atrazine	Hexachlorocyclopentadiene
Benzene	Lindane
Carbofuran	Methoxychlor
Carbon tetrachloride	Monochlorobenzene
Chlordane	Oxamyl (vydate)
Cyanide	PAHs[Benzo(a)pyrene]
DBCP	PCBs
Dalapon	Pentachlorophenol
Di(ethylhexyl)adipate	Picloram
Di(ethylhexyl)phthalate	Simazine
Dichlorobenzene ortho-	Styrene
Dichlorobenzene para-	TCDD-2,3,7,8 (Dioxin)
Dichloroethane 1,2-	Tetrachloroethylene
Dichloroethylene 1,1-	Toluene
Dichloroethylene cis-1,2-	Toxaphene
Dichloroethylene tran-1,2	Trichlorobenzene 1,2,4-
Dichloromethane	Trichloroethane 1,1,1-
Dichloropropane 1,2-	Trichloroethane 1,1,2-
Dinoseb	Trichloroethylene
Diquat	Vinyl chloride
EDB	Xylene
Endothall	

contamination identified in Table 1 will receive 3 points.

(3) No surface water system may receive more than 6 system vulnerability points. Surface water systems that receive no system vulnerability points will not be considered for source water protection funding.

c. No combination ground and surface water system may receive more than 6 system vulnerability points.

d. Ability to Implement Best Management Practices Factor
   (1) Systems that receive system vulnerability points and that possess the ability and authority to implement land use controls including but not limited to zoning or ordinances, will receive 2 points.
   (2) Systems that receive system vulnerability points and that possess the ability to implement other non-land use controls such as public education, contingency planning, or conducting toxic/hazardous waste collection events will receive 1 point.
   (3) Systems that receive system vulnerability points and that propose to plug abandoned wells within the delineated source water protection area will receive 1 point.
   (4) Systems that receive system vulnerability points and that have confirmed siting or well construction problems listed on the most recent TCEQ sanitary survey will receive 1 point for proposals which will correct these problems.
   (5) Systems that receive no Ability to Implement Best Management Practices points will not be considered for source water protection funding.

e. The total points for Groundwater or Surface Water System Vulnerability and the Ability to Implement Best Management Practices will be summed and multiplied by 10 before adding Affordability Factor points.

f. Disadvantaged Community Eligibility Factor – Ten points awarded to any entity that qualifies as a disadvantaged community (see Appendix D for eligibility criteria)

g. The total source water protection rating score will be the sum of points generated from ground and surface water system vulnerability, ability to implement Best Management Practices and affordability factors.

Appendix D. Affordability Criteria to Determine Disadvantaged Community Eligibility

A disadvantaged community is a community that meets the DWSRF's affordability criteria based on income, unemployment rates, and population trends. For the initial allocation round, the determination will be based on information received by the applicable PIF deadline. An eligible disadvantaged community consists of all of the following:

1. The service area of an eligible applicant, the service area of a community that is located outside the entity's service area, or a portion within the entity's service area if the proposed project is providing new service to existing residents in unserved areas; and
2. meets the following affordability criteria:
   (a) Has an Annual Median Household Income (AMHI) that is no more than 75 percent of the state median household income using an acceptable source of socioeconomic data, and
   (b) the Household Cost Factor (HCF) that considers income, unemployment rates, and population trends must be greater than or equal to 1 percent if only water or sewer service is provided or greater than or equal to 2 percent if both water and sewer service are provided.

Acceptable Source of Socioeconomic Data for SFY 2020

For SFY 2020, the TWDB will utilize:

(1) U.S. Census 2013-2017 American Community Survey (ACS) 5-year estimates, along with the 2009-2013 ACS 5-year estimates for determining whether there was a decline in population, or

(2) Data from a survey approved by the Executive Administrator of a statistically acceptable sampling of customers in the service area completed in accordance with the most current Socioeconomic Surveys Guidelines (WRD-285) posted on the TWDB website. Any survey being used for income determination must be conducted within five years of the date the TWDB receives the PIF. An entity must submit documentation that substantiates the inadequate or absent Census data that led to the need to conduct a survey. All entities must obtain prior approval to use survey data instead of the most recently available American Community Survey data.

Affordability Calculation and Disadvantaged Community Eligibility

Step 1. Comparison to State annual median household income.

The AMHI for the project service area (either entire or portion) must be 75 percent or less than the state's AMHI using an acceptable source of socioeconomic data for SFY 2020.

Step 2. Determining the Household Cost Factor

The total HCF is comprised of a household cost factor based on the AMHI, plus an additional household cost factor based on unemployment rates (if the unemployment rate for the service area is greater than the state average) plus an additional household cost factor based on

population decline (if there has been a decline in the population of the service area over a period of time). The HCF used in the affordability criteria takes into consideration the potential burden that the cost of a proposed project will place on a household. The entity's total HCF, which consists of the Income HCF (the percentage of annual household income that goes toward water, sewer, fees/surcharges, and project financing costs) combined with the Unemployment Rate HCF (not to exceed 0.75 percent) and the Population Decline HCF (not to exceed 0.5 percent), must be:

- 1.0 percent or greater if the entity currently offers either water <u>or</u> sewer service, or
- 2.0 percent or greater if the entity currently offers both water <u>and</u> sewer service.

The 1.0 and 2.0 percentage levels are known as the "base" levels in determining the maximum allocation amount.

The Unemployment Rate HCF and Population Decline HCF can only increase the total HCF, not decrease it.

Step 3. Principal Forgiveness Eligibility and Levels

The eligible level of principal forgiveness for a project is based on the difference between the calculated total HCF under Step 2 and the minimum HCF of 1 percent (if only water or sewer service is provided) and 2 percent (if both water and sewer services are provided) as shown in the chart below:

Household Cost Factor Difference	Principal Forgiveness as a % of DWSRF-funded project costs remaining after subtracting other DWSRF principal forgiveness
≥ 0% and < 1.5%	30%
≥ 1.5% and < 3%	50%
≥ 3%	70%

Individual projects will be reviewed for disadvantaged community eligibility as stand-alone projects. However, if an entity submits an application covering multiple PIFs or multiple applications for multiple PIFs within the SFY prior to any receiving a funding commitment, the disadvantaged community eligibility may be re-evaluated based on the combined costs of all the projects.

In instances where the ACS data does not adequately reflect an entity's service area (e.g. an entity serves a community outside of its Certificate of Convenience and Necessity, an entity serves another system, the entity is a system without a Census Bureau defined boundary, etc.), a prorated analysis of ACS block group data will be performed to calculate the AMHI. An example of this method follows:

County	Census Tract	Block Group	From Entity Total Number of Household Connections	Calculation % of TTL Connections	ACS 2013-2017 AMHI	Calculation Prorated AMHI	ACS 2013-2017 Average HH Size	Calculation Prorated Average HH Size	Calculation Entity's Population Served
Jefferson	69	1	198	34.49%	$29,667	$10,234	2.26	0.78	154
Jefferson	69	2	101	17.60%	$34,781	$6,120	2.26	0.40	40
Jefferson	69	3	275	47.91%	$30,880	$14,794	1.87	0.90	246
			574	100.00%		$31,148		2.07	441

County	Census Tract	Block Group	ACS 2013-2017 Unemployment Rate	Calculation Prorated Unemployment Rate	ACS 2013-2017 Population 2017	ACS 2009-2013 Population 2013	Calculation Prorated Pop. Change
Jefferson	69	1	5.29%	1.82%	2045	1,132	315
Jefferson	69	2	11.49%	2.02%	675	1,422	-131
Jefferson	69	3	11.70%	5.61%	343	563	-105
				9.45%	3,063	3,117	78

For entities that serve retail customers with differing rate structures, prorated rates are used, in some instances, to calculate each entity's household cost factor in SFY 2019. The following tables are an example of the method used. The TWDB will require use of prorated rates to determine an entity's water and/or sewer bills when applicable.

Prorated Average Monthly Water Bill

	A Number of Household Connections (HH)	B Percentage of Total HH	C Average Monthly Water Flow	D Average Household Size	E Average Mo. Water Flow / HH (CxD)	F First Tier	G Initial Rate	H Additional Use	I Additional Rate	J Other Changes	K Average Mo. Water Bill (((E-F)/H)xI)+G)	L Prorated Mo. Water Bill (BxK)
Entity A	1,823	33.95%	2,325	2.56	5,952	2,000	$ 14.45	1,000	$ 6.70	$ 2.00	$ 42.93	$ 14.58
Entity B	1,135	21.14%	2,325	2.47	5,743	3,000	$ 23.41	100	$ 0.57	$ -	$ 39.04	$ 8.25
Entity C	1,836	34.20%	2,325	2.78	6,464	3,000	$ 29.85	1,000	$ 6.81	$ -	$ 53.44	$ 18.27
Entity D	575	10.71%	2,325	2.53	5,882	1,500	$ 16.00	1,000	$ 4.00	$ -	$ 33.53	$ 3.59
Totals	**5,369**	**100.00%**							**Average Monthly Water Bill**			**$ 44.69**

Prorated Average Monthly Sewer Bill

	A Number of Household Connections (HH)	B Percentage of Total HH	C Average Monthly Water Flow	D Average Household Size	E Average Mo. Water Flow / HH (CxD)	F First Tier	G Initial Rate	H Additional Use	I Additional Rate	J Other Changes	K Average Mo. Water Bill (((E-F)/H)xI)+G)	L Prorated Mo. Water Bill (BxK)
Entity A	1,823	33.95%	1,279	2.56	3,274	3,000	$ 10.95	1,000	$ 2.25	$ 2.00	$ 13.57	$ 4.61
Entity B	1,135	21.14%	1,279	2.47	3,159	3,000	$ 17.00	100	$ 0.83	$ -	$ 18.32	$ 3.87
Entity C	1,836	34.20%	1,279	2.78	3,556	-	$ 20.79	1	$ -	$ -	$ 20.79	$ 7.11
Entity D	575	10.71%	1,279	2.53	3,236	1,500	$ 10.00	1,000	$ 2.00	$ -	$ 13.47	$ 1.44
Totals	**5,369**	**100.00%**							**Average Monthly Sewer Bill**			**$ 17.03**

If an entity is requesting disadvantaged community status for a portion of its service area, the combined household cost factor is calculated in the same manner as described above with the exception that the annual project financing cost per customer is calculated using the total household service connections in the full service area (not the portion).

If taxes, surcharges, or other fees are used to subsidize the water and/or sewer system, the average annual amount per household may be included in calculating the household cost factor or the combined household cost factor.

Systems owned and operated by a public school or school district will be evaluated for their annual median household income for their school district boundary. Since school districts typically do not have individual user costs, a household cost factor calculation cannot be performed. Therefore, districts with an AMHI less than or equal to 75 percent of the state's AMHI will automatically receive Disadvantaged Community status with the lowest available level of principal forgiveness.

If recent reliable data is unavailable for the school district to determine the AMHI, the TWDB will use information from the Texas Education Agency's Title I, Part A program to determine income eligibility. If more than 50 percent of the school districts campuses are eligible for the program, the district's AMHI will be assumed to be less than or equal to 75 percent of the State's AMHI.

Appendix E. Federal Requirements and Assurances

A. Federal Requirements

1. Davis-Bacon Wage Rate Requirements

A subrecipient must comply with the requirements of section 1452(a)(5) of the Safe Drinking Water Act (42 U.S.C. 300j-12(a)(5)) in all procurement contracts and must require contractors to include compliance with section 1452(a)(5) of the Safe Drinking Water Act in all subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction project must contain in full in any contract in excess of $2,000 the wage rate requirements contract clauses prescribed by TWDB. Section 1452(a)(5) requires compliance with 40 U.S. Code Sections 3141 to 3144, 3146, and 3147 covering wage rate requirements. TWDB guidance is available at http://www.twdb.texas.gov/financial/instructions/doc/DB-0156.pdf.

2. American Iron and Steel (AIS)

The TWDB and all DWSRF financial assistance recipients will comply with the American Iron and Steel (AIS) requirement in applicable federal law, including federal appropriation acts. Federal law requires DWSRF assistance recipients to use iron and steel products that are produced in the United States for projects for the construction, alteration, maintenance, or repair of a public water system or treatment works.

The term ‘‘iron and steel products’’ means the following products made primarily of iron or steel:

- lined or unlined pipes and fittings
- manhole covers and other municipal castings
- hydrants
- tanks
- flanges, pipe clamps and restraints
- valves
- structural steel
- reinforced precast concrete
- construction materials

EPA may waive the AIS requirement under certain circumstances.

Furthermore, if the original financial assistance agreement for the planning and/or design of a project closed prior to January 17, 2014, then the AIS provision would not apply to the construction phase of the same project. TWDB guidance is available at http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1106.docx.

3. Compliance with Cross-cutting Authorities

There are a number of federal laws, executive orders, and federal policies that apply to projects and activities receiving federal financial assistance, regardless of whether the federal laws authorizing the assistance make them applicable. These federal authorities are referred to as cross-cutting authorities or cross-cutters. All cross-cutters apply to

Equivalency projects and only federal anti-discrimination laws, also known as the super cross-cutters, apply to Non-Equivalency projects.

The cross-cutters can be divided into three groups: environmental; social policies; and, economic and miscellaneous authorities.

- Environmental cross-cutters include federal laws and executive orders that relate to preservation of historical and archaeological sites, endangered species, wetlands, agricultural land, etc. This cross-cutter requirement includes a National Environmental Policy Act (NEPA) compliant environmental review. When conducting the NEPA-like review the TWDB will inform EPA when consultation or coordination by EPA with other federal agencies is necessary to resolve issues regarding compliance with applicable federal authorities.
- Social policy cross-cutters include requirements such as minority and women's business enterprise participation goals, equal opportunity employment goals, and nondiscrimination laws. This cross-cutter requirement includes compliance with the EPA's Disadvantaged Business Enterprise program administered by TWDB.
- Economic cross-cutters directly regulate the expenditure of federal funds such as the prohibition against entering into contracts with debarred or suspended firms.

The Equivalency projects that are considered federal are those entered into the Federal Funding Accountability and Transparency Act Subaward Reporting System.

4. Financial, Managerial, and Technical (FMT) Capacity

Prior to receiving or closing a commitment, the TCEQ will conduct a review of each applicant's FMT capacity. All applicants must receive FMT approval before closing on financial assistance funding.

5. Additional Subsidization

In accordance with the Consolidated Appropriations Act, 2019 (Public Law 116-6), and 42 U.S.C. 300j-12(d)(2) the TWDB is required to provide 26 percent of the capitalization grant of $86,225,000, or $22,418,500, in Additional Subsidization. The TWDB has allocated Additional Subsidization for SFY 2020 as follows:

Funding Option	Additional Subsidy Allocation
Disadvantaged Community	$16,000,000
Disadvantaged Community-Small/Rural only	$2,000,000
Subsidized Green (incl. Water Conservation)	$2,000,000
Very Small Systems	$2,000,000
Very Small Systems - "Securing Safe Water" Initiative	$1,000,000
Urgent Need – Contaminants	$2,000,000
Urgent Need - "Securing Safe Water" Initiative	$2,000,000
Urgent Need – Other (Disaster Recovery, etc.)	$3,000,000
Total	**$30,000,000**

Of the total Additional Subsidization being made available for SFY 2020, an amount equal to $17,245,000 may only be used where such funds would be for initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients where such debt was incurred on or after February 14, 2019. The TWDB may increase the allocations to provide the full eligible amount to a project. The TWDB may allocate up to the maximum of $47,423,750 as principal forgiveness in accordance with the SDWA and the FFY 2019 capitalization grant appropriations. TWDB may consider projects receiving principal forgiveness under the Urgent Need, Very Small Systems, and Green that qualify as Disadvantaged Communities as part of the additional subsidization authorized for Disadvantaged Communities under the SDWA.

