Texas Water Supply Corporations Grant Live Q_A Session-20261028_183135UTC-Meeting Recording

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Scott Galaway 0:10

Hello and welcome to Texas Water Development Board's informational session for Texas Water Supply Corporation grants. It's A one-time opportunity specifically for water supply corporations that allows grant funding for water supply projects.

Hi, I'm Scott Galloway, funding outreach specialist with the board. And I'll be the presenter for a portion of today's meeting. But I want to go over a couple of details before we get started. First, we ask that you please join through Teams webinar and not

Microsoft Outlook e-mail. That's just to allow for some quality control issues. If you're joining through the Outlook e-mail, it may have some issues.

Audience microphones and cameras are turned off; however, there is a Q&A box at the top menu to type questions.

We ask that you please type written questions into the Q&A box, and available with us today are a variety of TWDB teammates, colleagues, and staff members to help answer your questions about this one-time grant opportunity.

And then for internal staff, please mute your mic also until you speak. That'll just help with quality control.

The focus of the day is just an introduction of the Grant opportunity.

The introduction is just a summary of all the details that are available on the Grant web page. So please visit the web page for all the details and information. And then the primary goal of this session today is to answer

questions from the Water Supply Corporation community. So we'll get started and with an agenda.

And is this opportunity right for your system? Who can apply? Water supply Corporations in Texas. What can be funded? Water supply projects. How much is available? Statewide, $50 million. The project cap is $5 million. And then we're going to share information on how to prepare in

next steps. But this is kind of our agenda and we're going to take a deep dive into each of these different bullet points on the screen.

The opportunity at a glance, it's 100% grant funding, 100% grant dollar funding

available to water supply corporations in Texas. It is a limited funding opportunity, just a one-time opportunity for this grant. Once these grant dollars are allocated, this grant
funding will not be available in the future and the grant opportunity will be retired. $50 million statewide, specifically again, water supply corporations for water-related infrastructure projects.
For the water supply projects.
looking into a few different categories, but they're really for water system needs, such as aging infrastructure, water loss, replacing leaky pipes, for instance, capacity issues, demand issues, water quality issues. The grant dollars are available for a variety of phases.
of funding, planning activities, acquisition, design, and construction. But it's all to support residential customers that water supply Corporations provide.
Nonprofit water supply corporations operate under Chapter 67 of the Texas
And those are some pretty strict definitions that are found in Chapter 67 of the Water Code. And so if you are a water supply corporation that meets those definitions, you are an eligible applicant.
And you must be serving residential customers. Those are the two criteria for potential eligible applicants.
Applicants that are or communities are not eligible are commercial and industrial or organizations that primarily serve industrial or commercial customers. So it is again residential customers and a non-profit water supply corporation.
What types of projects can be funded?
So A variety of projects, water loss and conservation projects, including leak reduction, efficiency improvements, and then system improvements, upgrades and replacements to existing facilities and existing infrastructure, capacity and route reliability type projects, projects that address TCEQ violations, Texas Commission on Environmental Quality violations. And some examples, not a comprehensive list, but just some highlight examples of those type of violations include treatment and disinfection issues,
system and demand capacities, pump and storage capacity, demand and issues, and then finally pressure issues and reliability issues with the drinking water system that you're supplying. The other thing is on water supply issues, it can be for new facilities, new infrastructure,
or improving existing facilities, as long as they're water related eligible. And then

finally, potable reuse, the tertiary treatment and conveyance of components for potable use. But these are capital style projects, infrastructure related projects. We don't
finance or use the grant dollars for operation and administration cost or maintenance costs. Again, these are capital projects, things you would find in a master plan, an asset management plan, capital improvements plan, those type of infrastructure related projects.
What's not eligible? Drainage projects, flood control and flood mitigation, and wastewater projects are ineligible for this water focus grant.
$50 million statewide is the target funding.
$5 million per project per Water Supply Corporation project is capped at $5 million maximum.
This is a big point. One application per entity, one application per the Water Supply Corporation is only eligible to submit one application. A CAP does not guarantee award. So if a Water Supply Corporation, they may submit a project
on the application less than $5 million, and that's okay, but the maximum is $5 million.
per applicant.
And then, what project phases can be?
financed or used for these grant dollars. What can the grant dollars be used for? And it includes construction, infrastructure projects related to planning, acquisition,
the design, and finally construction. So phases such as planning could include permitting, feasibility studies, those type of things. Acquisition, property acquisition. That could be for a new well site.
the grant dollars to purchase land for a new well site. You could use the grant dollars for a water line expansion project for land acquisition or right of way or easement acquisition. And then the design phase. Typically, that's going to be the consulting engineers blueprints. What will be designed and constructed?
And then they finally go leading to the construction phase, new facilities, new construction or repair, rehabilitation and improvements of existing facilities.
There is a ready to proceed category if you're applying for construction only.
And those have some strict definitions.
And if you're ready to proceed for construction dollars only, that includes environment approved environmental coordination, land and easement attainments and water ride attainments, those approvals.

permitting approvals, plan and specifications approved with a design report, and all regulatory approvals. This is important as it relates to a point criteria, a data point in the point scoring system available for this grant.
Now, communities can apply for all phases of a project, planning, acquisition, design, and construction. But if you're ready to proceed, that's worth 10 points on the application point scoring system on the form. And again, you have to have all your permits and environmental coordination designs.
most things complete. Basically your construction bid ready as determined to for ready to proceed projects.
Other big requirements are financial reporting information, an up-to-date independent financial audit, or
The IRS Internal Revenue Service Form 990.
Now, for a financial audit, it would be like a CPA style audit. It's going to be 20 the year 2025.
Audit year approved by the Water Supply Corporations governing body within 130 days of their fiscal year end date.
The IRS form is just a typical IRS 990 form, but for 2025, the year 2025.
Now the IRS form and other existing financial programs is often has a dollar capacity cap. This particular grant opportunity does not have that cap. Water Supply Corporations can apply for the full $5 million project caps
Using the IRS Form 990.
Again, these need to be submitted along with your application. The documentation and the reports need to be submitted along with your application by the due date.
Water use surveys, water loss audit, water conservation plans. Many of you are familiar with those. Those are Texas Water Development Board drinking water system reports. The water use survey is due annually on March 1st.
Water loss audit reports are due annually May 1st, and those are both for large systems. 3,300 connections or greater, they report annually. Smaller systems report every five years.
On the water loss Audit.
May 1 of 26 is the water loss audit must be completed by the May 1st of 2027 for retail public utilities. And the validation of the 2026 water loss audit will occur late spring and summer. But those are important components.
These reports are required for all financial assistance programs through Texas Water Development Board to receive the funding or be approved for funding. But these

