Texas Water Supply Corporations Grant Live Q_A Session-20261103_193122UTC-Meeting Recording

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Scott Galaway 0:41

Hello and welcome. Welcome to the Texas Water Development Board's informational session on the new Texas Water Supply Corporation grants, a one-time funding opportunity, grant opportunity, specifically for water supply corporations.
Hello, my name is Scott Galaway. I am a funding outreach specialist with the board, and today's session will focus on Q&A for applicants and attendees for this meeting. But before we get started, I'll describe a little bit of detail. We're using Microsoft Teams webinar.
And attendees, cameras and mics are turned off or muted.
However, there is a Q&A question box at the top of your menu in the webinar menu bar, where you may type in questions.
And we will answer those questions at the end of the session. Along with me today are numerous teammates and colleagues, and the primary focus, again, is to answer your questions that you may have about this one-time grant opportunity. Before we get started with questions, going to do just a little bit of
review and information about the grant opportunity itself. And then we will go into the question and answer session.
This is our agenda.
We're going to talk about who can apply, what can be funded, how much is available, and what you as a water supply corporation or an applicant should do next. But who can apply? It's going to basically Texas Water Supply Corporations.
what can be funded, water supply projects. And those details are found in the implementation plan for eligible project categories. And we will talk about those details too. But you'll hear me mention the implementation plan many times throughout this presentation. The implementation plan is available as a download on the Texas Water Supply Corporations website.
How much is available? It's A statewide funding target of $50 million.
with a project cap of $5 million per project.
And what you should do next, we'll talk about that as we're coming up with the

details and we're moving forward with this grant opportunity.
The opportunity at a glance, this is a one-time grant opportunity for eligible water supply corporations. It's 100% grant funding, 100% grant dollar funding. And these are state dollar grants. As most of you probably know, the Water Development Board has a variety of financial assistance
programs. We offer funding programs, federal funding dollar programs, and then a variety of state dollar funding programs. And this particular grant is a state dollar program. $50 million available statewide, 100% grant funding.
The grants will be funded through our Raul Water Assistance Fund Program.
That's a program that's limited to qualifying rural entities. And then also the Water Loan Assistance Fund, which is available to eligible entities statewide. Those are the two funding programs that the grant dollars will be funded through. That's important to know because during the online application submission,
The Rural Water Assistance Fund will be the drop-down box program for water supply corporations to choose as you're applying for the fund. The Water Loan Assistance Program is not available as an option, but you'll direct your attention to the Rural Water Assistance Fund where you're filling out
The online application.
This grant is for water supply projects, aging infrastructure, water loss, capacity issues, water quality issues,
The grant dollars are available for planning, acquisition, design, and construction.
And this all support existing residential customers. And we'll focus details as we go through the slides on some of these specific items. But again, these are infrastructure dollars, capital improvements, or water-related infrastructure. We do not finance operations or maintenance cost.
Nonprofit water supply corporations are identified and defined under Chapter 67 of the Texas Water Code. She must meet those definitions to be an eligible water supply corporation. Serve existing residential customers. Those are the two criteria to be an eligible applicant for this grant.
The grant is not available for commercial or industrial customers.
What types of projects can be funded? All four of these boxes are examples of eligible projects that the grant may fund.
So the Water Supply Corporation, you can choose one of these boxes. You can choose all of the boxes. You can mix and match the type of eligible projects. Must have choose one, but all the different boxes are eligible type projects. So water loss