6. Green Project Reserve

The capitalization grant for FFY 2019 states that at the discretion of each State, the capitalization grant may be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. The TWDB is establishing a goal to allocate an equivalent of 10 percent of the capitalization grant to approved green project costs. The discretionary allocation is known as the Green Project Reserve (GPR).

To encourage green infrastructure projects, a portion of the additional subsidy will be made available for projects that include green infrastructure. In order to be eligible to receive green subsidy, projects must have approved green project elements with costs that exceed 30 percent of the total project costs.

Green components include green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. Eligibility for all green projects will be determined by the TWDB.

Appendix L, “Initial Invited Green Projects”, lists invited green projects with project descriptions that detail the green category associated with the project and how much of the project’s total cost is applicable to the GPR.

TWDB information on green project eligibility may be found online at http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0163.docm.

7. Competency Statements

The following competency statements are provided to satisfy the EPA's policy entitled "Policy to Assure Competency of Organizations Generating Environmental Measurement Data under Agency Funded Assistance Agreements."

A. TWDB Competency Statement

TWDB ascertains that competency can be demonstrated by the following:

1. Re-approval of the “TWDB Quality Management Plan,” was approved by EPA Region 6 on June 15, 2018. The plan demonstrates competency by providing a description of the quality policies including all requirements described in EPA QA/R-2.

B. TCEQ Competency Statement

TCEQ ascertains that competency can be demonstrated by the following:

1. EPA approval of the "Quality Assurance Project Plan for the Public Water Supply Supervision Program Relating to the Safe Drinking Water Act of the Texas Commission on Environmental Quality", Revision 12 (QTRAK #16-449), received on September 16, 2016 which is approved through November 4, 2019. The most recent revision was approved by EPA on December 20, 2017.
2. The "TCEQ Quality Management Plan, Revision 24 (2019)" (QTRAK# 19-067) approved on January 1, 2019 by EPA Region 6 which demonstrates competency by providing a description of the quality policies including all requirements described in EPA QA/R-2.

8. Compliance with Capacity Development Authority, Capacity Development Strategy and Operator Certification Program

A. Capacity development authority. The State of Texas, through the TCEQ, has the legal authority to ensure that all new community water systems, and new nontransient, noncommunity water systems that commence operations have demonstrated FMT capacity with respect to national primary drinking water regulations. If DWSRF financial assistance is being provided to the new system, TCEQ conducts and provides to TWDB the results of its FMT assessment prior to closing on the financial assistance.

B. Capacity development strategy. The State of Texas, through the use of DWSRF set-asides provided to TCEQ, implements a strategy to assist public water systems in acquiring and maintaining financial, managerial, and technical capacity. The TWDB has set aside funds from the FFY 2018 grant for TCEQ to implement a capacity development strategy. TCEQ will use funds from the State Program Management, Small Systems Technical Assistance, and Local Assistance and Other State Programs set-asides to conduct the capacity development activities. The TCEQ demonstrates compliance with the Capacity Development Strategy requirement of the SDWA by annually submitting the Capacity Development Report to EPA. The most recent report was provided to EPA on December 20, 2018. The TCEQ submitted the TCEQ Triennial Progress Report to the Governor on the Public Water Supply Capacity Development Program on December 29, 2017 as required by SDWA Section 1420(c)(3).

C. Operator certification program. The State of Texas, through the TCEQ, has a program for certifying operators of community and nontransient, noncommunity public water systems. The TCEQ demonstrates compliance with the Operator Certification Program Provisions by annually submitting an Operator Certifications Program Report to EPA. The most recent report was provided to EPA on September 27, 2018.

9. Signage

DWSRF projects must comply with the EPA signage requirements implemented to enhance public awareness of the program. The entity may select from the following options to meet EPA's signage requirement:

- Standard signage
- Posters or wall signage in a public building or location
- Newspaper or periodical advertisement for project construction, groundbreaking ceremony, or operation of the new or improved facility
- Online signage placed on community website or social media outlet
- Press release

According to EPA's policy, to increase public awareness of projects serving communities where English is not the predominant language, entities are encouraged to translate the language used (excluding the EPA logo or seal) into the appropriate non-English language. TWDB guidance is available at http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1109.pdf.

10. Reserves Established from Available Funds

The following reserved amounts may be applied to the funding options.

Funding Reserves

Reserve	Amount
Green Projects (10% of capitalization grant)	$8,622,000
Small Communities (15% of available funds)	$37,500,000
Extended Terms (75% of available funds)	$187,500,000
Urgent Need Disadvantaged/Small/Rural (50% of principal forgiveness and 20% of loans with an interest rate of zero percent)	$3,500,000 (principal forgiveness) and $5 Million (0% loans)

11. Transfers – Amount Available

Calculation of amounts available to transfer between the DWSRF and CWSRF based on FFY 2008 through FFY 2018:

Federal Fiscal Year	Grant Award Number	Grant Amount	33% of Grant
FFY 2008	FS-99679512	$67,112,000	$22,146,960
FFY 2009	FS-99679513	$67,112,000	$22,146,960
FFY 2010	FS-99679514	$86,254,000	$28,463,820
FFY 2011	FS-99679515	$59,854,000	$19,751,820
FFY 2012	FS-99679516	$57,041,000	$18,823,530
FFY 2013	FS-99679517	$53,517,000	$17,660,610
FFY 2014	FS-99679518	$63,953,000	$21,104,490
FFY 2015	FS-99679519	$63,532,000	$20,965,560
FFY 2016	FS-99679520	$60,104,000	$19,834,320
FFY 2017	FS-99679521	$59,590,000	$19,664,700
FFY 2018	FS-99679522	$87,040,000	$28,723,200
FFY 2019	FS-99679523	$86,225,000	$28,454,250
TOTAL		$811,334,000	$267,740,220
Less grant amount already transferred to CWSRF			$100,000,000

DWSRF - Available from FFY 2008 to FFY 2019 grants		**$167,740,220**
	Ongoing cash flow transfer	$150,000,000
	Remaining Transfer Authority	**$17,740,220**

B. Assurances

Entry into the Federal Reporting Systems

The TWDB will enter information into EPA's DWSRF Reporting System, the DWSRF National Information Management System, and the Federal Funding Accountability and Transparency Act Sub-Award Reporting System as required.

Appendix F. Bypass Procedures

The Executive Administrator may decide to bypass, or skip, higher ranked projects in favor of lower ranked projects to ensure that funds available are utilized in a timely manner and that statutory and capitalization grant requirements are met. If an entity is offered funding for any project that has an interrelated project ranked lower on the list, the TWDB Executive Administrator will have discretion to also offer funding for the interrelated project.

Reasons for bypassing projects are listed below, but are not limited to:

1. **Projects Previously Funded**

   To fund the construction phase of a project that previously received funding for planning, acquisition and/or design.

2. **Disadvantaged Community/Disadvantaged Community-Small / Rural only**

   In the event that there are not enough projects with completed applications eligible to receive Disadvantaged Community funding, the Executive Administrator may bypass other projects to invite additional projects that are eligible for additional subsidization.

3. **Green Project Reserve**

   In the event that there are not enough projects with completed applications eligible to meet the Green Project Reserve goal, the Executive Administrator may bypass other projects to invite additional projects that are eligible for review of their green components and possible funding.

4. **Very Small Systems**

   In the event that there are not enough projects with completed applications eligible to receive Very Small Systems funding, the Executive Administrator may bypass other projects to invite additional projects that are eligible for Additional Subsidization.

5. **Urgent Need**

   The Executive Administrator may bypass projects to provide Urgent Need funding to replace or rehabilitate essential public water facilities that pose an imminent peril to the public health, safety, environment, or welfare with a threat of failure in response to an urgent condition. Projects will be rated by the TCEQ and added to the PPL as an Urgent Need project.

6. **Small Communities**

   A minimum of 15 percent of the capitalization grant will be made available to systems serving populations not more than 10,000. In the event that small community projects with completed applications do not equal 15 percent of the capitalization grant, the Executive Administrator may bypass other projects to include additional small community projects.

7. **Readiness to Proceed**

   The Executive Administrator may bypass projects to include those deemed ready to proceed to construction.

8. **Past Project Performance**

   If the applicant has failed to close a commitment or complete a project in a timely manner under a prior IUP, and it is determined that such failure to perform could jeopardize the timely use of funds for a project under this IUP, the Executive Administrator may bypass the project.

9. **Financial Capacity**

   A project may be bypassed if the Executive Administrator determines that the applicant will be unable to repay the SRF financial assistance for the project.

10. **Loan Only Invitation – Initial Application Round**

    A project may be bypassed in the initial application round to extend an invitation to projects requesting only loan funds without any principal forgiveness. The projects invited in the first round because they are requesting only loan/bond financing will not be eligible to receive additional subsidization during the initial application round. The Executive Administrator will ensure that sufficient capacity remains to provide at least loan/bond financing to all projects bypassed in the first application round to invite these loan-only projects.

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Appendix G. Project Priority List - Alphabetical

Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
11	56	13129	Alice	M	TX1250001	19,439	All planning, engineering, environmental, and permitting will be completed in Phase 1 or this project. Phase II will be Construction of a 3.0 million gallon per day brackish desalination plant, one 3 mgd brackish well, building, yard piping, well construction lines and concentrate discharge line.	C	$12,715,000.00	30%			
71	10	13098	Alpine	M	TX0220001	5,700	Perform a needs assessment for an asset management program, upgrade existing system to replace outdated or inefficient components, install smart meters.	PDC	$5,290,530.00		Yes-BC	$3,000,000.00	
18	39	13141	Annona	M	TX1940004	463	In October 2018, Riverbend WRD completed a Regional Water Master Plan Study (Study) funded through the TWDB that focused on Riverbend WRD's participating entities located within Bowie, Cass, and Red River Counties. The Study evaluated several alternatives with a final recommendation of constructing a new regional water system, as noted in the Riverbend Strategy (2016 Region D Water Plan), which includes the following for the first phase: a new raw water intake structure (60 MGD) with a deeper invert elevation in Wright Patman Lake, a new raw water pump station (designed for 60 MGD, initially constructed for 30 MGD), raw water transmission pipeline (54-inch diameter) for both industrial and domestic use, 2 MG elevated storage tank, and a new 25 MGD water treatment plant. TWU's New Boston Road WTP and existing raw water conveyance system (i.e. intake, raw water transmission line, etc.) would be decommissioned. Riverbend WRD would serve as the lead funding sponsor and wholesale water pro	ADC	$400,000.00		Yes-BC	$140,000.00	
28	18	13066	Anthony	M	TX0710001	3,500	The Town of Anthony will need to construct a 250,000 gallon elevated water tank, rehabilitate existing water wells, replace booster stations, address leaking water lines, install a chlorination control system, replace meters and build arsenic treatment plant in order to provide enough adequate water to the residents.	C	$7,122,444.00	30%			
86	4	13126	Arlington	M	TX2200001	373,162	Upgrade Lake Arlington Raw Water Pump Station to supply firm capacity of 162MGD	PDC	$20,330,000.00		Yes	$20,330,000.00	

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Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
83	4	13142	Avery	M	TX1940005	429	In October 2018, Riverbend WRD completed a Regional Water Master Plan Study (Study) funded through the TWDB that focused on Riverbend WRD's participating entities located within Bowie, Cass, and Red River Counties. The Study evaluated several alternatives with a final recommendation of constructing a new regional water system, as noted in the Riverbend Strategy (2016 Region D Water Plan), which includes the following for the first phase: a new raw water intake structure (60 MGD) with a deeper invert elevation in Wright Patman Lake, a new raw water pump station (designed for 60 MGD, initially constructed for 30 MGD), raw water transmission pipeline (54-inch diameter) for both industrial and domestic use, 2 MG elevated storage tank, and a new 25 MGD water treatment plant. TWU's New Boston Road WTP and existing raw water conveyance system (i.e. intake, raw water transmission line, etc.) would be decommissioned. Riverbend WRD would serve as the lead funding sponsor and wholesale water	ADC	$1,220,000.00		Yes	$427,000.00	
119	0	12974	Balmorhea	M	TX1950006	610	Installation of an additionally 8-inch drinking water transmission line from the Toyahvale regulator station to the City of Balmorhea.	PADC	$1,670,000.00				
42	13	13094	Bartlett	M	11232	1,623	Water meter replacement	PDC	$747,000.00	30%	Yes	$430,500.00	
81	5	12987	Bertram	M	TX0270012	2,538	Replacement and expansion of the existing 8-inch transmission main from the Well Field to the City of Bertram. The elevated tank will be sized to meet all regulatory requirements and provide reliability in the system.	PADC	$12,440,000.00				
105	1	13013	Blooming Grove	M	TX1750001	833	Construct a new water supply well and ground storage tank and create and implement an Asset Management Plan	PDC	$1,517,450.00				
90	3	13135	Bluegrove WSC	W	TX0390014	75	This project involves the construction of a new pump station and the replacement of water distribution line to help with water loss.	PDC	$300,000.00				
104	1	13130	Bluff Dale WSC	W	TX0720036	267	Drill a second well to comply with the 85% production capacity rule.	DC	$382,850.00				

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Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
21	23	13074	Breckenridge	M	TX2150001	5,800	The City desires to install improvements/upgrades at the WTP and raw water intake structure. In addition, the City is planning to rehabilitate various portions of the distribution system in order to reduce the number of water line leaks/breaks that have resulted in numerous boil water notices.	PDC	$3,546,000.00	30%			
121	0	13134	Bronte	M	TX0410001	904	The City of Bronte has lines in its water distribution system that needs replacement. These lines are older cast iron, asbestos concrete or galvanized water lines that have become fragile and prone leaks and breaks. These breaks lead to water loss and additional staff maintenance. It is proposed to replace approximately 6,000 linear feet of existing water line with 8" and 6" PVC water line. Fire hydrants will also be installed on the new water line to serve these areas with fire protection.	PDC	$300,000.00				
115	0	13060	Burton	M	2390002	295	New Water Well 5	PD	$108,500.00				
108	1	13145	Canadian	M	TX1006000	3,253	Purchase and installation of automatic meter reading system.	DC	$632,000.00		Yes	$632,000.00	
109	1	13146	Canadian	M	TX10060001	3,253	This project will rehabilitate the Birch Street elevated storage tank, the Santa Fe ground storage tank and Northeast ground storage tank.	DC	$1,493,000.00				
5	115	13026	Carbon	M	TX0670015	272	The project consists of pump station improvements to increase the storage and pumping capacities to meet compliance. The project also consists of installing a SCADA System and a radio read metering system	PDC	$700,000.00	70%	Yes-BC	$700,000.00	
80	6	13000	Church Hill WSC	W	2010008	456	Church Hill WSC is pursuing an additional water well for their system to supplement the existing water supply capacity and blend water at their Plant No. 2.	PD	$47,500.00				
34	14	13143	Coke County WSC	W	TX0410017	346	• Replace existing meters in distribution system with new AMR drive-by system. • Add isolation valves and flush valves to existing distribution lines to allow isolation of line segments for future line repairs and improvements. • TCEQ Financial, managerial, & technical assistance (FMT) is currently scheduled to address asset management for this water system.	PDC	$300,000.00	50%	Yes-BC	$300,000.00	
88	3	13022	Commodore Cove ID	D	0200033	358	Replace current pressure tank to meet current regulations and replace secondary water line to meet demands of population on street.	PAC	$257,941.00				