reports are also designed for the utility operators and managers to help them with a management tool to see exactly how their water system
is reporting and functioning and water loss conservation and water use surveys.
The other big component at the very bottom is consistent with the grant application must be consistent with state water plan and the regional water plans. What does that mean? It means if the Water Supply Corporation has a project, a construction project identified in
one of the state water plans or regional water plans, and you are applying for that same project through the grant opportunity, your project must be consistent.
Here's an easy or very simplified explanation of what means to be consistent. For instance, if the Water Supply Corporation has
a project identified in the plans using groundwater as the water source. But then on the grant opportunity, you use the same project information, but you use surface water as a water source. That would be a very simple explanation of inconsistent.
One plan, one document has groundwater, the other document has surface water. So it can be a little bit more complex than that, but that's just kind of a very simplified explanation.
Prioritization. Again, this grant, like most of the grant programs and grant opportunities available through TWDB, are often based on a scoring ranking. Annual median household income is often a very significant data point.
in the scoring ranking. Annual median household income is US Census Bureau information on the drinking water system service boundary area. What is the annual median household income for your system's service boundary? And we're going to go through a walkthrough of some of that data.
data and a worksheet coming up here in a few minutes. Just wanted to introduce the topic now.
The other one is project readiness to proceed. We've already talked about that some, basically having all of your documents ready for construction, which includes the approved land or approved environmental coordination, land easements obtained, permitting approved, plans and specs with a design report.
and regulatory approvals. And then finally, there is a tiebreaker. The board uses a tiebreaker process in case applicants both receive the same score. We do have a procedure for that.
Complete means complete.
The application due date is January 13th of 2027. We are accepting applications

through our own line application website or portal. But make sure that you don't really make sure you have all forms completed, all required documents completed and uploaded.
And don't leave any.
Application form cells empty. Make sure the form is 100% complete before submitting the application.
Few construction funding key requirements. The board TWDB will rely on TCEQ design approval for ready to proceed projects.
However, the board will review plans and specifications for US iron and steel compliance, performance bond compliance, and retainage. Those are performance bonds and retainage are really of a construction contract level.
The board will also issue a certificate of approval to authorize the release of final retainage and ensure that all the grant funds were used for the committed project.
The TWDB will disperse these grant dollars through an escrow account, and that will be established by the applicant, by the local WSC, who receives the funding.
And then something that's extremely important, this grant construction funding is on an accelerated timeline, so pay close attention to these deadlines. Construction contracts must end by January 31 of 2031, and final construction closeout documents are
due to the board by February 28th of 2031.
This information is sourced and detailed in our implementation plan. Again, I mentioned that at the very beginning of the presentation. That is the primary source of details about this grant opportunity. It's described in the implementation plan.
Where we are on the timeline, Application period started September 15th.
Final application due date is January 13th of 2027.
The board's commitments to eligible applicants will begin in the late summer and fall, and then the approval of the grant dollars or the closing of the grant dollars will be in the winter of 2027.
What can you do now? Please review the details that are on the webpage, the Texas Water Supply Corporation Grant webpage. A lot of great information that are just listed there. I'm sure many of you have already been reviewing that information. Also, check the website frequently.
As new materials, especially marketing materials, are produced, we will be uploading additional info to the website. So please check that frequently. Review the implementation plan. Again, that is the primary document on the details of this grant

opportunity. And then talk with your team.
When I say talk with your team, that's the local Water Supply Corporations team, your board of directors, your managers, your operators, and any consultants that you may utilize to help you complete this grant application, making sure everyone's on board and all the documents and requirements are met.
before you submit the application.
Finally, we have some great resources available on the website with more coming. We have an introduction recording about the grant opportunity. We have an application form review that highlights the OLA online system, the online loan application process system.
with supporting documentation. Please take a look at those recordings, very helpful information. And then we will be producing and publishing A scoring guidance recording soon. Today's October 28th. You're here for the live Q&A session. We're going to have that in a few moments. And then we will have a second live Q&A session.
next week on November 3rd.
Links to the web page, if you haven't taken a look at it already, you can scan it with your phone or go to a direct link looking for the current implementation plan, due dates, question information. There is a fill in the blank
form application to submit questions, and we will try to answer as many of those questions as possible today through our webinar Q&A chat box and then online through the question and answer fill in section. And then finally, QR codes to the question and answer section.
and then the link to those links, direct links.
I'm gonna stop sharing for just a moment.
And bring up another.
Detail.
And that is the web page itself. I've mentioned this numerous times. The web page is a great resource for the grant opportunity. The implementation plan that I've mentioned numerous times, the primary resource document is the 30th version document that's available for download.
Please download that. Use that as your study reference as you're applying for the grant opportunity. The second document is just really an announcement, an advertisement about the grant. Next, we're going to talk about the annual median household income worksheet. And one of my colleagues is going to share that

information.
linked to the online application system. I'll mention this is an important point. All applicants will use the Rural Water Assistance Fund as the funding program through the online application system. So as you're completing the documentation,
Make sure you are choosing Rural Water Assistance Fund.
Now, the board, Water Development Board, will categorize projects based on the definitions of Rural Water Assistance Fund. There's also a Water Loan Assistance Fund, but the board will make those determinations. General applicants, January 13th,
deadline, make sure you're using the Rural Water Assistance Fund when you are filling out the online application process.
General information about the grant, just some general details. The due date, January 13th, 2027 at 1159 P.m. Central Time. The application, fill in the blank. Please submit questions here for response to the Water Development Board that'll just give us. documentation on what types of grant questions are being received. But then remember today through the webinar, through the Teams webinar, you have the opportunity to ask direct questions to the attendees that are on this call to through the Teams webinar Q&A box.
Pre-recorded materials, the recordings, great information resources, also the PowerPoints and the transcript of these recordings. There's one on the introduction. There's a great one on the application process and form reviews. Again, the recording, the PowerPoint slides,
the transcript, and questions that we received up through October 20th. And then finally, the live Q&A sessions that you're here today.
The final thing I wanted to mention before I turn it over for the AMHI walkthrough is on our website, we have the program guidance and manuals library. If you click that, all the documents forms that are required by TWDB will be found.
in our library. For instance, if you use the search box to type in some of the forms that are referenced in the online application system, these documents will be found here. So one important document is the budget template for projects.
It's an Excel form that you can download, fill in the blanks, but any of the documentation for the online system needs to be converted and saved as a PDF format before uploading it into the online portal. So just keep that in mind.
At this time, we're going to stop sharing, and I'm going to ask my teammate, Patrick Kading. He's going to provide us with an overview of the AMHI data and the AMHI

