

# Texas Water Development Board



San Antonio Water System

**CWSRF GREEN PROJECT RESERVE BUSINESS CASE EVALUATION**

**STATE FISCAL YEAR 2011 INTENDED USE PLAN**

**PROJECT NUMBER 73613**

COMMITMENT DATE: August 18, 2011

DATE OF LOAN CLOSING: August 28, 2012

GREEN ESTIMATE AT CLOSING: \$10,712,750

Subsidy awarded for Green components, (if any) \$0

July 5, 2011

Mr. Douglas Evanson  
San Antonio Water System  
P.O. Box 2449  
San Antonio, TX 78298-2449

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

Dear Mr. Evanson:

The Texas Water Development Board (TWDB) received Green Project Information Worksheets from the San Antonio Water System (System) for project #8724 in response to the Clean Water State Revolving Fund (CWSRF) invitation dated January 25, 2011. The invitation states that the System was invited to apply for funding because its project is listed on the Project Priority List as having green costs greater than or equal to 30% of the total project cost. It requires the System to document the green components meet the 30% cost threshold to avoid forfeiting eligibility for funding. After reviewing the worksheets, TWDB staff determined the System meets the 30% green cost threshold based on the following:

- The System provided Green Project Information Worksheets dated June 22, 2011 requesting the Dos Rios WRC Digester Mixing and System Enhancements, Phase II project be considered eligible for the CWSRF Green Project Reserve (GPR). The total project cost is estimated at \$12,220,000.
- The Environmental Protection Agency's (EPA's) *Green Project Reserve Guidance for Determining Project Eligibility* (TWDB-0161) lists application of innovative treatment technologies or systems that improve environmental conditions as business case eligible for the GPR (Part A, Section 4.5-5).
- Information presented on the Green Project Information Worksheets and its attachments provided sufficient information to confirm the eligibility of the proposed improvements in accordance with TWDB-0161, Part A, Section 4.5-5.
- Therefore, at this time the TWDB considers project costs associated with the improvements to the digesters in the amount of \$12,220,000 to be eligible for the CWSRF GPR.

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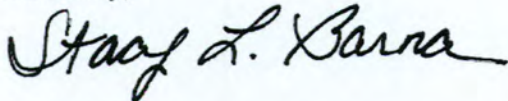
- Please note that the application for financial assistance must be consistent with the project scope presented on the Green Project Information Worksheets dated June 22, 2011. Inclusion of the green elements within the project will be verified prior to commitment.

For SFY 2011, the TWDB is required by federal law to allocate no less than 20% of the capitalization grant toward green component costs (herein referred to as the Green Project Reserve). Therefore, the TWDB gives first preference for invitations to entities that have a documented percentage of green component cost of at least 30% of the total project cost. The System has demonstrated that it meets the 30% green cost threshold and TWDB staff will continue its review of the application for Mainstream funding.

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

The TWDB appreciates the San Antonio Water System's interest in the CWSRF program. If you have any questions regarding the status of your application, please feel free to contact Mark Evans, CWSRF Project Lead, by phone at 512-463-8510 or by email at [mark.evans@twdb.state.tx.us](mailto:mark.evans@twdb.state.tx.us).

Sincerely,



Stacy L. Barna  
Director of Program Development  
Project Finance Division

SLB:rf

cc: Ila Drzymala, PE  
Alissa Lockett, PE

# GREEN PROJECT COST SUMMARY

PIF # 8724

Entity: San Antonio Water System

Project Name: Dos Rios WRC Digester Mixing and System Enhancements (Phase II)

Project Description: Improvements to four existing anaerobic digesters at the Dos Rio WRC.

**Green Description:** Improvements to four existing anaerobic digesters at the Dos Rio WRC to enhance the production of biogas and facilitate the continued efficient operation of the biogas production and collection facility.

## PART I

Construction, Engineering and Related Project Costs	Green Elements	Non-Green Elements	Total
1. Construction (list elements below to sufficient detail)			
a) Digester Improvements	\$ 9,400,000	\$ -	\$ 9,400,000
b)	\$ -	\$ -	\$ -
c)	\$ -	\$ -	\$ -
d)	\$ -	\$ -	\$ -
2. Other Project Costs If Applicable (Land, easements, equipment, etc.)			
a)	\$ -	\$ -	\$ -
b)	\$ -	\$ -	\$ -
c)	\$ -	\$ -	\$ -
3. Engineering	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 9,400,000</b>	<b>\$ -</b>	<b>\$ 9,400,000</b>

100% Project Elements Considered Green

## PART II

Other Project Costs	Item Cost	Attributable to Green Elements
1. Fiscal Services		
a) Financial Advisor	\$ 25,000	\$ 25,000
b) Bond Counsel	\$ 20,000	\$ 20,000
c) Issuance Costs	\$ 227,200	\$ 227,200
d) Bond Insurance / Surety	\$ -	\$ -
e) Bond Reserve Fund	\$ 615,000	\$ 615,000
d) Other (Administration)	\$ 1,240,800	\$ 1,240,800
2. Project Legal Expenses	\$ -	\$ -
3. Loan Origination Fee	\$ 222,000	\$ 222,000
4. Contingency (attributable only if project 100% green)	\$ 470,000	\$ 470,000
<b>Total</b>	<b>\$ 2,820,000</b>	<b>\$ 2,820,000</b>

## PART III

Total Project Cost =	\$ 12,220,000
Part I Total Green Element Costs =	\$ 9,400,000
Part II Costs Attributable to Green Project Elements =	\$ 2,820,000

**Eligible Green Project Reserve Amount = \$ 12,220,000 (Rounded to match loan amount)**

Green Review Notes: Considered eligible for CW GPR in accordance with EPA Guidance Part A, 4.5-5 - Application of innovative treatment technologies or systems that improve environmental conditions and in accordance with Decision Criteria Part A 4.4-1b and 4.4-1c. The financial assistance application also contains the Leon Creek Interconnect, however, these project components are identified independently on the application and were not considered as part of this green review.

Reviewed By: JJM  
 Checked By: KBC

Date: 6-29-11  
 Date: 6-29-11