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Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
38	14	13041	Crosbyton	M	TX0540001	2,083	The City of Crosbyton proposes to replace specific valves and fire hydrants to improve performance of its distribution system.	PDC	$707,000.00	50%	Yes-BC	$707,000.00	
66	10	13122	Cross Plains	M	TX0300003	982	The City of Cross Plains proposes to replace undersized lines and loop dead end areas in their system.	PDC	$1,200,000.00	30%			
96	3	13006	Cypress Valley WSC	W	TX1020088	1,386	New water well for potable water production	PDC	$750,000.00				
97	3	13009	Daingerfield	M	TX1720001	2,705	Install a new elevated storage tank and pressure maintenance facility. Upgrade linework and valves.	PADC	$2,680,000.00				
26	20	13127	Dario V. Guerra, III, dba Derby Ing.	W	TX0820016	140	Construct a new well at a suitable location to provide an alternative source and to build redundancy in the system.	C	$420,000.00	70%			
130	0	13121	Eagle Pass Water Works System	M		52,624	Replace current metering system with new Master Meter's Allegro AMI Network.	C	$5,825,000.00		Yes-BC	$6,000,000.00	
41	13	13075	Eden	M	TX0480001	1,228	The City desires to install improvements at the water supply well sites and to install a redundant cooling tower for operational flexibility.	PDC	$2,219,000.00	50%			
103	1	13108	El Campo	M	2410002	11,645	Replace aging existing water lines throughout the distribution system with similar size or larger size PVC water lines.	C	$4,817,500.00				
27	20	13128	Elsa	M	TX1080005	7,135	Improvements to the water treatment plant, replacement of obsolete/substandard equipment, replacement of asbestos distribution lines and refurbishing water storage tanks to eliminate current substandard conditions and prevent further deterioration resulting in costly repairs and maintenance.	C	$4,295,486.00	50%			
127	0	13005	Ennis	M	TX0700001	18,674	Failing waterlines with insufficient valving. Frequent breakage causes loss of service, risk of system contamination, and significant water loss. Prepare and implement Asset Management Plan	PDC	$8,364,879.00				
129	0	13001	Ennis	M	TX0700001	29,159	Water line replacements in downtown Ennis and create and implement an Asset Management Plan	PDC	$4,987,021.00		Yes	$3,298,600.00	
22	23	12998	Evadale WCID # 1	D	TX1210011	963	Evadale WCID#1 has recently lost part of its production wells due to mechanical failure. This project will provide additional production capacity and replace deteriorated distribution lines.	PADC	$3,220,593.00		Yes-BC	$200,000.00	
126	0	13111	Galveston Co WCID # 1	D	0840001	12,845	Replacement of Existing 8" Cast Iron Water Line along California Avenue from 29th Street to 21st Street with new 12" PVC Water Line	DC	$869,735.00				

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Public Water System													
6	114	13059	Gladewater	M	TX0920001	6,541	Upgrades to existing elevated storage tank, waterlines, and pressure maintenance facilities.	PDC	$2,776,980.00				
33	15	13085	G-M WSC	W	TX2020067	11,249	Remove existing meters and replace with radio read meters.	PDC	$1,805,160.00	50%	Yes-BC	$1,805,160.00	
37	14	13002	Gordon	M	TX1820007	744	Water Treatment Plant Improvements, Water Line Replacements, Pump Station Improvements, and Radio Read Meters	PDC	$900,000.00	50%	Yes-BC	$900,000.00	
68	10	13057	Granger	M	TX2460002	1,419	The project includes the rehabilitation of the water storage facilities, well pumps, pump stations, and distribution system.	PDC	$999,000.00	30%			
98	3	12976	Greater Gardendale WSC	W	TX0680214	2,842	Construction of a new 1.5 MGD surface water treatment plant to treat raw groundwater and purchased raw water from the City of Odessa/CRMWD.	PADC	$8,560,000.00				
128	0	12995	Guadalupe Blanco RA	D	TX0290005	26,088	The project would focus on repairing major breaches in the Calhoun County Diversion System levees to prevent salt water intrusion into the public drinking water supply.	PDC	$1,207,330.00				
60	10	13138	Harrold WSC	W	TX2440002	141	Replace existing 4" AC supply line with PVC line.	PDC	$300,000.00				
99	3	13131	Haskell	M	TX1040001	3,235	Replace existing water meters with an automatic meter reading (AMR) system.	PDC	$900,000.00		Yes-CE	$900,000.00	
30	16	13123	Jacksboro	M	TX1190002	4,450	The City of Jacksboro's existing WTP has reached the end of its useful life and requires replacement.	PDC	$12,163,000.00	50%			
87	3	13196	Johnson Water Service	P	TX0200158	0	Drill a new well. We would also like to have an asset management plan put in place.	PADC	$69,000.00				
89	3	12964	Jourdanton	M	TX0070002	4,259	New water production site to include well, ground storage, new elevated storage tank, and new transmission main from new well to Pecan Well. Install an additional proposed ground storage at the Whittler production facility. City-wide water meter replacement to automatic meter reading (AMR) meters. Project includes the preparation of an asset management plan.	PADC	$6,843,114.00				
29	16	13095	JRM Water, LLC	P	TX2350036	405	Water Plant Improvements	DC	$408,000.00				
72	10	13048	Keene	M	TX126008	6,266	Replace approximately 16,000 linear feet of 2-inch through 8-inch water line.	PADC	$1,955,991.00	30%	Yes-BC	$1,955,991.00	
82	5	13082	Lake Palo Pinto Area WSC	W	TX1820069	1,932	LPPA WSC is proposed to expand their existing Water Treatment Plant in preparation for future expansion in their distribution system.	PDC	$3,849,000.00		Yes-BC	$120,000.00	

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Public Water System													
84	4	13140	Leary	M	TX0190093	559	In October 2018, Riverbend WRD completed a Regional Water Master Plan Study (Study) funded through the TWDB that focused on Riverbend WRD's participating entities located within Bowie, Cass, and Red River Counties. The Study evaluated several alternatives with a final recommendation of constructing a new regional water system, as noted in the Riverbend Strategy (2016 Region D Water Plan), which includes the following for the first phase: a new raw water intake structure (60 MGD) with a deeper invert elevation in Wright Patman Lake, a new raw water pump station (designed for 60 MGD, initially constructed for 30 MGD), raw water transmission pipeline (54-inch diameter) for both industrial and domestic use, 2 MG elevated storage tank, and a new 25 MGD water treatment plant. TWU's New Boston Road WTP and existing raw water conveyance system (i.e. intake, raw water transmission line, etc.) would be decommissioned. Riverbend would serve as the lead funding sponsor and wholesale water pro	ADC	$880,000.00		Yes	$308,000.00	
57	11	12970	Littlefield	M	TX1400003	6,454	Replace existing main well field transmission line.	PDC	$10,988,710.00	30%			
64	10	13025	Lone Oak	M	1160018	786	The City of Lone Oak is experiencing issues with various water lines in their system due to undersized lines and dead-ends.	PDC	$500,000.00		Yes-BC	$500,000.00	
67	10	13139	Lorenzo	M	TX0540002	1,298	The City of Lorenzo has an existing 100,000 gallon elevated multi-legged water storage tank. The existing structure was constructed any decades ago and has reached the end of its useful life. The tank has had recent leaks and the City has repaired the steel in the existing tank several times. There are fears that the tank will begin to fall again. We proposed to replace the tank with a new 120,000 gallon standpipe.	PDC	$750,000.00	50%			

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Public Water System													
58	11	13099	Los Fresnos	M	TX0310004	6,376	The City of Los Fresnos Drinking Water State Revolving Funds Project 62627 needs are to increase the water treatment plant capacity to meet future water demands while ensuring minimum disinfection requirements are met. The project will also need to address the Corrective Action Plan (CAP) resulting from the mandatory Comprehensive Performance Evaluation (mCPE) performed on September 2016 in response to a violation of TCEQ standard 290.104 (g)(1) (relating to Maximum Contaminant Levels, Maximum Residual Disinfectant Levels, Treatment Techniques, and Action Levels).	C	$3,627,000.00		Yes-BC	$745,000.00	
74	10	13020	Lower Valley WD	D	TX1010642	93,061	This area is currently not served by the District's water system. LVWD propose to install a 12" or larger pipe to the main distribution system to expand services to unserved areas and improve pressure.	PDC	$17,331,795.00	30%			
75	10	13076	Lower Valley WD	D	TX1010642	93,061	The majority of the area is currently not being served or are partially served by an undersized and dilapidated water system. LVWD is proposing to install a 12" or larger pipe to the main distribution system to improve pressure by creating a critical loop system.	PDC	$4,369,056.00	30%			
76	10	13078	Lower Valley WD	D	TX1010642	93,061	This area is currently not being served by the District's water system. LVWD is proposing to install a 12" or larger pipe to the main distribution system to expand services to unserved areas and improve pressure.	PDC	$5,297,449.00	30%			
77	10	13090	Lower Valley WD	D	TX1010642	93,061	This area is currently being served by an undersized and dilapidated water system. In addition, LVWD proposes to upgrade the size of the main distribution system to improve pressure and bring dependable water source to Mesa Del Norte, Lourdes Estates and El Conquistador colonias (416 households/1,539 residents).	PDC	$2,346,725.00	30%			
78	10	13091	Lower Valley WD	D	TX1010642	93,061	This area is currently being served by an undersized and dilapidated water system. In addition, LVWD is proposing to upgrade the size of the main distribution system to improve pressure.	PDC	$1,853,491.00	30%			
8	78	13062	Madera Valley WSC	W	TX1950006	1,983	The addition of a Regional Surface Water Treatment Plant with the goal of providing potable water to Rural Reeves County and the consolidation of the water supplies for the Madera Valley WSC, City of Balmorhea and City of Toyah.	PADC	$4,715,000.00				

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Public Water System													
55	12	12979	Madera Valley WSC	W	TX1950006	1,983	The installation of five additional wells and a transmission line from the well field to near the south boundary of the Town of Pecos City.	PADC	$30,305,000.00				
91	3	13118	Matthew Road WSC	W	TX0570098	250	New Well/New Fence	C	$80,000.00				
48	13	13133	Melvin	M	TX1540003	178	This project involves the rehab of existing GSTs and the replacement of old existing water line with 6" WL. This project will assist the city with water loss.	PDC	$200,000.00	50%			
2	150	12978	Menard	M	TX1640001	1,471	Major rehabilitation, additions and modifications to the surface water treatment plant and raw water wells to address groundwater under the influence.	DC	$4,000,000.00	30%			
36	14	13043	Mertzon	M	TX1180002	700	As a result of the recent historic ongoing drought, the City's water supply is still depleted. The City currently has five (5) functional groundwater wells (of the original eight), caused by continual pumping during the ongoing drought, and is in the process of obtaining approval for a new sixth well. The City has observed a steady decrease in production from its wells over the past several years, to the point that three of the original eight wells are essentially "dry" at this time. As the water supply has dwindled, the quality of the water no longer meets secondary drinking water quality standards. In order to support current water supply needs with water that meets current drinking water quality standards, the City of Mertzon is pursuing implementation of a major project to install a treatment system to address the City's groundwater quality issues.	PDC	$2,797,000.00		Yes-BC	$2,797,000.00	
53	13	13125	Mexia	M	TX1470004	7,425	Replacement of an existing 1.5 million gallon ground storage tank at the Highway 84 pump station.	PDC	$2,795,550.00	70%			
59	11	13089	Midland	M	TX1650001	132,950	The City desires to install improvements to expand water system capacity in the northeastern portion of the City.	PAD	$958,000.00				
94	3	13120	Midway ISD	D	TX0390020	981	Midway ISD will drill another well to increase water production. The main water lines will also be replaced as well as necessary connections, valves, and service reconnections.	PDC	$300,000.00				

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Public Water System													
13	48	13050	Miles	M	TX2000002	870	The City of Miles (City) proposes to pursue development of an alternative source of water supply to complement its current wholesale water supply. The City needs to identify and evaluate alternative water supply options including development of additional surface water or groundwater supplies as well as potential treatment of its existing groundwater to reduce nitrate and dissolved solids levels to within compliance.	P	$200,000.00		Yes-BC	$200,000.00	
1	584	13063	Millersview-Doole WSC	W	TX0480015	3,579	Treating well water at the source and blending with surface water. The project includes additional water system improvements	PDC	$2,300,000.00	70%			
116	0	13100	Moran	M	2090002	355	Water Line Replacement	PADC	$340,000.00		Yes-BC	$300,000.00	
20	25	12993	Newton	M	TX1760004	338	The proposed project will install waterline and upgrade the interim storage and booster system to allow a sustained 35 psi minimum pressure throughout East Newton's service area and lifting of the boil water notice. Waterlines will be constructed from the City's existing 8" main to WSC's existing water plant and the old lines along this route will be abandoned.	DC	$500,000.00	50%			
123	0	12991	Newton	M	1760001	2,227	City plans to construct new water well.	PADC	$2,000,000.00				
7	84	12990	North Alamo WSC	W	1080029	180,000	This project implements recommendations resulting from the North Alamo Water Supply Corporation Title XVI Energy-Efficient Brackish Groundwater Desalination Feasibility Study. Specifically, the project will increase brackish groundwater desalination production capacity by 1 MGD by means of an innovative energy-efficient desalination process reliant on nano-filtration membranes. Additionally, existing reverse osmosis trains will be retrofitted to nano-filtration trains which will also increase production while reducing desalination energy requirements by 50 percent for a total system energy reduction of 32 percent.	ADC	$6,840,000.00	30%	Yes-BC	$4,900,000.00	
50	13	13137	Oakmont Saddle Mountain WSC	W	TX1930015	324	Construct well #4 - Funds are being requested to construct the water-tight concrete basin. Installation of the pump and associated piping, electrical, and all appurtenances. Authorization to construct this spring water source well was issued by the TCEQ letter dated; October 24, 2014.	PDC	$425,700.00	50%			
124	0	13045	Orange Co WCID # 2	D	1810006	5,269	Replace aging water mains, services, well pumps, and well motors.	PADC	$3,758,300.00		Yes	$1,796,800.00	

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Public Water System													
24	21	13092	Paducah	M	TX0510001	1,186	The proposed project includes replacement of sections of the aging and inefficient distribution system; replacement of the main transmission line that transports the water from Paducah's well field to town; replacement of two sand traps that capture sand produced from the City's wells and keep it from entering the distribution system; and rehabilitation of the three ground storage tanks at the well field to stop the corrosion that is prevalent on each of the three tanks.	PDC	$3,418,000.00	50%			
62	10	13021	Paint Creek WSC	W	TX1040017	690	Construct a hydropneumatic pump station with a 60,000 gallon ground storage tank and 6,000 gallon pressure tank.	PADC	$300,000.00				
102	1	13042	Parker WSC	W	1260021	3,000	The WSC wants to improve their water distribution system to better service clients.	PDC	$3,300,000.00		Yes-BC	$3,300,000.00	
31	15	13107	Pharr	M	1080009	76,727	The City of Pharr currently has multiple projects that need to be corrected due to deficient within the Water Treatment Plant per TCEQ requirements. City of Pharr also has to acquire property to expand the Raw Water Reservoir to comply with the storage requirements by TCEQ. In addition, the city needs to extend a Water Transmission Main to supply water to the Eldora Elevated Storage Tank.	PADC	$17,312,000.00	30%			
19	35	13102	Presidio Co WID # 1	D	TX1890012	82	Evaluate alternatives and construct best option to resolve the Arsenic MCL violation. Alternatives include possible additional well, blending with existing sources, or pilot testing and construction of arsenic removal treatment to meet primary drinking water standards. An asset management plan will be developed.	PDC	$300,000.00	70%			
9	65	12967	Quitaque	M	0230002	411	Electro-Dialysis Reversal Water (EDR) Treatment Plant to remove nitrates out of the water.	PDC	$1,300,000.00	50%			
73	10	13104	Raymondville	M	TX2450001	11,284	The City is proposing to replace and update old and under sized iron and asbestos waterlines and replace non-working gate valves and fire hydrants. It is also repainting the exterior (2) and interior (3) of the elevated water tanks to remove surface rust and repair structural deficiencies. The City will start an asset management plan as part of the proposed project.	PDC	$2,100,000.00	50%			