worksheet.
So, at this time, take it away, Patrick. Thank you.



Patrick Kading 25:05
Thank you, Scott. Hello, everyone. As Scott mentioned, my name is Patrick Kading here at the Texas Fire Development Board, and I'm going to do a quick run-through of the AMI worksheet, the Average Median Household Income worksheet. As Scott I mentioned just a little bit ago, this worksheet can be found on the Texas Water Supply Corporations Grant Opportunity webpage right here. And when you click that link, it will download this form. And so
The first thing you want to do with this form or this worksheet is to enter your system name here in this box.
And then you'll start entering the census areas that are covering your service area. So to find those census areas, you can click this link here that will take you to the U.S. Census Bureau interactive map.
Which will pull up?
This page here, so the first thing you'll notice is that this will basically default to the statewide view.
And to change that to look at different areas, different types of boundaries, you will go to this layer option here.
And scroll down.
A little bit here, and then you'll see the census tracts or census block groups. So, for this first example, we'll just go to the census tracts.
And now you'll see all of the boundaries for the different census tracts.
As you are finding the census areas that cover your service area,
I would suggest starting with the census tracts first, and then if you find that, you know, the census tract is covering a much larger area than your service area, then go back to these layers and
Select the census block group.
And so, you'll see then that the census tracts are all typically broken down into smaller block groups, so...
For this example, we'll just say that the service area is generally kind of this area, so it would be covering parts of these four different block groups. So you can click there and you can see information about...
the plot group that you selected. If you click select here, you can actually...

A...
Then go to the next one and click Select as well and select all of them that cover your service area. And then once you have those all selected, if you go to this More Tools here on the right and click.
table, you can see a list of all of those that you have selected. So once you have that information, you can go back to the worksheet and select these different block groups or tracks and then enter your connections. So I will do that right now.
A...
So, when you get back to this worksheet, if you click on this first cell, this is cell A6, you can either select by using the drop-down, but you can also start typing out the block group or census tract number, and it will refine the search a little bit or the list. And so you'll notice that the census tracts are going to be listed first, and then down the list are the block groups. So this was a block group.
And the census tract, 9501 in Comanche County, so then I will select that.
And then...
Go through and select the others that were identified in the previous step on the census site. For this, we'll just do two of these.
And then once those are pulled up here, then you would enter the number of connections that are served in each of those areas. And this should be, you know, as close to the exact number as possible, but we understand that that might be a
a bit of an estimate, but we just ask that you get as close as possible to the actual number of connections served. And so we'll say that there are 20 connections served in this block group and 30
in this other block group. Now, as you'll see, as I entered those in, this average AMHI was updated as well. And this is doing a weighted average of these different census areas in the AMHI.
and it's weighted using the number of connections. One thing to keep in mind is that once you have all of this, all of your census areas added and the number of connections added, the total number of connections shown here
should equal to the number of connections that you serve. So in this case, you know, this system would be serving 50 connections, because the 30 and the 20 add up to 50.
And so, once you have all of your information filled out here.
You will make a PDF of this worksheet, and then that PDF is what you will include on your OLA application as an attachment.

So, hopefully, that covered.
that process, but if you have any questions, you can put them in the question and answer section and we will get a response for you.
So that is all I have, so I'll pass it back to Scott.



Scott Galaway 32:39
Good. OK. Thank you, Patrick. That was that was helpful. Thank you for sharing that detail.



Patrick Kading 32:58
And sorry, I did, I see a question in the chat now, but if you do have a previously approved Texas Water Development Board socioeconomic survey that has been approved within the last five years,
you can use the AMI HI from that approved survey in lieu of the census data. But again, that has to be approved by the Texas Water Development Board within the last five years.
Thanks, Scott.



Scott Galaway 33:36
Yeah, thank you.
And now.
selected questions that we've received over the last couple of weeks. And if we could share those questions aloud or however the team is prepared to show those and then answer those questions, please.



Spencer Montemorano 34:01
Hi, Scott. Yes, my name is Spencer. I am a program coordinator here at the Texas Water Development Board. We have received several questions through our Microsoft form. So a lot of them are very project specific. So just to reiterate that eligibility for your project,
needs to cover rehabilitation or repairs of your existing infrastructure. The operations and the maintenance activities for your infrastructure are not eligible projects. So for example, one of the questions that we received was, is repainting a ground storage tank?
or an elevated storage tank an eligible project under this grant? The short answer is

no. That would fall under the maintenance activity and that is not an eligible project for this grant opportunity.
Some of the other questions we got were about the applications. We received several questions about what to select when they get to OLA. Please select the RWAF application. And on that note, we did receive additional questions about, you know, some of these sections are not applicable to you.
And that's okay. On our webpage that you're seeing now, down at the bottom, there is a webinar that goes over the application process, how to fill out that application, and especially when you come to those sections that are not applicable to you, what to do. So you can go through that at your own time.
to get those questions answered.
Let's see.
Oh, another one that we did receive multiple times was about pre-application meetings. We are not requiring pre-application meetings for this grant opportunity. So you do not need to reach out to us to schedule a pre-application meeting.
Ohh.
Okay.
We did also get several questions about, you know, can you apply for multiple funding programs and
We do allow you to apply for all of our funding programs. We encourage you to apply for all of our funding programs. The submission of your application to one program does not prelude your application from being considered for another funding opportunity, so you are encouraged to apply for any and all funding. programs and opportunities that we offer here at the Texas Water Development Board.
I think that is the vast summarization of the questions that we received pre-submitted.
We can go next, yeah.



Scott Galaway 36:53
Okay. Okay. Thank you. Thank you, Spencer. And I will just comment too on the additional financial assistance programs, the existing programs we have, such as the Drinking Water State Revolving Fund, Clean Water State Revolving Fund, SWIFT, and many others. Typically, there is an application solicitation period that begins each December with deadlines staggered over the spring of the following year. But that is

for the existing financial assistance programs that many of you may be familiar with, such as Drinking Water State Revolving Fund. This grant opportunity is unique and different. It's A one-time opportunity.
And then applications are available now. The solicitation is open now with the deadline January 13th.
So thanks. Go ahead for the next, I think that saw a hand raised or more questions to be answered.

Trae Tillis 37:51
Yes, I have a comment. When applying in OLA, be sure to select RRAF because when we pull those applications down, if there's any other selections in there, we won't be able to find your application. It is essential that you select RRAF and OLA.



Scott Galaway 38:10
Yes, and I'll mention that too. Thank you, Trae. I think that the OLA Online Application System is a web portal for a variety of TWDB funding programs, again, including Drinking Water State Revolving Fund and others, many others. So make sure
You're selecting the Rule Water Assistance Spawn, or RWPD.
Any other questions?



Spencer Montemorano 38:48
I don't have any other pre-submitted, but I am happy to go to start going over some of the questions that have been submitted in the chat that haven't yet been answered.



Scott Galaway 38:56
OK, yes, please do.



Spencer Montemorano 38:58
I do want to say thank you to my team though and everyone on here that's going through and answering those as quickly as possible. Y'all are doing great. Yes, Trae, please.

Trae Tillis 39:06

Sorry, before jumping in, I see some external stakeholders with their hands raised. Unfortunately, we cannot unmute you to speak. Please drop your questions in the Q&A chat and we will address those there.
Apologies. Thank you.



Spencer Montemorano 39:26
All right, so starting in the chat.
Trying to go down to some of those older ones. Okay, so here's one. For a ready to proceed water line replacement, will TWDB accept TCEQ response to an engineer's 10% letter as to TCEQ approval? If our plans and the letter are submitted to TCEQ before January 13th, but TCEQ 60 day response hasn't come back yet. Does the project still count as ready to proceed?



Scott Galaway 40:09
I would think that would be based on the timing of the application. It sounds like this is the primary question. Maybe someone from our engineering staff or even our legal staff could make a response.



Spencer Montemorano 40:21
Way around.

RM_300A_with_Teams (WhiteBoard) 40:27
Yeah, Scott, we can try to answer that question here. So if the, I'm assuming the, you're referring to the,
What's the name of the form? The non-substantive change form. The venomous, you know, change to the system form. I forget the name of the form specifically for the less than 10%. I'm assuming if that's the form they're talking about. Non-significant change. There we go. If that's been submitted to TCEQ and you haven't received a confirmation or you did receive an e-mail response or some other type of response back from them, you can include that in the application.
Location, we submit it.
If you're still awaiting a response from TCEQ.
I think we'd have to evaluate that at the time. But just make sure that you've included the e-mail that she sent or the correspondence she sent to TCEQ.

Scott Galaway 41:21
All right, thank you.

Spencer Montemorano 41:23
Thank you. Our next question is going to be regarding the financial audit. Chapter 67 nonprofit WSC files. IRS Form 1120H is not a 501C organization, so it does not file Form 990.
Is an independent audit of fiscal year 2025 financials the only acceptable financial reporting document? Or will TWDB accept other documentation such as a Form 1120H with board approved financial statements?
Um...

RM_300A_with_Teams (WhiteBoard) 42:08
All right, I'm not sure this is Clay Schultz. I'm not sure if Tyrone is on here and available to respond to this or similar type questions. But from our experience, we do receive Form 990s from Water Supply Corporations, as they are a nonprofit entity, and so they do file those, at least several that we work with have.
If there is another IRS form that your specific water supply corporation files, one reason or another, then you can include that with some explanation.
Otherwise, if you have the audited financial statements, we would expect the most recent fiscal year end audited financial statements to be submitted with the application.

Spencer Montemorano 42:53
Thank you, Clay.
All right. For our next question, is there a checklist of required optional application forms and supplemental documentation like there was for the WSIG program?
I'm not sure that we do have a published posted checklist, but that is something that we can post if needed. And we would just need to get, you know, get that cleared through our leadership. And that's something that we can look into having available.

RM_300A_with_Teams (WhiteBoard) 43:33
Spencer, if I can add one thing to that, this is Clay Schultz again. The online application system does, one benefit of using that system is you will need to attach

any required documents before you can submit it. And so it effectively works as a checklist.



Spencer Montemorano 43:35
Yes, yes, sir.

RM_300A_with_Teams (WhiteBoard) 43:52
I believe there is also a checklist that's included with in the OLA system.



Spencer Montemorano 43:57
Mhm.



Scott Galaway 43:58
Yes, that's right, Clay. Thank you for mentioning that. Through the online application portal, once you complete the pages of the document, one of the last steps is a quality control check, a button you can click, and it will tell you if any fields are missing data.



Spencer Montemorano 44:21
Good call outs. Thank you, guys.
We have another financial continuing disclosure question. Secc Rule 15.C.2.12 does not apply for WSC for this application. The choice is either yes or no. In what circumstance would yes be appropriate?



Scott Galaway 44:48
Could you repeat the question, please?



Spencer Montemorano 44:50
Yeah, of course.

RM_300A_with_Teams (WhiteBoard) 44:50
I, I...



Spencer Montemorano 44:54
Financial continuing disclosure, Secc Rule 15C212 does not apply for WSC for this

application. The choice is either yes or no. In what circumstance would yes be appropriate?

Tyrone Alcorn 45:11
Hello, good afternoon. This is Tyrone Alcorn. I can answer that question. For those situations to where you do not fall under the requirement for that continuing disclosure, you can answer no. And some additional questions should pop up once you answer no to that.

RM_300A_with_Teams (WhiteBoard) 45:11
But I can.