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Public Water System													
35	14	13105	Reno	M	1840049	2,650	Design and construction of a new 1.0MG elevated storage tank and onsite well to fill the tank. SCADA will be included to monitor the hydraulics and fill rates. A master plan which includes an asset management plan will be developed to prioritize the system needs. Water line improvements will also be included in the project.	PDC	$16,760,000.00		Yes	$13,500,000.00	
85	4	13097	Reno	M	1840049	2,556	Design and construction of a new 1.0MG elevated storage tank and onsite well to fill the tank. SCADA will be included to monitor the hydraulics and fill rates. A master plan which includes an asset management plan will be developed to prioritize the system needs.	PDC	$3,660,000.00		Yes	$2,500,000.00	
69	10	13039	Rhome	M	TX2490007	1,598	This project will focus on improving the water treatment and distribution system for the City.	PDC	$850,000.00		Yes-BC	$850,000.00	
23	21	13106	Richland Springs	M	2060002	350	replacement and upgrade of 25 miles of pipeline	PDC	$3,695,000.00	70%			
65	10	13103	Richland SUD	D	1540008	839	adding and replacing lines in the northwest area of the Richland SUD system	PADC	$4,554,650.00	50%			
45	13	13112	Richwood	M	0	6,000	Adding a water plant to increase water pressure and service capacity	DC	$3,546,200.00				
51	13	13109	Rising Star	M	TX067005	1,038	Make repairs necessary to ground storage tank including new roof latch, water level indicator, vent, and clean out sediment from tank. Replace items at pump station. Install chlorine leak alarm, add SCBA protection equipment and repair chlorine building. Reduce water loss through installation of new metering system.	PDC	$300,000.00	30%	Yes-BC	$180,000.00	
117	0	12992	River Oaks WSC	W	TX1610018	375	Replace lines on two streets and install meters.	DC	$74,000.00				
120	0	13113	Roby	M	TX0760001	667	Replace existing ground storage tank.	PDC	$300,000.00		Yes	$300,000.00	
92	3	13119	Rochelle WSC	W	TX1540004	604	This project involves the rehabilitation of existing ground water tanks and the replacement of old existing meters with an AMR meter system and a new master meter to address water loss issues.	PDC	$300,000.00				
95	3	12997	Rock Hill WSC	W	1830014	999	The WSC currently only has one water well that they can normally operate (Well No. 2) due to high total dissolved solids. The WSC is pursuing an additional well to supplement the production of Well No. 2 and reduce the amount of purchased water required from the City of Carthage.	PDC	$300,000.00				

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Public Water System													
39	14	13044	Roma	M	TX2140007	18,903	The City is addressing the need for Phase I (4 MGD) of a new water treatment plant (WTP) to serve City of Roma residents and fully comply with all water treatment regulations. The City's existing WTP was partially rehabilitated in the late 1990s and has reached the end of its useful life and requires replacement.	PADC	$22,279,000.00	70%	Yes-BC	$22,280,000.00	
107	1	13019	Rosebud	M	TX0730003	1,415	The City proposes to replace broken and/or malfunctioning water meters within their CCN with meters to prevent the water loss and to ensure the safety and well being of its customers. The City intends to prepare their asset management plan with assistance from TCEQ's FMT contractor.	PDC	$889,000.00		Yes-BC	$889,000.00	
16	44	13211	Rotan	M	TX0760002	1,477	Install 14 miles of new 12" PVC water line to replace existing dilapidated cast iron water line. Existing cast iron line suffers from corrosion issues, high water loss, occasional interruption of service due to needing repairs, high chlorine demand from iron bacteria growth, and disinfection residual issues.	PADC	$5,200,000.00	50%	Yes-BC	$5,200,000.00	
14	47	13115	Rowena WSC	W	2000004	480	This project will reduce TTHM levels to gain compliance with the Stage 2 DBP Rule.	PDC	$4,140,000.00		Yes-BC	$4,140,000.00	
110	1	13054	Rusk	M	TX0370003	5,618	New Groundwater Source Water Well	PADC	$1,862,501.00				
125	0	13053	Rusk	M	TX0370003	5,618	Install 8" Water Line on FM 343 West Rehabilitation of Two Elevated Storage Tanks	PDC	$1,813,405.00				
17	40	13086	San Angelo	M	TX2260001	100,450	To achieve the needed Phase II design production rate of 12,000 acft/yr (10.7 MGD), the City's wellfield, collection system, transmission line, and GWTP will be upgraded to ensure the production rate can reliably be achieved.	C	$61,697,360.00				
100	3	12982	San Antonio Water System	M	0150018	1,857,779	Dietrich Elevated Storage Tank is a master planned project that is required to provide 1.5 million gallons of elevated storage for Pressure Zone (PZ) 828.	C	$5,254,922.00				
131	0	12981	San Antonio Water System	M	0150018	1,857,779	Highway 90 and General McMullen Pressure Zone Integration to integrate two pressure zones and establish redundancy for Winwood and GBRA water.	C	$4,130,290.00				
132	0	12983	San Antonio Water System	M	0150018	1,857,779	Pump Station Rehabilitation Phase 5 - Artesia will rehabilitate the Artesia pump station that serves Pressure Zone 3 across the southern half of the area inside Loop 410.	C	$16,037,160.00				
112	1	13144	San Juan	M	TX1080010	24,605	New 1.0 MG (concrete composite) elevated storage tank, associated waterline, and decommissioning aging and old existing 300,000 and 200,000 gallon elevated tanks.	PADC	$4,395,000.00	30%			

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Public Water System													
3	144	13038	Sandbranch		Pending	190	Install a water system to an existing development	TBD*	TBD*	70%			
40	13	13212	Santa Anna	M	0420002	1,099	Water service to customers is always an important subject in a city's utility needs. TCEQ has set standards for minimum water line pipe sizes and the number of service connections that can be run from these lines. Aging infrastructure is also a factor when looking at water lines and can make them vulnerable to leaks and failures. The City of Santa Anna is pursuing the implementation of upsized water lines to ensure all TCEQ regulations are met and to better serve customers that are connected to these water lines.	PDC	$850,000.00	50%	Yes-BC	$850,000.00	
32	15	13116	Shamrock	M	TX2420001	1,933	Shamrock desires to re-drill two wells in their North Well Field, replace the transmission pipeline that carries water from the North Well Field to the distribution system, replace ground storage tanks in both the West and North Well Fields, replace the existing distribution system and construct a new elevated storage tank.	PADC	$34,680,860.00		Yes-BC	$21,365,120.00	
56	12	13070	Slaton	M	TX1520004	5,800	The City of Slaton is proposing the installation of an AMI system throughout their distribution system as well as the installation of a new elevated storage tank.	PADC	$3,957,000.00	30%	Yes	$3,938,000.00	
79	8	13072	South Ellis Co WSC	W	0700043	1,575	Phase 1 - Construct 8" Transmission Main Phase 2 - Construct Elevated Storage Tank Phase 3 - Construct Deep Well at the Carolyn Road Plant Site	PADC	$3,320,276.00		Yes-BC	$25,000.00	
43	13	13071	Stephens Regional SUD	D	TX2150007	3,173	SRSUD is proposing to increase the operational flexibility at the WTP by increasing the capacity of the MF Filters with the installation of a new pre-treatment chemical system, construction of solids handling improvements, and reduction and in the amount of concentrate produced in the RO system with the installation of concentrator skid. Additionally, this project includes improvements in the existing distribution system to address pressure concerns during periods of high use and allow the existing system to provide service for the future growth in the area and demand for water service within the existing CCN. The proposed project also includes the installation of an AMR system in the existing distribution system to allow for more accurate meter readings and advanced leak detection.	PDC	$8,713,568.00	50%	Yes-BC	$8,713,568.00	
44	13	13117	Stephens Regional SUD	D	TX2150007	3,173	SRSUD is proposing water system improvements to address growth in the distribution system by expanding the distribution system to areas which are currently unserved.	PDC	$22,346,840.00	70%	Yes	$22,346,840.00	

* Sandbranch - To be determined upon further TWDB review

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Public Water System													
49	13	13101	Streetman	M	TX0810016	241	The City currently has 3 active wells producing approximately 50 gpm each. The City desires replace the wells with purchased treated water from Winkler WSC to replace the groundwater wells. Additionally the City desires to improve the distribution system along the I-45 corridor to provide better service to existing customers.	PADC	$1,900,250.00	50%			
47	13	13080	Sweetwater	M	TX1770002	11,760	The proposed project includes replacement of existing membrane system trains, raw water pump replacement, water line replacement, ground storage tank painting and electrical improvements.	PDC	$2,644,500.00	30%			
113	0	12986	Texoma Estates WSC	W	TX910047	127	Design and construct a new well house, refurbish storage tank, and install backup generator.	PDC	$1,084,500.00				
114	0	12969	The Falls WSC	W	0100072	198	Install a 30,000 gallon storage tank with a 3,000 gallon pressure tank and two high service pressure pumps.	PADC	$277,196.00				
106	1	13047	Thorndale	M	1660003	1,300	The City of Thorndale proposes to construct a water production system to produce and treat groundwater for delivery to its existing water plant for distribution to its existing customers. The City currently purchases its water supply from Southwest Milam WSC and is proposing this project to be able to independently produce, treat, and distribute water to its current and future customers.	PADC	$9,900,000.00				
61	10	13132	Tom Green Co FWSD # 2	D	TX2260004	404	Water Treatment Plant - New turbidity ad chlorine meters; new high service pump. Well System - Rehabilitating of existing wells to increase yields in the three wells.	PDC	$300,000.00	50%			
4	130	12975	Toyah	M	TX1950004	300	Improve 1939 era sedimentation cone at the Toyah Surface Water Treatment Plant	PDC	$300,000.00				
93	3	13136	Trent	M	TX2210009	768	This project involves the replacement of old existing water lines that are prone to breaking and leaking with new pvc water line.	PDC	$300,000.00				
52	13	13124	Union WSC	W		6,534	UWSC is in need of expanding their 1.5 MGD to 2.5 MGD	P	$132,000.00	70%			
54	12	12962	Valentine	M	TX1220002	200	New groundwater well adjacent from existing well at Bell and 6th Street.	DC	$769,850.00	50%			
25	21	13073	Vernon	M	TX2440001	10,874	Install a new 16 mile 24" PVC pipeline.	PADC	$11,000,000.00	30%	Yes-BC	$11,000,000.00	

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Appendix G. Project Priority List - Alphabetical

Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
10	62	13114	Victoria Co WCID # 1	D	2350001	2,059	The Victoria County WCID No. 1 is seeking funding to address issues that have present in the districts water system including Arsenic present in one of the active water wells. The existing well has been studied significantly and monitored frequently including rehabilitation of the well in an attempt to provide safer water to the public. This project will consist of drilling a test well and new public water well at a new site in order to satisfy an agreed order issued by the TCEQ on December 04, 2018.	PADC	$690,000.00	30%			
122	0	13030	West Tawakoni	M	TX1160012	1,683	1. Construct new Water Intake Structure into deeper water. Per Preliminary Engineering Report (PER), a depth of +/-25 feet can be obtained by constructing the Intake at the proposed location. 2. Develop Asset Management Plan	PADC	$2,005,400.00				
46	13	13096	Wharton	M	TX2410005	8,756	The City has a history of high water loss and frequent leaks/outages in a number of areas that still have old 2" waterlines. These lines are also too small to provide any fire protection or allow the City to place fire hydrants in these older subdivisions. After completion of planning, environmental, and design the City intends to replace the 2" steel waterlines with 8" PVC waterlines improving water quality, reducing leaks/outages, and providing fire protection.	PDC	$1,046,900.00	30%			
111	1	13004	White Oak	M	920006	6,544	New Pump Station and Raw Water Line. Prepare and implement an Asset Management Plan.	PADC	$5,810,000.00				

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Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
101	2	13003	White Settlement	M	TX2200081	17,380	The City is currently undertaking the effort to develop a preliminary asset management plan for their water system infrastructure. The scoring system for the condition of facilities was based on several criteria such as pipeline diameter, material, age, capacity, history of repairs and criticality. For above ground facilities some of the criteria included electrical, mechanical, site, structural, etc. For each asset an overall risk score was assigned. The City is seeking this funding to expand on their preliminary asset management efforts to include a full master plan with hydraulic modeling. Through the effort those assets that were identified at high risk of failure and are highly critical have been mapped and preliminary cost estimates have been developed. This project will fund the additional asset management and master planning efforts and the rehabilitation of infrastructure identified as high risk. In addition, the City will install an AMI metering system. The AMI project will	PDC	$3,666,730.00		Yes	$1,942,000.00	
118	0	13093	Whiteface	M	TX0400002	449	Replacement of all residential water connection meters and install new gate valves	PDC	$300,000.00				
70	10	13029	Wills Point	M	TX2340005	3,889	The City of Wills Point has a 12 inch raw water supply line which supplies water from the intake on Lake Tawakoni to the City's Water Treatment Plant. The raw water transmission line catastrophically failed recently forcing the City to implement emergency temporary supply from the Wills Point Reservoir. On Thursday, February 22 the in-line flow meter for the temporary supply line failed resulting in a system wide outage. The purpose of this project is to replace 38,400 linear feet of 12 inch raw water transmission line from the West Tawakoni Intake to the City of Wills Point Water Treatment Plant in order to provide reliable raw water to the City's Water Treatment Plant.	PDC	$4,806,751.80	30%			

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Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
12	54	12973	Wright City WSC	W	TX2120027	1,242	Filter out TTHM Precursors to control TTHM's.	AC	$250,000.00		Yes-BC	$250,000.00	
15	44	12985	Wright City WSC	W	TX2120099	1,989	Filter out TTHM's	C	$250,000.00		Yes-BC	$250,000.00	
63	10	13110	Zavalla	M	TX0030030	712	Replace existing ground storage tanks	PDC	$145,775.00	30%			
Public Water System Total		**132**							**$576,818,664.80**	**56**	**45**	**$177,212,579.00**	
Total		**132**							**$576,818,664.80**	**56**	**45**	**$177,212,579.00**	

Phase(s): P-Planning; A-Acquisition; D-Design; C-Construction
Green Type: BC-Business Case; CE-Categorically Eligible; Comb-Project consists of both CE and BC components

Appendix H. Alphabetical List of Ineligible Projects

None.