Spencer Montemorano 45:34
Thank you, Tehrene.
We received a question from Jessica. I'm not 100%. I understand your question completely. It says, when applying for the grant, can we present three different projects within our system? If I understand this correctly, please select one project that you want to apply for for this funding opportunity and submit it.

RM_300A_with_Teams (WhiteBoard) 46:05
Actually, Spencer, can I speak to that one? I saw that in the chat. Actually, I think you could submit, if you're asking basically 3 projects, 3 contracts, for example, could those all be submitted in a single application? You could. In order to receive the 10 points ready to proceed, all three of those would need to be ready to proceed.

Spencer Montemorano 46:08
Please, yeah.

RM_300A_with_Teams (WhiteBoard) 46:26
Yeah, that's it. Anything to add?
The money? Ohh yeah, the CAP applies to $5 million per entity.

Nancy Richards 46:37
And it would need to be completed by the completion date, which is...
March, January 31st, 2031.

All three of them.
Sorry, this is Daisy Richards. Sorry to introduce myself.



Spencer Montemorano 46:56
Thank you.
No, that's OK. Thank you, Nancy.
So moving on out.
Do we only use residential connections to determine total connections?



Patrick Kading 47:16
You should, this is Patrick Kading. For the number of connections, that should be the total number of service connections that you provide water service to.
So, if you do have commercial connections or industrial connections, you should include those as well.
And I would say a good reference would be to go to the Texas Commission on Environmental Quality's drinking water viewer and see how many connections it is showing for your system as that is
The data that we would use to do a check on your submittal.
Thank you.



Spencer Montemorano 48:13
This next question also is for Patrick. Sorry, Patrick. Does a small project waiver for projects under $250,000 by EPA under the Build America Buy America Act satisfy the US Steel and Iron requirement for this grant? If so, what, if anything, needs to be submitted as a part of the application in that regard?



Patrick Kading 48:35
The.
Yes. So since this is a state funding opportunity, BABA, or Build America, Buy America, and American Iron and Steel do not apply. However, as a state funding opportunity, US Iron and Steel
applies, so the project will need to follow the US iron and steel requirements. And I don't believe that a small project waiver is applicable to the US iron and steel requirements.

Spencer Montemorano 49:17

Thank you.

This next one is how soon after January 13th would it be known if the WSC receives any grant money? This will affect how much to request on a loan amount.

Please correct me if I'm wrong, but I do believe that we have projected for funding commitments to be to happen in fall of 2027. That is not a hard deadline. That is our projected estimate.

OK, Moving on.

If we submitted a project for approval from TCEQ and begin the project before the approval of grant funds are confirmed the winter of 2027, will we be reimbursed for the funds we used until funding is approved, if any, or should we wait to begin the project until we have a confirmed

a confirmation of grant amounts the end of next year.

Also, Clay, or someone please correct me if I'm wrong, but I think that that would be a proceed at your own risk because there is no guarantee of funding. Also, it would have to, if you did proceed, it would have to comply with the USRN and Steel requirements.

RM_300A_with_Teams (WhiteBoard) 50:49

That's a great answer, Spencer. The environmental review. Yeah, the environmental review and any of the other WSC requirement grant requirements would apply. And again, you'd be proceeding at your own risk because we anticipate will be significantly oversubscribed.

Spencer Montemorano 51:06

Yes.

For shovel-ready projects, can WSC include engineering design reimbursement in their grant request? I think I might also know this one, so please correct me if I'm wrong, but so if you're applying for ready to proceed to get the 10 points, then you would forego the reimbursement for any

any reimbursable cost. However, if you would rather get the reimbursement, you would forego the 10 points for the ready to proceed shovel ready projects.

It's an either-or.

Do we need to have a current contract in place for engineering services with the WSC or is a draft contract acceptable?

RM_300A_with_Teams (WhiteBoard) 52:11
A draft contract is acceptable. Please ensure it includes adequate, you know, detailed enough scope of work.



Spencer Montemorano 52:23
Thank you, Clay.
Can WSC submit for projects that are already under construction?
I think, again, that's going to go back to whatever you've already constructed is likely not going to be eligible. But if you have remaining portions of the project that need to be completed, you potentially could submit clay. Is that accurate?

RM_300A_with_Teams (WhiteBoard) 52:56
Yeah, I think that.
Sounds like, I think that sounds accurate. You know, in this particular, in this funding, the World Water Assistance Fund rules do apply. So Chapter 363 and the environmental requirements in there apply. And so doing it after the fact environmental review is quite difficult.
So we want to make sure that, you know, if you were to begin construction ahead of any awarding of funds or commitment for funding, you'd want to make sure that any of that environmental coordination that's required in under 363 has been completed and that your contract includes your assigned steel and any other applications. requirements.
Anything to add?
All right. So it'd be best to come in with a project that is not starting construction most likely, but that's for you all to prioritize on the WSC's end.



Spencer Montemorano 53:59
Thank you, Clay.
All right, two projects already completed since November 7th of 2023 also need to have bonding and retainage language in their contracts to be eligible for reimbursement.

RM_300A_with_Teams (WhiteBoard) 54:19
Can you read that again?

Spencer Montemorano 54:21
Yeah, do projects already completed since November 7th of 2023 also need to have bonding and retainage language in their contracts to be eligible for reimbursement?

RM_300A_with_Teams (WhiteBoard) 54:23
Thank you.
If I'm understanding correctly, and someone else may want to chime in from the board staff to answer this, but I think if you completed the construction of your project in 2023, that project would not.

Spencer Montemorano 54:41
So the...

RM_300A_with_Teams (WhiteBoard) 54:55
be eligible for these grants. We're not reimbursing completed refunding, refinancing, whatever it might be, completed projects. I don't know if we have someone from our general counsel's office or program administration reporting, just see if y'all want to address that or if there's anything else to add.
And if I misunderstood the question, please submit that and clarify that.

Spencer Montemorano 55:21
Thank you.
Anything to add from any of our other
Members here.

RM_300A_with_Teams (WhiteBoard) 55:31
I think I see why that question was asked.

Spencer Montemorano 55:32
Is it?

RM_300A_with_Teams (WhiteBoard) 55:38
We'll come back to this one.

Spencer Montemorano 55:41
Okay.
Does a submitted project have to specifically be mentioned in the 2027 State Water Plan? For example, if a WSC isn't in the plan, they can't submit.

Scott Galaway 56:10
Is the question asking if they are required to be in a plan, regional or state plan, before submitting to the Water Supply Corporation Grant opportunity?

Spencer Montemorano 56:26
Um...

RM_300A_with_Teams (WhiteBoard) 56:26
Hello everyone, this is William Alfaro and...
Scott, I missed a little bit of the question, but I think they are asking if the project needs to be identified in the regional weather plan.

Spencer Montemorano 56:42
It asks if it needs to be mentioned in the state, 2027 state water plan.

RM_300A_with_Teams (WhiteBoard) 56:48
So the project doesn't need to be identified in the state water plan or the regional water plan. The consistency we are looking at is for the water source. As Scott mentioned a little bit about what that means. Basically, the proposed project proposed weather source has to be identified in the plan and the plans, but not as a recommended weather management strategy project.

Spencer Montemorano 57:19
OK. Thank you.
Do TCEQ violations, water loss, or critical infrastructure problems affect scoring? I believe the answer, the short answer on that is no. But those are the exact types of

projects that we are looking for.
If it is not now and if it is not known until the fall about the grant and loan amounts, can the drilling of a new well and construction of new pipe upgrades proceed earlier?
This was kind of already answered. It is a proceed at your own risk because you are not guaranteed any type of funding and you would have to, of course, be in line with all
The funding opportunity requirements.
Can WSC update missing or incorrect water audits or conservation plans between now and when the applications are due in January?



Jessica Paz 58:38
Hi, this is Jessica with Municipal Water Conservation. And yes, you can reach out to our water loss audit team or our water conservation team to make any revisions or resubmit or submit your current ones that were due in May 1st of 2026.



Spencer Montemorano 59:04
Thank you.
What if procurement for engineering has not been done yet because the implementation of the project is subject to this funding?
Um...

RM_300A_with_Teams (WhiteBoard) 59:31
Can you restate that question, please?



Spencer Montemorano 59:33
Yeah, it says, what if procurement of engineering has not been done yet because the implementation of the project is subject to funding?
Not sure we completely understand your question.
Maybe let's move on to the next one and if that person's still with us, they can restate it and resubmit it.
Should we submit our request for a CE now or submit with application?



Nancy Richards 1:00:35
I would think that would be part of the application.

Unless they're currently working on an existing project with us and they're asking for additional funding through this, but I think that would be part of the application.

RM_300A_with_Teams (WhiteBoard) 1:00:51
Yeah, I would say submitting the application. Thank you.



Spencer Montemorano 1:01:03
So the next question is if we have filed timely water audits and loss reports, do we need to attach copies to our application? Yes, that would be that would be helpful. Okay.



Scott Galaway 1:01:25
Hi, Spencer, I have a question that I received about the A.H.M.I. and the...



Spencer Montemorano 1:01:27
Yes, sir.



Scott Galaway 1:01:35
area that is covered by annual median household income. The question is, is it the entire CCN or pressure plane? And the answer is it should be the service boundary area of your water supply corporation utility. That's the area to determine annual median household income.



Spencer Montemorano 1:01:47
But.
Thank you, Scott.
The next question is, do we need to show that TCEQ has approved a water line design for a ready to proceed project when it is not required to be reviewed by TCEQ? Example, less than 10% of the connections are affected.
So if you already have this, oh, go ahead.

RM_300A_with_Teams (WhiteBoard) 1:02:33
Tso.
Ohh yeah, go ahead.

Spencer Montemorano 1:02:38
My response is...

RM_300A_with_Teams (WhiteBoard) 1:02:39
Actually, can you restate the question just to make sure we're answering correctly?

Spencer Montemorano 1:02:43
Yeah. Do we need to show that TCEQ has approved a water line design for a ready to proceed project when it is not required to be reviewed by TCEQ? Example, less than 10 percent of the connections are affected.

RM_300A_with_Teams (WhiteBoard) 1:03:01
What we need, if that is the case, is demonstration that the entity has sent that form that is for non-significant change to TCEQ.
For TCEQ to agree, basically, with with that.
Assessment for application, we are good to just receiving the copy of the form and e-mail sent to TCEQ and TCEQ's acknowledgement of receipt. Later on, we will.
Request the final answer from TCEQ.
That they, you know, that they agree that it it was a limited.
insignificant change and therefore they do not require that. But we will require TCEQ's acknowledgement of that.

Spencer Montemorano 1:04:04
Thank you, Maria.
All right, our next question is about the points. Can someone explain how the point system works? If you receive 10 points for being shovel ready, it seems that all shovel ready projects would be funded first, so there would be no reason to submit anything but a shovel ready project.
So the points are based off of the, how they're calculated is based off of the annual median household income. That scoring information is listed in our implementation plan, which is posted on our website if you want to see the exact math.
Looks like that's all the questions that I see that have been submitted in the Q&A. So Scott, I will give that back to you.

RM_300A_with_Teams (WhiteBoard) 1:05:04
Actually, can I ask a quick question, Spencer? Since you were our MC there, can you go back to the question that I referenced today for a completed project in 2023?



Spencer Montemorano 1:05:06
Yeah, of course.
Yes.

RM_300A_with_Teams (WhiteBoard) 1:05:19
And what was the question again? Thanks.



Spencer Montemorano 1:05:22
Yeah, no problem. Give me one. Oh, right here. Okay, so the original question was, do projects already completed since November 7th of 2023 also need to have bonding and retaining language in their contracts to be eligible for reimbursement? It was expanded on and it says the...
The poster said for projects completed on or after November 7th of 2023, must the construction contract include US iron and steel provisions, performance and payment bonds, and retainage for the cost to be reimbursable? Is there any waiver or alternative documentation if the contract
did not include them.

RM_300A_with_Teams (WhiteBoard) 1:06:07
Any completed work would need to have met the ROF program requirements at the time the work was done.
So, US Hiring and Steel, for example, if that was not included in the contract, then... would not be eligible. There's not a waiver process that would apply to that. You can look at the US Iron and Steel guidance. There are some waiver processes there, but they are not for after the fact situations like that.
I hope that answers the question. It's similar to another answer. Previously, basically, the RWAF requirements will have had to have been met, including the environmental.