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Appendix I. Projects Ineligible for Disadvantaged Funding

	PIF #	Entity	Project Cost	Reason for Ineligibility
1	13098	Alpine	$5,290,530	Disadvantaged Ineligible - HCF
2	12974	Balmorhea	$1,670,000	Disadvantaged Ineligible - AMHI
3	13134	Bronte	$300,000	Disadvantaged Ineligible - HCF
4	13108	El Campo	$4,817,500	Disadvantaged Ineligible - AMHI
5	13082	Lake Palo Pinto Area WSC	$3,849,000	Disadvantaged Ineligible - AMHI
6	13025	Lone Oak	$500,000	Disadvantaged Ineligible - AMHI
7	12979	Madera Valley WSC	$30,305,000	Disadvantaged Ineligible - AMHI
8	13050	Miles	$200,000	Disadvantaged Ineligible - AMHI
9	13100	Moran	$340,000	Disadvantaged Ineligible - AMHI
10	13042	Parker WSC	$3,300,000	Disadvantaged Ineligible - AMHI
11	13039	Rhome	$850,000	Disadvantaged Ineligible - AMHI
12	13019	Rosebud	$889,000	Disadvantaged Ineligible - HCF
13	13115	Rowena WSC	$4,140,000	Disadvantaged Ineligible - AMHI
14	13144	San Juan	$4,395,000	Disadvantaged Ineligible - HCF
15	12975	Toyah	$300,000	Disadvantaged Ineligible - AMHI
16	13093	Whiteface	$300,000	Disadvantaged Ineligible - AMHI
		Total	**$61,446,030**	

AMHI = Annual Median Household Income was greater than 75% of the State AMHI.
HCF = Household Cost Factor did not meet the minimum threshold.
DNS = Did not submit updated project information form data

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Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
1	584	13063	Millersview-Doole WSC	W	TX0480015	3,579	Treating well water at the source and blending with surface water. The project includes additional water system improvements	PDC	$2,300,000.00	70%			
2	150	12978	Menard	M	TX1640001	1,471	Major rehabilitation, additions and modifications to the surface water treatment plant and raw water wells to address groundwater under the influence.	DC	$4,000,000.00	30%			
3	144	13038	Sandbranch		Pending	190	Install a water system to an existing development	TBD*	TBD*	70%			
4	130	12975	Toyah	M	TX1950004	300	Improve 1939 era sedimentation cone at the Toyah Surface Water Treatment Plant	PDC	$300,000.00				
5	115	13026	Carbon	M	TX0670015	272	The project consists of pump station improvements to increase the storage and pumping capacities to meet compliance. The project also consists of installing a SCADA System and a radio read metering system	PDC	$700,000.00	70%	Yes-BC	$700,000.00	
6	114	13059	Gladewater	M	TX0920001	6,541	Upgrades to existing elevated storage tank, waterlines, and pressure maintenance facilities.	PDC	$2,776,980.00				
7	84	12990	North Alamo WSC	W	1080029	180,000	This project implements recommendations resulting from the North Alamo Water Supply Corporation Title XVI Energy-Efficient Brackish Groundwater Desalination Feasibility Study. Specifically, the project will increase brackish groundwater desalination production capacity by 1 MGD by means of an innovative energy-efficient desalination process reliant on nano-filtration membranes. Additionally, existing reverse osmosis trains will be retrofitted to nano-filtration trains which will also increase production while reducing desalination energy requirements by 50 percent for a total system energy reduction of 32 percent.	ADC	$6,840,000.00	30%	Yes-BC	$4,900,000.00	
8	78	13062	Madera Valley WSC	W	TX1950006	1,983	The addition of a Regional Surface Water Treatment Plant with the goal of providing potable water to Rural Reeves County and the consolidation of the water supplies for the Madera Valley WSC, City of Balmorhea and City of Toyah.	PADC	$4,715,000.00				
9	65	12967	Quitaque	M	0230002	411	Electro-Dialysis Reversal Water (EDR) Treatment Plant to remove nitrates out of the water.	PDC	$1,300,000.00	50%			

* Sandbranch - To be determined upon further TWDB review

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Public Water System													
10	62	13114	Victoria Co WCID # 1	D	2350001	2,059	The Victoria County WCID No. 1 is seeking funding to address issues that have present in the districts water system including Arsenic present in one of the active water wells. The existing well has been studied significantly and monitored frequently including rehabilitation of the well in an attempt to provide safer water to the public. This project will consist of drilling a test well and new public water well at a new site in order to satisfy an agreed order issued by the TCEQ on December 04, 2018.	PADC	$690,000.00	30%			
11	56	13129	Alice	M	TX1250001	19,439	All planning, engineering, environmental, and permitting will be completed in Phase 1 or this project. Phase II will be Construction of a 3.0 million gallon per day brackish desalination plant, one 3 mgd brackish well, building, yard piping, well construction lines and concentrate discharge line.	C	$12,715,000.00	30%			
12	54	12973	Wright City WSC	W	TX2120027	1,242	Filter out TTHM Precursors to control TTHM's.	AC	$250,000.00		Yes-BC	$250,000.00	
13	48	13050	Miles	M	TX2000002	870	The City of Miles (City) proposes to pursue development of an alternative source of water supply to complement its current wholesale water supply. The City needs to identify and evaluate alternative water supply options including development of additional surface water or groundwater supplies as well as potential treatment of its existing groundwater to reduce nitrate and dissolved solids levels to within compliance.	P	$200,000.00		Yes-BC	$200,000.00	
14	47	13115	Rowena WSC	W	2000004	480	This project will reduce TTHM levels to gain compliance with the Stage 2 DBP Rule.	PDC	$4,140,000.00		Yes-BC	$4,140,000.00	
15	44	12985	Wright City WSC	W	TX2120099	1,989	Filter out TTHM's	C	$250,000.00		Yes-BC	$250,000.00	
16	44	13211	Rotan	M	TX0760002	1,477	Install 14 miles of new 12" PVC water line to replace existing dilapidated cast iron water line. Existing cast iron line suffers from corrosion issues, high water loss, occasional interruption of service due to needing repairs, high chlorine demand from iron bacteria growth, and disinfection residual issues.	PADC	$5,200,000.00	50%	Yes-BC	$5,200,000.00	
17	40	13086	San Angelo	M	TX2260001	100,450	To achieve the needed Phase II design production rate of 12,000 acft/yr (10.7 MGD), the City's wellfield, collection system, transmission line, and GWTP will be upgraded to ensure the production rate can reliably be achieved.	C	$61,697,360.00				

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Public Water System													
18	39	13141	Annona	M	TX1940004	463	In October 2018, Riverbend WRD completed a Regional Water Master Plan Study (Study) funded through the TWDB that focused on Riverbend WRD's participating entities located within Bowie, Cass, and Red River Counties. The Study evaluated several alternatives with a final recommendation of constructing a new regional water system, as noted in the Riverbend Strategy (2016 Region D Water Plan), which includes the following for the first phase: a new raw water intake structure (60 MGD) with a deeper invert elevation in Wright Patman Lake, a new raw water pump station (designed for 60 MGD, initially constructed for 30 MGD), raw water transmission pipeline (54-inch diameter) for both industrial and domestic use, 2 MG elevated storage tank, and a new 25 MGD water treatment plant. TWU's New Boston Road WTP and existing raw water conveyance system (i.e. intake, raw water transmission line, etc.) would be decommissioned. Riverbend WRD would serve as the lead funding sponsor and wholesale water pro	ADC	$400,000.00		Yes-BC	$140,000.00	
19	35	13102	Presidio Co WID # 1	D	TX1890012	82	Evaluate alternatives and construct best option to resolve the Arsenic MCL violation. Alternatives include possible additional well, blending with existing sources, or pilot testing and construction of arsenic removal treatment to meet primary drinking water standards. An asset management plan will be developed.	PDC	$300,000.00	70%			
20	25	12993	Newton	M	TX1760004	338	The proposed project will install waterline and upgrade the interim storage and booster system to allow a sustained 35 psi minimum pressure throughout East Newton's service area and lifting of the boil water notice. Waterlines will be constructed from the City's existing 8" main to WSC's existing water plant and the old lines along this route will be abandoned.	DC	$500,000.00	50%			
21	23	13074	Breckenridge	M	TX2150001	5,800	The City desires to install improvements/upgrades at the WTP and raw water intake structure. In addition, the City is planning to rehabilitate various portions of the distribution system in order to reduce the number of water line leaks/breaks that have resulted in numerous boil water notices.	PDC	$3,546,000.00	30%			

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Public Water System													
22	23	12998	Evadale WCID # 1	D	TX1210011	963	Evadale WCID#1 has recently lost part of its production wells due to mechanical failure. This project will provide additional production capacity and replace deteriorated distribution lines.	PADC	$3,220,593.00		Yes-BC	$200,000.00	
23	21	13106	Richland Springs	M	2060002	350	replacement and upgrade of 25 miles of pipeline	PDC	$3,695,000.00	70%			
24	21	13092	Paducah	M	TX0510001	1,186	The proposed project includes replacement of sections of the aging and inefficient distribution system; replacement of the main transmission line that transports the water from Paducah's well field to town; replacement of two sand traps that capture sand produced from the City's wells and keep it from entering the distribution system; and rehabilitation of the three ground storage tanks at the well field to stop the corrosion that is prevalent on each of the three tanks.	PDC	$3,418,000.00	50%			
25	21	13073	Vernon	M	TX2440001	10,874	Install a new 16 mile 24" PVC pipeline.	PADC	$11,000,000.00	30%	Yes-BC	$11,000,000.00	
26	20	13127	Dario V. Guerra, III, dba Derby Ing.	W	TX0820016	140	Construct a new well at a suitable location to provide an alternative source and to build redundancy in the system.	C	$420,000.00	70%			
27	20	13128	Elsa	M	TX1080005	7,135	Improvements to the water treatment plant, replacement of obsolete/substandard equipment, replacement of asbestos distribution lines and refurbishing water storage tanks to eliminate current substandard conditions and prevent further deterioration resulting in costly repairs and maintenance.	C	$4,295,486.00	50%			
28	18	13066	Anthony	M	TX0710001	3,500	The Town of Anthony will need to construct a 250,000 gallon elevated water tank, rehabilitate existing water wells, replace booster stations, address leaking water lines, install a chlorination control system, replace meters and build arsenic treatment plant in order to provide enough adequate water to the residents.	C	$7,122,444.00	30%			
29	16	13095	JRM Water, LLC	P	TX2350036	405	Water Plant Improvements	DC	$408,000.00				
30	16	13123	Jacksboro	M	TX1190002	4,450	The City of Jacksboro's existing WTP has reached the end of its useful life and requires replacement.	PDC	$12,163,000.00	50%			
31	15	13107	Pharr	M	1080009	76,727	The City of Pharr currently has multiple projects that need to be corrected due to deficient within the Water Treatment Plant per TCEQ requirements. City of Pharr also has to acquire property to expand the Raw Water Reservoir to comply with the storage requirements by TCEQ. In addition, the city needs to extend a Water Transmission Main to supply water to the Eldora Elevated Storage Tank.	PADC	$17,312,000.00	30%			

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Public Water System													
32	15	13116	Shamrock	M	TX2420001	1,933	Shamrock desires to re-drill two wells in their North Well Field, replace the transmission pipeline that carries water from the North Well Field to the distribution system, replace ground storage tanks in both the West and North Well Fields, replace the existing distribution system and construct a new elevated storage tank.	PADC	$34,680,860.00		Yes-BC	$21,365,120.00	
33	15	13085	G-M WSC	W	TX2020067	11,249	Remove existing meters and replace with radio read meters.	PDC	$1,805,160.00	50%	Yes-BC	$1,805,160.00	
34	14	13143	Coke County WSC	W	TX0410017	346	• Replace existing meters in distribution system with new AMR drive-by system. • Add isolation valves and flush valves to existing distribution lines to allow isolation of line segments for future line repairs and improvements. • TCEQ Financial, managerial, & technical assistance (FMT) is currently scheduled to address asset management for this water system.	PDC	$300,000.00	50%	Yes-BC	$300,000.00	
35	14	13105	Reno	M	1840049	2,650	Design and construction of a new 1.0MG elevated storage tank and onsite well to fill the tank. SCADA will be included to monitor the hydraulics and fill rates. A master plan which includes an asset management plan will be developed to prioritize the system needs. Water line improvements will also be included in the project.	PDC	$16,760,000.00		Yes	$13,500,000.00	
36	14	13043	Mertzon	M	TX1180002	700	As a result of the recent historic ongoing drought, the City's water supply is still depleted. The City currently has five (5) functional groundwater wells (of the original eight), caused by continual pumping during the ongoing drought, and is in the process of obtaining approval for a new sixth well. The City has observed a steady decrease in production from its wells over the past several years, to the point that three of the original eight wells are essentially "dry" at this time. As the water supply has dwindled, the quality of the water no longer meets secondary drinking water quality standards. In order to support current water supply needs with water that meets current drinking water quality standards, the City of Mertzon is pursuing implementation of a major project to install a treatment system to address the City's groundwater quality issues.	PDC	$2,797,000.00		Yes-BC	$2,797,000.00	
37	14	13002	Gordon	M	TX1820007	744	Water Treatment Plant Improvements, Water Line Replacements, Pump Station Improvements, and Radio Read Meters	PDC	$900,000.00	50%	Yes-BC	$900,000.00	

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Public Water System													
38	14	13041	Crosbyton	M	TX0540001	2,083	The City of Crosbyton proposes to replace specific valves and fire hydrants to improve performance of its distribution system.	PDC	$707,000.00	50%	Yes-BC	$707,000.00	
39	14	13044	Roma	M	TX2140007	18,903	The City is addressing the need for Phase I (4 MGD) of a new water treatment plant (WTP) to serve City of Roma residents and fully comply with all water treatment regulations. The City's existing WTP was partially rehabilitated in the late 1990s and has reached the end of its useful life and requires replacement.	PADC	$22,279,000.00	70%	Yes-BC	$22,280,000.00	
40	13	13212	Santa Anna	M	0420002	1,099	Water service to customers is always an important subject in a city's utility needs. TCEQ has set standards for minimum water line pipe sizes and the number of service connections that can be run from these lines. Aging infrastructure is also a factor when looking at water lines and can make them vulnerable to leaks and failures. The City of Santa Anna is pursuing the implementation of upsized water lines to ensure all TCEQ regulations are met and to better serve customers that are connected to these water lines.	PDC	$850,000.00	50%	Yes-BC	$850,000.00	
41	13	13075	Eden	M	TX0480001	1,228	The City desires to install improvements at the water supply well sites and to install a redundant cooling tower for operational flexibility.	PDC	$2,219,000.00	50%			
42	13	13094	Bartlett	M	11232	1,623	Water meter replacement	PDC	$747,000.00	30%	Yes	$430,500.00	
43	13	13071	Stephens Regional SUD	D	TX2150007	3,173	SRSUD is proposing to increase the operational flexibility at the WTP by increasing the capacity of the MF Filters with the installation of a new pre-treatment chemical system, construction of solids handling improvements, and reduction and in the amount of concentrate produced in the RO system with the installation of concentrator skid. Additionally, this project includes improvements in the existing distribution system to address pressure concerns during periods of high use and allow the existing system to provide service for the future growth in the area and demand for water service within the existing CCN. The proposed project also includes the installation of an AMR system in the existing distribution system to allow for more accurate meter readings and advanced leak detection.	PDC	$8,713,568.00	50%	Yes-BC	$8,713,568.00	
44	13	13117	Stephens Regional SUD	D	TX2150007	3,173	SRSUD is proposing water system improvements to address growth in the distribution system by expanding the distribution system to areas which are currently unserved.	PDC	$22,346,840.00	70%	Yes	$22,346,840.00	

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Public Water System													
45	13	13112	Richwood	M	0	6,000	Adding a water plant to increase water pressure and service capacity	DC	$3,546,200.00				
46	13	13096	Wharton	M	TX2410005	8,756	The City has a history of high water loss and frequent leaks/outages in a number of areas that still have old 2" waterlines. These lines are also too small to provide any fire protection or allow the City to place fire hydrants in these older subdivisions. After completion of planning, environmental, and design the City intends to replace the 2" steel waterlines with 8" PVC waterlines improving water quality, reducing leaks/outages, and providing fire protection.	PDC	$1,046,900.00	30%			
47	13	13080	Sweetwater	M	TX1770002	11,760	The proposed project includes replacement of existing membrane system trains, raw water pump replacement, water line replacement, ground storage tank painting and electrical improvements.	PDC	$2,644,500.00	30%			
48	13	13133	Melvin	M	TX1540003	178	This project involves the rehab of existing GSTs and the replacement of old existing water line with 6" WL. This project will assist the city with water loss.	PDC	$200,000.00	50%			
49	13	13101	Streetman	M	TX0810016	241	The City currently has 3 active wells producing approximately 50 gpm each. The City desires replace the wells with purchased treated water from Winkler WSC to replace the groundwater wells. Additionally the City desires to improve the distribution system along the I-45 corridor to provide better service to existing customers.	PADC	$1,900,250.00	50%			
50	13	13137	Oakmont Saddle Mountain WSC	W	TX1930015	324	Construct well #4 - Funds are being requested to construct the water-tight concrete basin. Installation of the pump and associated piping, electrical, and all appurtenances. Authorization to construct this spring water source well was issued by the TCEQ letter dated; October 24, 2014.	PDC	$425,700.00	50%			
51	13	13109	Rising Star	M	TX067005	1,038	Make repairs necessary to ground storage tank including new roof latch, water level indicator, vent, and clean out sediment from tank. Replace items at pump station. Install chlorine leak alarm, add SCBA protection equipment and repair chlorine building. Reduce water loss through installation of new metering system.	PDC	$300,000.00	30%	Yes-BC	$180,000.00	
52	13	13124	Union WSC	W		6,534	UWSC is in need of expanding their 1.5 MGD to 2.5 MGD	P	$132,000.00	70%			
53	13	13125	Mexia	M	TX1470004	7,425	Replacement of an existing 1.5 million gallon ground storage tank at the Highway 84 pump station.	PDC	$2,795,550.00	70%			

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Public Water System													
54	12	12962	Valentine	M	TX1220002	200	New groundwater well adjacent from existing well at Bell and 6th Street.	DC	$769,850.00	50%			
55	12	12979	Madera Valley WSC	W	TX1950006	1,983	The installation of five additional wells and a transmission line from the well field to near the south boundary of the Town of Pecos City.	PADC	$30,305,000.00				
56	12	13070	Slaton	M	TX1520004	5,800	The City of Slaton is proposing the installation of an AMI system throughout their distribution system as well as the installation of a new elevated storage tank.	PADC	$3,957,000.00	30%	Yes	$3,938,000.00	
57	11	12970	Littlefield	M	TX1400003	6,454	Replace existing main well field transmission line.	PDC	$10,988,710.00	30%			
58	11	13099	Los Fresnos	M	TX0310004	6,376	The City of Los Fresnos Drinking Water State Revolving Funds Project 62627 needs are to increase the water treatment plant capacity to meet future water demands while ensuring minimum disinfection requirements are met. The project will also need to address the Corrective Action Plan (CAP) resulting from the mandatory Comprehensive Performance Evaluation (mCPE) performed on September 2016 in response to a violation of TCEQ standard 290.104 (g) (1) (relating to Maximum Contaminant Levels, Maximum Residual Disinfectant Levels, Treatment Techniques, and Action Levels).	C	$3,627,000.00		Yes-BC	$745,000.00	
59	11	13089	Midland	M	TX1650001	132,950	The City desires to install improvements to expand water system capacity in the northeastern portion of the City.	PAD	$958,000.00				
60	10	13138	Harrold WSC	W	TX2440002	141	Replace existing 4" AC supply line with PVC line.	PDC	$300,000.00				
61	10	13132	Tom Green Co FWSD # 2	D	TX2260004	404	Water Treatment Plant - New turbidity ad chlorine meters; new high service pump. Well System - Rehabilitating of existing wells to increase yields in the three wells.	PDC	$300,000.00	50%			
62	10	13021	Paint Creek WSC	W	TX1040017	690	Construct a hydropneumatic pump station with a 60,000 gallon ground storage tank and 6,000 gallon pressure tank.	PADC	$300,000.00				
63	10	13110	Zavalla	M	TX0030030	712	Replace existing ground storage tanks	PDC	$145,775.00	30%			
64	10	13025	Lone Oak	M	1160018	786	The City of Lone Oak is experiencing issues with various water lines in their system due to undersized lines and dead-ends.	PDC	$500,000.00		Yes-BC	$500,000.00	
65	10	13103	Richland SUD	D	1540008	839	adding and replacing lines in the northwest area of the Richland SUD system	PADC	$4,554,650.00	50%			
66	10	13122	Cross Plains	M	TX0300003	982	The City of Cross Plains proposes to replace undersized lines and loop dead end areas in their system.	PDC	$1,200,000.00	30%			

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Rank	Points	PIF #	Entity	Owner Type	PWS ID	Population	Project Description	Requested Phase(s)	Total Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System													
67	10	13139	Lorenzo	M	TX0540002	1,298	The City of Lorenzo has an existing 100,000 gallon elevated multi-legged water storage tank. The existing structure was constructed any decades ago and has reached the end of its useful life. The tank has had recent leaks and the City has repaired the steel in the existing tank several times. There are fears that the tank will begin to fall again. We proposed to replace the tank with a new 120,000 gallon standpipe.	PDC	$750,000.00	50%			
68	10	13057	Granger	M	TX2460002	1,419	The project includes the rehabilitation of the water storage facilities, well pumps, pump stations, and distribution system.	PDC	$999,000.00	30%			
69	10	13039	Rhome	M	TX2490007	1,598	This project will focus on improving the water treatment and distribution system for the City.	PDC	$850,000.00		Yes-BC	$850,000.00	
70	10	13029	Wills Point	M	TX2340005	3,889	The City of Wills Point has a 12 inch raw water supply line which supplies water from the intake on Lake Tawakoni to the City's Water Treatment Plant. The raw water transmission line catastrophically failed recently forcing the City to implement emergency temporary supply from the Wills Point Reservoir. On Thursday, February 22 the in-line flow meter for the temporary supply line failed resulting in a system wide outage. The purpose of this project is to replace 38,400 linear feet of 12 inch raw water transmission line from the West Tawakoni Intake to the City of Wills Point Water Treatment Plant in order to provide reliable raw water to the City's Water Treatment Plant.	PDC	$4,806,751.80	30%			
71	10	13098	Alpine	M	TX0220001	5,700	Perform a needs assessment for an asset management program, upgrade existing system to replace outdated or inefficient components, install smart meters.	PDC	$5,290,530.00		Yes-BC	$3,000,000.00	
72	10	13048	Keene	M	TX126008	6,266	Replace approximately 16,000 linear feet of 2-inch through 8-inch water line.	PADC	$1,955,991.00	30%	Yes-BC	$1,955,991.00	
73	10	13104	Raymondville	M	TX2450001	11,284	The City is proposing to replace and update old and under sized iron and asbestos waterlines and replace non-working gate valves and fire hydrants. It is also repainting the exterior (2) and interior (3) of the elevated water tanks to remove surface rust and repair structural deficiencies. The City will start an asset management plan as part of the proposed project.	PDC	$2,100,000.00	50%			

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Public Water System													
74	10	13020	Lower Valley WD	D	TX1010642	93,061	This area is currently not served by the District's water system. LVWD propose to install a 12" or larger pipe to the main distribution system to expand services to unserved areas and improve pressure.	PDC	$17,331,795.00	30%			
75	10	13076	Lower Valley WD	D	TX1010642	93,061	The majority of the area is currently not being served or are partially served by an undersized and dilapidated water system. LVWD is proposing to install a 12" or larger pipe to the main distribution system to improve pressure by creating a critical loop system.	PDC	$4,369,056.00	30%			
76	10	13078	Lower Valley WD	D	TX1010642	93,061	This area is currently not being served by the District's water system. LVWD is proposing to install a 12" or larger pipe to the main distribution system to expand services to unserved areas and improve pressure.	PDC	$5,297,449.00	30%			
77	10	13090	Lower Valley WD	D	TX1010642	93,061	This area is currently being served by an undersized and dilapidated water system. In addition, LVWD proposes to upgrade the size of the main distribution system to improve pressure and bring dependable water source to Mesa Del Norte, Lourdes Estates and El Conquistador colonias (416 households/1,539 residents).	PDC	$2,346,725.00	30%			
78	10	13091	Lower Valley WD	D	TX1010642	93,061	This area is currently being served by an undersized and dilapidated water system. In addition, LVWD is proposing to upgrade the size of the main distribution system to improve pressure.	PDC	$1,853,491.00	30%			
79	8	13072	South Ellis Co WSC	W	0700043	1,575	Phase 1 - Construct 8" Transmission Main Phase 2 - Construct Elevated Storage Tank Phase 3 - Construct Deep Well at the Carolyn Road Plant Site	PADC	$3,320,276.00		Yes-BC	$25,000.00	
80	6	13000	Church Hill WSC	W	2010008	456	Church Hill WSC is pursuing an additional water well for their system to supplement the existing water supply capacity and blend water at their Plant No. 2.	PD	$47,500.00				
81	5	12987	Bertram	M	TX0270012	2,538	Replacement and expansion of the existing 8-inch transmission main from the Well Field to the City of Bertram. The elevated tank will be sized to meet all regulatory requirements and provide reliability in the system.	PADC	$12,440,000.00				
82	5	13082	Lake Palo Pinto Area WSC	W	TX1820069	1,932	LPPA WSC is proposed to expand their existing Water Treatment Plant in preparation for future expansion in their distribution system.	PDC	$3,849,000.00		Yes-BC	$120,000.00	

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Public Water System													
83	4	13142	Avery	M	TX1940005	429	In October 2018, Riverbend WRD completed a Regional Water Master Plan Study (Study) funded through the TWDB that focused on Riverbend WRD's participating entities located within Bowie, Cass, and Red River Counties. The Study evaluated several alternatives with a final recommendation of constructing a new regional water system, as noted in the Riverbend Strategy (2016 Region D Water Plan), which includes the following for the first phase: a new raw water intake structure (60 MGD) with a deeper invert elevation in Wright Patman Lake, a new raw water pump station (designed for 60 MGD, initially constructed for 30 MGD), raw water transmission pipeline (54-inch diameter) for both industrial and domestic use, 2 MG elevated storage tank, and a new 25 MGD water treatment plant. TWU's New Boston Road WTP and existing raw water conveyance system (i.e. intake, raw water transmission line, etc.) would be decommissioned. Riverbend WRD would serve as the lead funding sponsor and wholesale water	ADC	$1,220,000.00		Yes	$427,000.00	
84	4	13140	Leary	M	TX0190093	559	In October 2018, Riverbend WRD completed a Regional Water Master Plan Study (Study) funded through the TWDB that focused on Riverbend WRD's participating entities located within Bowie, Cass, and Red River Counties. The Study evaluated several alternatives with a final recommendation of constructing a new regional water system, as noted in the Riverbend Strategy (2016 Region D Water Plan), which includes the following for the first phase: a new raw water intake structure (60 MGD) with a deeper invert elevation in Wright Patman Lake, a new raw water pump station (designed for 60 MGD, initially constructed for 30 MGD), raw water transmission pipeline (54-inch diameter) for both industrial and domestic use, 2 MG elevated storage tank, and a new 25 MGD water treatment plant. TWU's New Boston Road WTP and existing raw water conveyance system (i.e. intake, raw water transmission line, etc.) would be decommissioned. Riverbend would serve as the lead funding sponsor and wholesale water pro	ADC	$880,000.00		Yes	$308,000.00	

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Public Water System													
85	4	13097	Reno	M	1840049	2,556	Design and construction of a new 1.0MG elevated storage tank and onsite well to fill the tank. SCADA will be included to monitor the hydraulics and fill rates. A master plan which includes an asset management plan will be developed to prioritize the system needs.	PDC	$3,660,000.00		Yes	$2,500,000.00	
86	4	13126	Arlington	M	TX2200001	373,162	Upgrade Lake Arlington Raw Water Pump Station to supply firm capacity of 162MGD	PDC	$20,330,000.00		Yes	$20,330,000.00	
87	3	13196	Johnson Water Service	P	TX0200158	0	Drill a new well. We would also like to have an asset management plan put in place.	PADC	$69,000.00				
88	3	13022	Commodore Cove ID	D	0200033	358	Replace current pressure tank to meet current regulations and replace secondary water line to meet demands of population on street.	PAC	$257,941.00				
89	3	12964	Jourdanton	M	TX0070002	4,259	New water production site to include well, ground storage, new elevated storage tank, and new transmission main from new well to Pecan Well. Install an additional proposed ground storage at the Whittler production facility. City-wide water meter replacement to automatic meter reading (AMR) meters. Project includes the preparation of an asset management plan.	PADC	$6,843,114.00				
90	3	13135	Bluegrove WSC	W	TX0390014	75	This project involves the construction of a new pump station and the replacement of water distribution line to help with water loss.	PDC	$300,000.00				
91	3	13118	Matthew Road WSC	W	TX0570098	250	New Well/New Fence	C	$80,000.00				
92	3	13119	Rochelle WSC	W	TX1540004	604	This project involves the rehabilitation of existing ground water tanks and the replacement of old existing meters with an AMR meter system and a new master meter to address water loss issues.	PDC	$300,000.00				
93	3	13136	Trent	M	TX2210009	768	This project involves the replacement of old existing water lines that are prone to breaking and leaking with new pvc water line.	PDC	$300,000.00				
94	3	13120	Midway ISD	D	TX0390020	981	Midway ISD will drill another well to increase water production. The main water lines will also be replaced as well as necessary connections, valves, and service reconnections.	PDC	$300,000.00				
95	3	12997	Rock Hill WSC	W	1830014	999	The WSC currently only has one water well that they can normally operate (Well No. 2) due to high total dissolved solids. The WSC is pursuing an additional well to supplement the production of Well No. 2 and reduce the amount of purchased water required from the City of Carthage.	PDC	$300,000.00				

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Public Water System													
96	3	13006	Cypress Valley WSC	W	TX1020088	1,386	New water well for potable water production	PDC	$750,000.00				
97	3	13009	Daingerfield	M	TX1720001	2,705	Install a new elevated storage tank and pressure maintenance facility. Upgrade linework and valves.	PADC	$2,680,000.00				
98	3	12976	Greater Gardendale WSC	W	TX0680214	2,842	Construction of a new 1.5 MGD surface water treatment plant to treat raw groundwater and purchased raw water from the City of Odessa/CRMWD.	PADC	$8,560,000.00				
99	3	13131	Haskell	M	TX1040001	3,235	Replace existing water meters with an automatic meter reading (AMR) system.	PDC	$900,000.00		Yes-CE	$900,000.00	
100	3	12982	San Antonio Water System	M	0150018	1,857,779	Dietrich Elevated Storage Tank is a master planned project that is required to provide 1.5 million gallons of elevated storage for Pressure Zone (PZ) 828.	C	$5,254,922.00				
101	2	13003	White Settlement	M	TX2200081	17,380	The City is currently undertaking the effort to develop a preliminary asset management plan for their water system infrastructure. The scoring system for the condition of facilities was based on several criteria such as pipeline diameter, material, age, capacity, history of repairs and criticality. For above ground facilities some of the criteria included electrical, mechanical, site, structural, etc. For each asset an overall risk score was assigned. The City is seeking this funding to expand on their preliminary asset management efforts to include a full master plan with hydraulic modeling. Through the effort those assets that were identified at high risk of failure and are highly critical have been mapped and preliminary cost estimates have been developed. This project will fund the additional asset management and master planning efforts and the rehabilitation of infrastructure identified as high risk. In addition, the City will install an AMI metering system. The AMI project will	PDC	$3,666,730.00		Yes	$1,942,000.00	
102	1	13042	Parker WSC	W	1260021	3,000	The WSC wants to improve their water distribution system to better service clients.	PDC	$3,300,000.00		Yes-BC	$3,300,000.00	
103	1	13108	El Campo	M	2410002	11,645	Replace aging existing water lines throughout the distribution system with similar size or larger size PVC water lines.	C	$4,817,500.00				
104	1	13130	Bluff Dale WSC	W	TX0720036	267	Drill a second well to comply with the 85% production capacity rule.	DC	$382,850.00				
105	1	13013	Blooming Grove	M	TX1750001	833	Construct a new water supply well and ground storage tank and create and implement an Asset Management Plan	PDC	$1,517,450.00				