Spencer Montemorano 1:06:50

Thank you, Clay. Looks like we got one more question, and this one is going to be for Tyrone. This one says, I have a couple of quick questions related to the audit timeline. We represent a client whose fiscal year is the annual calendar year and has not yet adopted their financial audit. Is the audit date a hard deadline?
Their second question is, if they choose the Form 990 option, does the 135-day deadline still apply?



Tyrone Alcorn 1:07:22
Hello, good afternoon. For the audit question, our policy does require that an entity is required to have a current audit if it's been six months past their fiscal year.
And then, if they also choose to...
submit a tax form 990. We will require the same requirements as the audit. A current tax form 990 will still be required if it has been six months past the last fiscal year.



Spencer Montemorano 1:07:49
Okay.
Thank you, Tyrone.
Um...



Scott Galaway 1:08:13
While we're waiting for a few more questions to come in, we have just a little bit of time left. And please, for the audience, please take this opportunity to submit your questions as we have a few minutes remaining. But I will share, we've mentioned numerous times the implementation plan.
And I'm hoping they can see this fairly well, but it is the very first document link on the webpage. And again, this is their primary resource for the Water Supply Coordination grants, guidance, eligibility,
requirements and timelines. This is kind of the main document to review and to become familiar with as you're submitting your application. And one thing that I wanted to really highlight on here is it lists the...
Rating criteria scoring.
And so, as we can see, the funding cap, $55 million per project per applicant, and the total funding for the whole state is $50 million. But this item number six is a rating criteria. For ready to proceed projects, that's worth 10 points.

Spencer Montemorano 1:09:25
One.

Scott Galaway 1:09:31
The other calculations will be based on the annual median household income.
or an approved socioeconomic survey, and then there is a calculation.
This number divided by the local water supply corporation's AMHI number.
Times 10 equals the result, so that is one of the main primary calculations.
District.

Trae Tillis 1:10:07
The number in the implementation plan was just put in place as an example. The worksheet has the correct.
Updated 2024 calculation.

Scott Galaway 1:10:17
Thank you. Thank you for the clarification.
But the formula will still be the same, but the trace point was use the Excel worksheet that Patrick walked us through earlier, the AMHI worksheet. And again, save that Excel worksheet as a PDF and include the PDF version
Upload that into the online system with your application.

Tyrone Alcorn 1:10:49
Hey, good afternoon, Scott. Hey, this is Tyrone Alcorn. Do you mind just scrolling up to the top portion of this where it mentions Tax Form 990 requirements and Audit requirements?

Scott Galaway 1:10:51
Yeah.
It looks like this bullet point here.

Tyrone Alcorn 1:11:10
Okay.

Okay, that works. I just wanted to make sure that was there for all potential applicants.



Scott Galaway 1:11:29

Pif.

I believe that is exactly the answer you provided also, so thank you.



Spencer Montemorano 1:11:43

Scott, it looks like we had a couple of additional questions roll in. One of the questions are, are all costs associated with land acquisition eligible?



Scott Galaway 1:11:46

Okay, sure.

R

RM_300A_with_Teams (WhiteBoard) 1:12:01

Yes, land acquisition is an eligible phase.



Spencer Montemorano 1:12:10

Thank you.

Our next question is, can we go back to the engineering procurement? When submitting, do WSC need to have procured an engineer for construction administration to be considered shovel ready? What about with a project which is not seeking the shovel ready points?



Scott Galaway 1:12:42

So, can you read the question again, please?



Spencer Montemorano 1:12:44

Yeah, of course. When submitting, do WSC need to have procured an engineer for construction administration to be considered shovel ready? What about the projects which are not seeking the shovel ready points? I think their question is, would they still need to have already selected an engineer?

R

RM_300A_with_Teams (WhiteBoard) 1:13:09

Yeah, I can take a stab at this one, Spencer. I think for ready to proceed projects, we

would expect at a minimum a draft agreement with the application. For those not seeking ready to proceed, you are going to need an engineer to seal the budget.

Spencer Montemorano 1:13:18
No.

RM_300A_with_Teams (WhiteBoard) 1:13:29
We would like to see a draft engineering agreement with the application. I need to look at the, we need to, we'll probably need to follow up on this question if that's an option, Spencer, just someone to verify what the ROF rules specifically say related to contracts and the timing.

Tyrone Alcorn 1:13:31
Yeah.

Spencer Montemorano 1:13:41
Sure.

RM_300A_with_Teams (WhiteBoard) 1:13:49
as they may be required based on the rules.
A draft. Thanks.

Spencer Montemorano 1:13:53
Okay.
All right, so the next question is, what is a RWPD 253 D, ED one oh one, CE D and E, FONSI, ROD, also CE D and E for rehabilitation and current bond ratings. So the ED one oh one has to do with land acquisition.
The RWPD.
I'm sorry.

RM_300A_with_Teams (WhiteBoard) 1:14:34
Um...

Spencer Montemorano 1:14:35
Oh, thank you, man.

RM_300A_with_Teams (WhiteBoard) 1:14:36
Why I was going to say, why don't you show them on the on the screen how on the website where to go to get all the program guidelines for looking at how to do the search? Thank you.



Scott Galaway 1:14:39
Yeah.
So those forms that were referenced are available in the program guidance and manuals, guidance and forms library. And so for instance, what is pre-typed is the 1201, TWDB document dash 1201, which is the budget template.



Spencer Montemorano 1:14:45
Great idea.



Scott Galaway 1:15:05
So this is a document that's required for this grant and most of our financial assistance programs. Now, some of the other items that were mentioned, like ED-101,



Spencer Montemorano 1:15:14
Thank you.



Scott Galaway 1:15:22
Type that in the search box and the form pops up. And it's a site certificate. And so all the forms, most of the forms will be referenced in the online application form. So as a user is typing in the application, you may come across a
a text box that says, please fill in or please provide ED101 or RWPD 25 3D. And so all of those forms may be filled here, found here. You would complete them with your data.
from the local water supply corporation.
And then save them as a PDF document, then upload them into the online.
Ohh.
A portal, say, what am I typing, 253?
Yeah, so here are the different. Sure, absolutely.