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Public Water System													
106	1	13047	Thorndale	M	1660003	1,300	The City of Thorndale proposes to construct a water production system to produce and treat groundwater for delivery to its existing water plant for distribution to its existing customers. The City currently purchases its water supply from Southwest Milam WSC and is proposing this project to be able to independently produce, treat, and distribute water to its current and future customers.	PADC	$9,900,000.00				
107	1	13019	Rosebud	M	TX0730003	1,415	The City proposes to replace broken and/or malfunctioning water meters within their CCN with meters to prevent the water loss and to ensure the safety and well being of its customers. The City intends to prepare their asset management plan with assistance from TCEQ's FMT contractor.	PDC	$889,000.00		Yes-BC	$889,000.00	
108	1	13145	Canadian	M	TX1006000	3,253	Purchase and installation of automatic meter reading system.	DC	$632,000.00		Yes	$632,000.00	
109	1	13146	Canadian	M	TX10060001	3,253	This project will rehabilitate the Birch Street elevated storage tank, the Santa Fe ground storage tank and Northeast ground storage tank.	DC	$1,493,000.00				
110	1	13054	Rusk	M	TX0370003	5,618	New Groundwater Source Water Well	PADC	$1,862,501.00				
111	1	13004	White Oak	M	920006	6,544	New Pump Station and Raw Water Line. Prepare and implement an Asset Management Plan.	PADC	$5,810,000.00				
112	1	13144	San Juan	M	TX1080010	24,605	New 1.0 MG (concrete composite) elevated storage tank, associated waterline, and decommissioning aging and old existing 300,000 and 200,000 gallon elevated tanks.	PADC	$4,395,000.00	30%			
113	0	12986	Texoma Estates WSC	W	TX910047	127	Design and construct a new well house, refurbish storage tank, and install backup generator.	PDC	$1,084,500.00				
114	0	12969	The Falls WSC	W	0100072	198	Install a 30,000 gallon storage tank with a 3,000 gallon pressure tank and two high service pressure pumps.	PADC	$277,196.00				
115	0	13060	Burton	M	2390002	295	New Water Well 5	PD	$108,500.00				
116	0	13100	Moran	M	2090002	355	Water Line Replacement	PADC	$340,000.00		Yes-BC	$300,000.00	
117	0	12992	River Oaks WSC	W	TX1610018	375	Replace lines on two streets and install meters.	DC	$74,000.00				
118	0	13093	Whiteface	M	TX0400002	449	Replacement of all residential water connection meters and install new gate valves	PDC	$300,000.00				
119	0	12974	Balmorhea	M	TX1950006	610	Installation of an additionally 8-inch drinking water transmission line from the Toyahvale regulator station to the City of Balmorhea.	PADC	$1,670,000.00				

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Public Water System													
120	0	13113	Roby	M	TX0760001	667	Replace existing ground storage tank.	PDC	$300,000.00		Yes	$300,000.00	
121	0	13134	Bronte	M	TX0410001	904	The City of Bronte has lines in its water distribution system that needs replacement. These lines are older cast iron, asbestos concrete or galvanized water lines that have become fragile and prone leaks and breaks. These breaks lead to water loss and additional staff maintenance. It is proposed to replace approximately 6,000 linear feet of existing water line with 8" and 6" PVC water line. Fire hydrants will also be installed on the new water line to serve these areas with fire protection.	PDC	$300,000.00				
122	0	13030	West Tawakoni	M	TX1160012	1,683	1. Construct new Water Intake Structure into deeper water. Per Preliminary Engineering Report (PER), a depth of +/-25 feet can be obtained by constructing the Intake at the proposed location. 2. Develop Asset Management Plan	PADC	$2,005,400.00				
123	0	12991	Newton	M	1760001	2,227	City plans to construct new water well.	PADC	$2,000,000.00				
124	0	13045	Orange Co WCID # 2	D	1810006	5,269	Replace aging water mains, services, well pumps, and well motors.	PADC	$3,758,300.00		Yes	$1,796,800.00	
125	0	13053	Rusk	M	TX0370003	5,618	Install 8" Water Line on FM 343 West Rehabilitation of Two Elevated Storage Tanks	PDC	$1,813,405.00				
126	0	13111	Galveston Co WCID # 1	D	0840001	12,845	Replacement of Existing 8" Cast Iron Water Line along California Avenue from 29th Street to 21st Street with new 12" PVC Water Line	DC	$869,735.00				
127	0	13005	Ennis	M	TX0700001	18,674	Failing waterlines with insufficient valving. Frequent breakage causes loss of service, risk of system contamination, and significant water loss. Prepare and implement Asset Management Plan	PDC	$8,364,879.00				

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Public Water System													
128	0	12995	Guadalupe Blanco RA	D	TX0290005	26,088	The project would focus on repairing major breaches in the Calhoun County Diversion System levees to prevent salt water intrusion into the public drinking water supply.	PDC	$1,207,330.00				
129	0	13001	Ennis	M	TX0700001	29,159	Water line replacements in downtown Ennis and create and implement an Asset Management Plan	PDC	$4,987,021.00		Yes	$3,298,600.00	
130	0	13121	Eagle Pass Water Works System	M		52,624	Replace current metering system with new Master Meter's Allegro AMI Network.	C	$5,825,000.00		Yes-BC	$6,000,000.00	
131	0	12981	San Antonio Water System	M	0150018	1,857,779	Highway 90 and General McMullen Pressure Zone Integration to integrate two pressure zones and establish redundancy for Winwood and GBRA water.	C	$4,130,290.00				
132	0	12983	San Antonio Water System	M	0150018	1,857,779	Pump Station Rehabilitation Phase 5 - Artesia will rehabilitate the Artesia pump station that serves Pressure Zone 3 across the southern half of the area inside Loop 410.	C	$16,037,160.00				
Public Water System Total		**132**							**$576,818,664.80**	**56**	**45**	**$177,212,579.00**	
Total		**132**							**$576,818,664.80**	**56**	**45**	**$177,212,579.00**	

Phase(s): P-Planning; A-Acquisition; D-Design; C-Construction
Green Type: BC-Business Case; CE-Categorically Eligible; Comb-Project consists of both CE and BC components

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Rank	Points	PIF #	Entity	PWS ID	Population	Project Description	Eligible Phase(s)	Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System												
1	584	13063	Millersview-Doole WSC	TX0480015	3,579	Treating well water at the source and blending with surface water. The project includes additional water system improvements	PDC	$2,300,000.00	70%			
2	150	12978	Menard	TX1640001	1,471	Major rehabilitation, additions and modifications to the surface water treatment plant and raw water wells to address groundwater under the influence.	DC	$4,000,000.00	30%			
3	144	13038	Sandbranch	Pending	190	Install a water system to an existing development	TBD*	TBD*	70%			
4	130	12975	Toyah	TX1950004	300	Improve 1939 era sedimentation cone at the Toyah Surface Water Treatment Plant	PDC	$300,000.00				
5	115	13026	Carbon	TX0670015	272	The project consists of pump station improvements to increase the storage and pumping capacities to meet compliance. The project also consists of installing a SCADA System and a radio read metering system	PDC	$700,000.00	70%	Yes-BC	$700,000.00	
6	114	13059	Gladewater	TX0920001	6,541	Upgrades to existing elevated storage tank, waterlines, and pressure maintenance facilities.	PDC	$2,776,980.00				
7	84	12990	North Alamo WSC	1080029	180,000	This project implements recommendations resulting from the North Alamo Water Supply Corporation Title XVI Energy-Efficient Brackish Groundwater Desalination Feasibility Study. Specifically, the project will increase brackish groundwater desalination production capacity by 1 MGD by means of an innovative energy-efficient desalination process reliant on nano-filtration membranes. Additionally, existing reverse osmosis trains will be retrofitted to nano-filtration trains which will also increase production while reducing desalination energy requirements by 50 percent for a total system energy reduction of 32 percent.	ADC	$6,840,000.00	30%	Yes-BC	$4,900,000.00	
8	78	13062	Madera Valley WSC	TX1950006	1,983	The addition of a Regional Surface Water Treatment Plant with the goal of providing potable water to Rural Reeves County and the consolidation of the water supplies for the Madera Valley WSC, City of Balmorhea and City of Toyah.	PADC	$4,715,000.00				
9	65	12967	Quitaque	0230002	411	Electro-Dialysis Reversal Water (EDR) Treatment Plant to remove nitrates out of the water.	PDC	$1,300,000.00	50%			
10	62	13114	Victoria Co WCID # 1	2350001	2,059	The Victoria County WCID No. 1 is seeking funding to address issues that have present in the districts water system including Arsenic present in one of the active water wells. The existing well has been studied significantly and monitored frequently including rehabilitation of the well in an attempt to provide safer water to the public. This project will consist of drilling a test well and new public water well at a new site in order to satisfy an agreed order issued by the TCEQ on December 04, 2018.	PADC	$690,000.00	30%			

* Sandbranch - To be determined upon further TWDB review

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Public Water System												
11	56	13129	Alice	TX1250001	19,439	All planning, engineering, environmental, and permitting will be completed in Phase 1 or this project. Phase II will be Construction of a 3.0 million gallon per day brackish desalination plant, one 3 mgd brackish well, building, yard piping, well construction lines and concentrate discharge line.	C	$12,715,000.00	30%			
12	54	12973	Wright City WSC	TX2120027	1,242	Filter out TTHM Precursors to control TTHM's.	AC	$250,000.00		Yes-BC	$250,000.00	
13	48	13050	Miles	TX2000002	870	The City of Miles (City) proposes to pursue development of an alternative source of water supply to complement its current wholesale water supply. The City needs to identify and evaluate alternative water supply options including development of additional surface water or groundwater supplies as well as potential treatment of its existing groundwater to reduce nitrate and dissolved solids levels to within compliance.	P	$200,000.00		Yes-BC	$200,000.00	
14	47	13115	Rowena WSC	2000004	480	This project will reduce TTHM levels to gain compliance with the Stage 2 DBP Rule.	PDC	$4,140,000.00		Yes-BC	$4,140,000.00	
15	44	12985	Wright City WSC	TX2120099	1,989	Filter out TTHM's	C	$250,000.00		Yes-BC	$250,000.00	
16	44	13211	Rotan	TX0760002	1,477	Install 14 miles of new 12" PVC water line to replace existing dilapidated cast iron water line. Existing cast iron line suffers from corrosion issues, high water loss, occasional interruption of service due to needing repairs, high chlorine demand from iron bacteria growth, and disinfection residual issues.	PADC	$5,200,000.00	50%	Yes-BC	$5,200,000.00	
17	40	13086	San Angelo	TX2260001	100,450	To achieve the needed Phase II design production rate of 12,000 acft/yr (10.7 MGD), the City's wellfield, collection system, transmission line, and GWTP will be upgraded to ensure the production rate can reliably be achieved.	C	$61,697,360.00				

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Rank	Points	PIF #	Entity	PWS ID	Population	Project Description	Eligible Phase(s)	Project Cost	Disadv %	Green Type	GPR	Related PIF #'s
Public Water System												
18	39	13141	Annona	TX1940004	463	In October 2018, Riverbend WRD completed a Regional Water Master Plan Study (Study) funded through the TWDB that focused on Riverbend WRD's participating entities located within Bowie, Cass, and Red River Counties. The Study evaluated several alternatives with a final recommendation of constructing a new regional water system, as noted in the Riverbend Strategy (2016 Region D Water Plan), which includes the following for the first phase: a new raw water intake structure (60 MGD) with a deeper invert elevation in Wright Patman Lake, a new raw water pump station (designed for 60 MGD, initially constructed for 30 MGD), raw water transmission pipeline (54-inch diameter) for both industrial and domestic use, 2 MG elevated storage tank, and a new 25 MGD water treatment plant. TWU's New Boston Road WTP and existing raw water conveyance system (i.e. intake, raw water transmission line, etc.) would be decommissioned. Riverbend WRD would serve as the lead funding sponsor and wholesale water pro	ADC	$400,000.00		Yes-BC	$140,000.00	
19	35	13102	Presidio Co WID # 1	TX1890012	82	Evaluate alternatives and construct best option to resolve the Arsenic MCL violation. Alternatives include possible additional well, blending with existing sources, or pilot testing and construction of arsenic removal treatment to meet primary drinking water standards. An asset management plan will be developed.	ADC	$270,000.00	70%			
20	25	12993	Newton	TX1760004	338	The proposed project will install waterline and upgrade the interim storage and booster system to allow a sustained 35 psi minimum pressure throughout East Newton's service area and lifting of the boil water notice. Waterlines will be constructed from the City's existing 8" main to WSC's existing water plant and the old lines along this route will be abandoned.	DC	$500,000.00	50%			
21	23	13074	Breckenridge	TX2150001	5,800	The City desires to install improvements/upgrades at the WTP and raw water intake structure. In addition, the City is planning to rehabilitate various portions of the distribution system in order to reduce the number of water line leaks/breaks that have resulted in numerous boil water notices.	PDC	$3,546,000.00	30%			
22	23	12998	Evadale WCID # 1	TX1210011	963	Evadale WCID#1 has recently lost part of its production wells due to mechanical failure. This project will provide additional production capacity and replace deteriorated distribution lines.	PADC	$3,220,593.00		Yes-BC	$200,000.00	
23	21	13106	Richland Springs	2060002	350	replacement and upgrade of 25 miles of pipeline	PDC	$3,695,000.00	70%			

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Public Water System												
24	21	13092	Paducah	TX0510001	1,186	The proposed project includes replacement of sections of the aging and inefficient distribution system; replacement of the main transmission line that transports the water from Paducah's well field to town; replacement of two sand traps that capture sand produced from the City's wells and keep it from entering the distribution system; and rehabilitation of the three ground storage tanks at the well field to stop the corrosion that is prevalent on each of the three tanks.	PDC	$3,418,000.00	50%			
25	21	13073	Vernon	TX2440001	10,874	Install a new 16 mile 24" PVC pipeline.	PADC	$11,000,000.00	30%	Yes-BC	$11,000,000.00	
26	20	13127	Dario V. Guerra, III, dba Derby Ing.	TX0820016	140	Construct a new well at a suitable location to provide an alternative source and to build redundancy in the system.	C	$420,000.00	70%			
27	20	13128	Elsa	TX1080005	7,135	Improvements to the water treatment plant, replacement of obsolete/substandard equipment, replacement of asbestos distribution lines and refurbishing water storage tanks to eliminate current substandard conditions and prevent further deterioration resulting in costly repairs and maintenance.	C	$4,295,486.00	50%			
28	18	13066	Anthony	TX0710001	3,500	The Town of Anthony will need to construct a 250,000 gallon elevated water tank, rehabilitate existing water wells, replace booster stations, address leaking water lines, install a chlorination control system, replace meters and build arsenic treatment plant in order to provide enough adequate water to the residents.	C	$7,122,444.00	30%			
30	16	13123	Jacksboro	TX1190002	4,450	The City of Jacksboro's existing WTP has reached the end of its useful life and requires replacement.	PDC	$12,163,000.00	50%			
31	15	13107	Pharr	1080009	76,727	The City of Pharr currently has multiple projects that need to be corrected due to deficient within the Water Treatment Plant per TCEQ requirements. City of Pharr also has to acquire property to expand the Raw Water Reservoir to comply with the storage requirements by TCEQ. In addition, the city needs to extend a Water Transmission Main to supply water to the Eldora Elevated Storage Tank.	PADC	$17,312,000.00	30%			
33	15	13085	G-M WSC	TX2020067	11,249	Remove existing meters and replace with radio read meters.	PDC	$1,805,160.00	50%	Yes-BC	$1,805,160.00	