RM_300A_with_Teams (WhiteBoard) 1:16:20
Hey Scott, can I add one thing while you pull that up? Yeah, I think in the online application that they'll, as they're filling that out, they'll find that there are links to these various forms.
Fairly certain that's the case, but...



Scott Galaway 1:16:33
Yeah, that's true. Also, there are links to some of these forms in the online application. That is a good point. Thank you.



Spencer Montemorano 1:16:45
Ohh.
All right, are we ready for the next question? We just have time for maybe one or two more.
This one says the implementation plan mentions TCEQ violations being eligible. If a TCEQ violation is required, I'm sorry, is related to painting or leaking tanks, would the repair and painting of the tanks be eligible? Are only specific types of TCEQ violations eligible?



Patrick Kading 1:17:27
This is Patrick Kading and anybody here at the board, if I say anything incorrect, please correct me. But the violations that would be eligible would be for violations like maximum contaminant level exceedances,
or actual deficiencies found in the system. So an example of a violation that would not be eligible would be a reporting or monitoring violation that would not be eligible. But if the violation is regarding a
efficiency that needs to be fixed in the system, that would be eligible. And as far as painting goes, I believe generally painting a water tank would be eligible, but you could not
Had, you know, a...
the school mascot logo to the water tank or other kind of, I guess, more artistic flares other than, I believe, just the name of the system itself. So it kind of just needs to be for the painting that's needed for the integrity of the

Spencer Montemorano 1:18:40
Just.

Patrick Kading 1:18:50
The water tower, and not any additional kind of flare.

Spencer Montemorano 1:18:58
Thank you, Patrick.
This next question is actually going to be for you also. It is in regards to the AMHI. If the block group has 300 connections, but the WSC connections within the block group is only 30, does the AMHI amount reflect a prorated amount, such as in the RWPD 285?
Or is the AMHI amount still the full AMHI amount for the block group?

Patrick Kading 1:19:26
Yeah, so with that NMHI worksheet, that is doing a weighted average based on the number of connections in each of those census areas. So the census areas that have the larger number of connections within them,
Would be weighted higher than the census areas with fewer connections in them.

Spencer Montemorano 1:20:02
251. We have time for one more, and then I'll hand it back over to you, Scott.

Scott Galaway 1:20:10
Okay, thank you.

Spencer Montemorano 1:20:12
Oh, it looks like Trae has her hand up, so I'll pause there. Go ahead, Trae.

Trae Tillis 1:20:16
I guess we wanted to make some clarifications before ending the meeting. So after you asked this last question, Kendall would like to speak.

Spencer Montemorano 1:20:26

Okay, so for the last question, is the environmental coordination the same as a FONSI, finding of no significant impact? Could you explain what is needed to fulfill the environmental coordination?

RM_300A_with_Teams (WhiteBoard) 1:20:44

Hi, yeah, this is Lauren Dill. And because this is state funding, it would follow the state environmental reviews and it depends on, you know, the type of project it is. So it would for a categorical exclusion level,
of environmental review, that would be for state programs, that would be a determination of no effect. And then for a full environmental review for state environmental reviews, that is called an environmental determination. So the FONSI or the finding of no significant impact,
That is a federal environmental review. So that, you know, for this, this is a state program. So it would not be a FONSI. It would be an environmental determination or a determination of no effect are the two types of state environmental findings.
And I think that they, the last part of the question was what documentation, what document was the one that are the ones that are required for this. And that would be for a determination of no effect. There is a form called a categorical exclusion slash determination of no effect.
Request form that that would be the one for that, and then for an environmental determination or a project that requires a full environmental review, that form is called an environmental data form.
And those both of those are on our program guidance, the webpage there that Scott was showing earlier.



Spencer Montemorano 1:22:32

Thank you so much for that. So for any of the questions we didn't get to, please go to our website and submit the questions through our question form. We will work to answer those and get you some answers back for anything that didn't get answered or you can log on to our webinar, which is next week.
on November 3rd. Am I right on that, Scott? November 3rd.



Scott Galaway 1:22:56

That's correct. Yes, November 3rd at 130, same time.



Spencer Montemorano 1:22:58

Perfect.

Perfect. But I do want to turn it back over to Trae and or Kendall for some additional guidance and clarification.



Scott Galaway 1:23:00

On 30 to three.

KK

Kendal Kowal 1:23:09

Sure. Hi, this is Kendal Kowal. I'm in the office of General Counsel here. I just wanted to make one clarifying point. We've been kind of short-handing the whole time that you would need to meet all RWAF program requirements. That's the Rural Water Assistance Fund. But that is only for those who qualify for the rural funding.

So for those who aren't rural, you would need to meet the water loan assistance requirements. So I just wanted to clarify that they're very similar, but there could be minor differences. And that's spelled out pretty well in the implementation plan that Scott has mentioned.



Scott Galaway 1:23:44

Yes, thank you, Kendall. And the one big caveat between the two programs is when water supply Corporations are applying for submitting an application in the online portal, the OLA portal, there's only a list for Rural Water Assistance Fund. There's not a list.

for the Water Loss Assistance Fund. So to accommodate that, all applicants will submit the Rural Water Assistance Fund, and then TWDB staff will categorize those after we receive the applications onto which program, based mainly on population and some other criteria,

which program would be the funding mechanism for the grant. And it would either be the Rural Water Assistance Fund or the Water Loss Assistance Fund.

So I think that's it. We just have a couple of minutes left. I want to thank all the staff that were here and participated in this event this afternoon. Great information was shared. Appreciate your time and cooperation. Hope that it was beneficial to the Water Supply Corporation community and consultants that are online too.

We will present a very similar process again next week. So review the materials that

are presented today, take a look at the website, the implementation plan, all the other documentation that we've discussed this afternoon, and be prepared for additional questions for the live Q&A next week.
And then finally, this link here, the TWSCG grant opportunity questions is a live fill out the form opportunity to submit additional questions.
Any other thoughts or comments from any staff or anyone else?
Okay, well thank you so much for your attendance and good luck with completing the Texas Water Supply Corporations Grant Opportunity Application form. Thank you.

◉ stopped transcription