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Public Water System												
34	14	13143	Coke County WSC	TX0410017	346	• Replace existing meters in distribution system with new AMR drive-by system. • Add isolation valves and flush valves to existing distribution lines to allow isolation of line segments for future line repairs and improvements. • TCEQ Financial, managerial, & technical assistance (FMT) is currently scheduled to address asset management for this water system.	PDC	$300,000.00	50%	Yes-BC	$300,000.00	
36	14	13043	Mertzon	TX1180002	700	As a result of the recent historic ongoing drought, the City's water supply is still depleted. The City currently has five (5) functional groundwater wells (of the original eight), caused by continual pumping during the ongoing drought, and is in the process of obtaining approval for a new sixth well. The City has observed a steady decrease in production from its wells over the past several years, to the point that three of the original eight wells are essentially "dry" at this time. As the water supply has dwindled, the quality of the water no longer meets secondary drinking water quality standards. In order to support current water supply needs with water that meets current drinking water quality standards, the City of Mertzon is pursuing implementation of a major project to install a treatment system to address the City's groundwater quality issues.	PDC	$2,797,000.00		Yes-BC	$2,797,000.00	
37	14	13002	Gordon	TX1820007	744	Water Treatment Plant Improvements, Water Line Replacements, Pump Station Improvements, and Radio Read Meters	PDC	$900,000.00	50%	Yes-BC	$900,000.00	
38	14	13041	Crosbyton	TX0540001	2,083	The City of Crosbyton proposes to replace specific valves and fire hydrants to improve performance of its distribution system.	PDC	$707,000.00	50%	Yes-BC	$707,000.00	
39	14	13044	Roma	TX2140007	18,903	The City is addressing the need for Phase I (4 MGD) of a new water treatment plant (WTP) to serve City of Roma residents and fully comply with all water treatment regulations. The City's existing WTP was partially rehabilitated in the late 1990s and has reached the end of its useful life and requires replacement.	PADC	$22,279,000.00	70%	Yes-BC	$22,280,000.00	
45	13	13112	Richwood	0	6,000	Adding a water plant to increase water pressure and service capacity	DC	$3,546,200.00				
48	13	13133	Melvin	TX1540003	178	This project involves the rehab of existing GSTs and the replacement of old existing water line with 6" WL. This project will assist the city with water loss.	PDC	$200,000.00	50%			

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Public Water System												
49	13	13101	Streetman	TX0810016	241	The City currently has 3 active wells producing approximately 50 gpm each. The City desires replace the wells with purchased treated water from Winkler WSC to replace the groundwater wells. Additionally the City desires to improve the distribution system along the I-45 corridor to provide better service to existing customers.	PADC	$1,900,250.00	50%			
50	13	13137	Oakmont Saddle Mountain WSC	TX1930015	324	Construct well #4 - Funds are being requested to construct the water-tight concrete basin. Installation of the pump and associated piping, electrical, and all appurtenances. Authorization to construct this spring water source well was issued by the TCEQ letter dated; October 24, 2014.	PDC	$425,700.00	50%			
54	12	12962	Valentine	TX1220002	200	New groundwater well adjacent from existing well at Bell and 6th Street.	DC	$769,850.00	50%			
55	12	12979	Madera Valley WSC	TX1950006	1,983	The installation of five additional wells and a transmission line from the well field to near the south boundary of the Town of Pecos City.	PADC	$30,305,000.00				
58	11	13099	Los Fresnos	TX0310004	6,376	The City of Los Fresnos Drinking Water State Revolving Funds Project 62627 needs are to increase the water treatment plant capacity to meet future water demands while ensuring minimum disinfection requirements are met. The project will also need to address the Corrective Action Plan (CAP) resulting from the mandatory Comprehensive Performance Evaluation (mCPE) performed on September 2016 in response to a violation of TCEQ standard 290.104 (g)(1) (relating to Maximum Contaminant Levels, Maximum Residual Disinfectant Levels, Treatment Techniques, and Action Levels).	C	$3,627,000.00		Yes-BC	$745,000.00	
59	11	13089	Midland	TX1650001	132,950	The City desires to install improvements to expand water system capacity in the northeastern portion of the City.	PAD	$958,000.00				
60	10	13138	Harrold WSC	TX2440002	141	Replace existing 4" AC supply line with PVC line.	PDC	$300,000.00				
79	8	13072	South Ellis Co WSC	0700043	1,575	Phase 1 - Construct 8" Transmission Main Phase 2 - Construct Elevated Storage Tank Phase 3 - Construct Deep Well at the Carolyn Road Plant Site	PADC	$3,320,276.00		Yes-BC	$25,000.00	
81	5	12987	Bertram	TX0270012	2,538	Replacement and expansion of the existing 8-inch transmission main from the Well Field to the City of Bertram. The elevated tank will be sized to meet all regulatory requirements and provide reliability in the system.	PADC	$12,440,000.00				
88	3	13022	Commodore Cove ID	0200033	358	Replace current pressure tank to meet current regulations and replace secondary water line to meet demands of population on street.	PAC	$257,941.00				

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Public Water System												
89	3	12964	Jourdanton	TX0070002	4,259	New water production site to include well, ground storage, new elevated storage tank, and new transmission main from new well to Pecan Well. Install an additional proposed ground storage at the Whittler production facility. City-wide water meter replacement to automatic meter reading (AMR) meters. Project includes the preparation of an asset management plan.	PADC	$6,843,114.00				
91	3	13118	Matthew Road WSC	TX0570098	250	New Well/New Fence	C	$80,000.00				
96	3	13006	Cypress Valley WSC	TX1020088	1,386	New water well for potable water production	PDC	$750,000.00				
97	3	13009	Daingerfield	TX1720001	2,705	Install a new elevated storage tank and pressure maintenance facility. Upgrade linework and valves.	PADC	$2,680,000.00				
98	3	12976	Greater Gardendale WSC	TX0680214	2,842	Construction of a new 1.5 MGD surface water treatment plant to treat raw groundwater and purchased raw water from the City of Odessa/CRMWD.	PADC	$8,560,000.00				
100	3	12982	San Antonio Water System	0150018	1,857,779	Dietrich Elevated Storage Tank is a master planned project that is required to provide 1.5 million gallons of elevated storage for Pressure Zone (PZ) 828.	C	$5,254,922.00				
103	1	13108	El Campo	2410002	11,645	Replace aging existing water lines throughout the distribution system with similar size or larger size PVC water lines.	C	$4,817,500.00				
106	1	13047	Thorndale	1660003	1,300	The City of Thorndale proposes to construct a water production system to produce and treat groundwater for delivery to its existing water plant for distribution to its existing customers. The City currently purchases its water supply from Southwest Milam WSC and is proposing this project to be able to independently produce, treat, and distribute water to its current and future customers.	PADC	$9,900,000.00				
107	1	13019	Rosebud	TX0730003	1,415	The City proposes to replace broken and/or malfunctioning water meters within their CCN with meters to prevent the water loss and to ensure the safety and well being of its customers. The City intends to prepare their asset management plan with assistance from TCEQ's FMT contractor.	PDC	$889,000.00		Yes-BC	$889,000.00	
109	1	13146	Canadian	TX10060001	3,253	This project will rehabilitate the Birch Street elevated storage tank, the Santa Fe ground storage tank and Northeast ground storage tank.	DC	$1,493,000.00				
110	1	13054	Rusk	TX0370003	5,618	New Groundwater Source Water Well	PADC	$1,862,501.00				
111	1	13004	White Oak	920006	6,544	New Pump Station and Raw Water Line. Prepare and implement an Asset Management Plan.	PADC	$5,810,000.00				
117	0	12992	River Oaks WSC	TX1610018	375	Replace lines on two streets and install meters.	DC	$74,000.00				

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Public Water System												
122	0	13030	West Tawakoni	TX1160012	1,683	1. Construct new Water Intake Structure into deeper water. Per Preliminary Engineering Report (PER), a depth of +/-25 feet can be obtained by constructing the Intake at the proposed location. 2. Develop Asset Management Plan	PADC	$2,005,400.00				
123	0	12991	Newton	1760001	2,227	City plans to construct new water well.	PADC	$2,000,000.00				
125	0	13053	Rusk	TX0370003	5,618	Install 8" Water Line on FM 343 West Rehabilitation of Two Elevated Storage Tanks	ADC	$1,633,335.00				
126	0	13111	Galveston Co WCID # 1	0840001	12,845	Replacement of Existing 8" Cast Iron Water Line along California Avenue from 29th Street to 21st Street with new 12" PVC Water Line	DC	$869,735.00				
127	0	13005	Ennis	TX0700001	18,674	Failing waterlines with insufficient valving. Frequent breakage causes loss of service, risk of system contamination, and significant water loss. Prepare and implement Asset Management Plan	PDC	$8,364,879.00				
128	0	12995	Guadalupe Blanco RA	TX0290005	26,088	The project would focus on repairing major breaches in the Calhoun County Diversion System levees to prevent salt water intrusion into the public drinking water supply.	PDC	$1,207,330.00				
130	0	13121	Eagle Pass Water Works System		52,624	Replace current metering system with new Master Meter's Allegro AMI Network.	C	$5,825,000.00		Yes-BC	$6,000,000.00	
131	0	12981	San Antonio Water System	0150018	1,857,779	Highway 90 and General McMullen Pressure Zone Integration to integrate two pressure zones and establish redundancy for Winwood and GBRA water.	C	$4,130,290.00				
132	0	12983	San Antonio Water System	0150018	1,857,779	Pump Station Rehabilitation Phase 5 - Artesia will rehabilitate the Artesia pump station that serves Pressure Zone 3 across the southern half of the area inside Loop 410.	C	$16,037,160.00				
Public Water System Total		**70**						**$353,592,406.00**	**29**	**20**	**$63,428,160.00**	
Total		**70**						**$353,592,406.00**	**29**	**20**	**$63,428,160.00**	

Phase(s): P-Planning; A-Acquisition; D-Design; C-Construction
Green Type: BC-Business Case; CE-Categorically Eligible; Comb-Project consists of both CE and BC components

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Rank	Points	PIF #	Entity	PWS ID	Green Description	Eligible Phase(s)	Project Cost	Disadv %	Green Type	GPR	Subsidized Green
Public Water System											
5	115	13026	Carbon	TX0670015	Installation of a SCADA system and radio read meter system will enable the City to detect leaks sooner and reduce water loss	PDC	$700,000.00	70%	Yes-BC	$700,000.00	X
7	84	12990	North Alamo WSC	1080029	New, innovative, and energy-efficient desalination treatment technology reliant on nano-filtration membranes will reduce water production energy requirements by nearly 32 percent; from 3.89 kW?Hr/1,000 gal current with reverse osmosis treatment to 2.65 kW?Hr/1,000 gal with nano-filtration.	ADC	$6,840,000.00	30%	Yes-BC	$4,900,000.00	X
12	54	12973	Wright City WSC	TX2120027	Treatment system improves water quality through coagulation with ultra filtration to remove TTHM precursors by chemically bonding particles then filtration. The improved water quality means less chlorine will be needed to disinfect. The proposed treatment process does include a backwash stream of water that will be separated so water loss will be negligible . Also, distribution flushing can be reduced dramatically from current practices due to a superior quality of water being sent to the distribution customers. Current flushing amounts are being followed due to high odor and bad smells.	AC	$250,000.00		Yes-BC	$250,000.00	X
13	48	13050	Miles	TX2000002	The proposed study will also evaluate the City's current water loss to identify areas of water conservation and areas of reuse potential to reduce daily potable water demands.	P	$200,000.00		Yes-BC	$200,000.00	X
14	47	13115	Rowena WSC	2000004	The proposed treatment system for reducing TTHMs will result in a reduction of water loss due to extensive flushing.	PDC	$4,140,000.00		Yes-BC	$4,140,000.00	X
15	44	12985	Wright City WSC	TX2120099	Treatment system improves water quality through coagulation with ultra filtration to remove TTHM precursors by chemically bonding particles then filtration. The improved water quality means less chlorine will be needed to disinfect. The proposed treatment process does include a backwash stream of water that will be separated so water loss will be negligible. Also, distribution flushing can be reduced drastically form current practices due to a superior quality of water being sent to the distribution customers current flushing amounts are being followed due to high odor and bad smells.	C	$250,000.00		Yes-BC	$250,000.00	X
16	44	13211	Rotan	TX0760002	Existing cast iron water line prone to high water loss will be replaced by PVC water line.	PADC	$5,200,000.00	50%	Yes-BC	$5,200,000.00	X
18	39	13141	Annona	TX1940004	According to TWDB-0161 ('Clean Water and Drinking Water SRF 20% Green Project Reserve: Guidance for Determining Project Eligibility'), the proposed regional water system for the Riverbend Water Resources District is captured under the 'total/integrated water resources management planning' category of green projects (as noted under TWDB-0161 Part B DWSRF Section 4.2-1).	ADC	$400,000.00		Yes-BC	$140,000.00	X

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Rank	Points	PIF #	Entity	PWS ID	Green Description	Eligible Phase(s)	Project Cost	Disadv %	Green Type	GPR	Subsidized Green
Public Water System											
22	23	12998	Evadale WCID # 1	TX1210011	This portion of the project intends to eliminate existing deteriorated production facilities (including pumps and compressors) and degraded distribution lines. This will increase energy efficiency in the production process and will also conserve water by significantly reducing the real water loss experienced during line breaks.	PADC	$3,220,593.00		Yes-BC	$200,000.00	
25	21	13073	Vernon	TX2440001	The Category is Water Efficiency. The replacement of the line will eliminate significant water loss. A business case will be submitted, if required.	PADC	$11,000,000.00	30%	Yes-BC	$11,000,000.00	X
33	15	13085	G-M WSC	TX2020067	The system is currently experiencing 39.75% water loss. The aged meters have lost accuracy. Replacing these worn and inaccurate meters with AMR meters will improve meter accuracy and decrease fuel consumed for meter reading.	PDC	$1,805,160.00	50%	Yes-BC	$1,805,160.00	X
34	14	13143	Coke County WSC	TX0410017	Reduction in water loss through valve & meter replacement.	PDC	$300,000.00	50%	Yes-BC	$300,000.00	X
36	14	13043	Mertzon	TX1180002	The proposed well improvements will allow the City to maximize the efficiency of groundwater supplies. Construction of an additional ground storage tank will allow for operating wells outside of peak energy demand periods, combining the benefit of well recharge with reducing peak energy usage. The wastewater produced from the WTP improvements will be polished at the City's WWTP to augment its beneficial non-potable reuse system.	PDC	$2,797,000.00		Yes-BC	$2,797,000.00	X
37	14	13002	Gordon	TX1820007	Water Efficiency - Replacement of water lines and radio read meters and reduced backwash waste at the water treatment plant.	PDC	$900,000.00	50%	Yes-BC	$900,000.00	X
38	14	13041	Crosbyton	TX0540001	The City loses a significant volume of water each time water lines or hydrants must be repaired due to lack of functional valves in the distribution system to adequately isolate work areas. The proposed improvements will substantially reduce water losses annually.	PDC	$707,000.00	50%	Yes-BC	$707,000.00	X

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Public Water System											
39	14	13044	Roma	TX2140007	The use of advanced pretreatment and membrane filtration will reduce the volume of water wasted as compared to the existing conventional treatment plant. Filter backwash waste can be land applied at the new site for onsite beneficial land application. Each pump station will utilize both NEMA Premium Efficiency motors as well as VFDs to reduce energy consumption. The proposed polishing system will also utilize an energy recovery device to reduce energy consumption. The site and treatment building will also utilize LED lighting to further reduce energy consumption at the new treatment plant.	PADC	$22,279,000.00	70%	Yes-BC	$22,280,000.00	X
58	11	13099	Los Fresnos	TX0310004	The City is proposing to use variable speed pumps which will reduce pumping costs by 30%. The City is also proposing to control the dosage of its chemicals via SCADA which will maximize efficiency and significantly reduce additional costs.	C	$3,627,000.00		Yes-BC	$745,000.00	
130	0	13121	Eagle Pass Water Works System		From guidance, new AMI meters is categorically green.	C	$5,825,000.00		Yes-BC	$6,000,000.00	X
Public Water System Total		**18**					**$70,440,753.00**	**9**	**18**	**$62,514,160.00**	
Total		**18**					**$70,440,753.00**	**9**	**18**	**$62,514,160.00**	

Phase(s): P-Planning; A-Acquisition; D-Design; C-Construction
Green Type: BC-Business Case; CE-Categorically Eligible; Comb-Project consists of both CE and BC components