and conservation projects,
reducing your water loss, efficiency improvements would be water loss and conservation related, upgrades and replacements to existing facilities and infrastructure or system improvements, including capacity and reliability issues, and then projects that are addressing TCEQ violations.
Texas Commission on Environmental Quality. And that is a broad topic. And just to give you a few highlights of the types of violations that are eligible for these grant dollars. It's going to be treatment and disinfection issues.
System and demand capacity.
pump and storage capacities, and the pressure issues and reliability issues are some of the broad categories for TCEQ violations.
on the water supply sides, new facilities, or improvements of existing facilities and infrastructure. They're all water-related infrastructure. And then reuse, the tertiary treatment and conveyance of components for potable use. But again, the Water Supply Corporation can have projects that touch all of these four boxes.
or at least one.
What's not eligible? Drainage projects, flood control, and wastewater projects are ineligible for this particular grant.
Funding.
$50 million statewide, as we already mentioned, $5 million per project is the maximum dollar capacity amount or capped amount per project, and then only one application per entity, one application per water supply corporation.
that a CAP is not a guarantee of award. You may apply for up to $50 million, or excuse me, $5 million, you may apply for up to $5 million. But if your project is less than that, that's okay too. If you have a project for $2 million or $3 million, that's fine also, but the maximum is $5 million.
per the WSG.
What type of project phases are eligible? Planning, acquisition, design, leading to a construction project.
So any of the planning activities are eligible expenses, eligible phases. Acquisition is land acquisition. If you need to purchase land for a new well site,
Or if you have line work expansion, you need to purchase property for line work expansion. Those would be examples of property acquisition. And then the design phase, typically is going to be the blueprints that your consulting engineer is producing, all leading to a construction contract. What will be built?

With the Grant dollars.
For construction only funding, considered ready to proceed projects, this is a point category in our scoring system that's worth 10 points if your project is determined construction ready to proceed.
Now what is construction ready to proceed? It's going to be a project that has approved environmental coordination.
Land and easements and water rights are already obtained.
permitting approvals already in place, plans and specifications with an approved design report are in place, and then regulatory approvals. So if you are ready to proceed with construction only funding, you have to have basically all your permits ready to proceed for construction. It would be more like a
Construction bid-ready project.
If you're not ready to proceed with construction, you can take advantage of planning, acquisition, and design leading to construction. And that's fine to do that, taking advantage of those phases. But if you're ready to proceed with construction, that's worth 10 points in the scoring criteria.
Documents and information that you need to have for applying for this grant opportunity include current financial reporting information,
That could include an independent financial audit.
Or an IRS Form 990, Internal Revenue Service Form 990.
If you're using a financial audit, it needs to be the 2025 year audit approved by the Water Supply Corporations governing board. It needs to be within 135 days of the fiscal year end.
To submit an audit, and the audit or the IRS form need to be submitted with the grant application.
If you're using the IRS Form 990, you may be familiar with that form with other existing financial assistance programs available through the board. And oftentimes those existing programs have a dollar cap limit.
However, this grant opportunity, you can apply for the full $5 million using IRS 990.
So if you use the Form 90, up to $5 million per project or the independent financial audit.
Data reports are also important. Water you survey, water loss audit, and water conservation plan information. These are TWDB data reports, probably many of you are familiar with, but these data reports must be up to date, and they're required not only for this

Grant, but for our existing financial assistance programs. Also, I always want to be up to date on water use surveys, water loss audit, and conservation plan reporting. Waterusesurvey surveys are typically due March every year for large systems. Water loss audits due May 1st for customers with 3,300 connections or greater.
and the reports are due every five years with less than 3,300 connections.
On the water loss audit, the 2026 water loss audit must be completed by May 1st, 2027.
For retail public utilities, the validation, the water loss audit validation of the 2026 water loss audit will occur in late spring and summer of 2027. You can see here there's links directly to those data reports. For more details and more information, Follow the links.
But I also want to mention that these data reports are important for Water Development Board because great quality local data from drinking water systems is important to the TWDB. The data feeds right into our planning processes for regional planning and state water plans.
planning.
So it's information that we use. We hope that it's useful information too to the local drinking water system to help you understand and see exactly what are your surveys, what else audit conservation plan information is included.
The water conservation plan is due every five years on May 1st for 3,300 metered connections or communities that have received over 500,000 or more funding from the Water Development Board.
If you're new to water conservation planning.
You must submit a plan with a grant application.
The plan must be a 2022 plan or later. It must meet TWDB minimum requirements prior before our board of directors approve the funding.
And a final adopted, adopted by the local water supply corporation's governing board will need to be submitted prior to funding approval or funding or grant of closing.
Again, please follow these links for more details on those specific data reports.
The final data bullet at the end of the slide, consistency with the 2027 State Water Plan and regional plans, is specifically
a requirement for water supply corporations that have an identified project in either a regional plan or a state or the state water plan.
That would be a prior existing project you have identified in these planning

documents. What does consistency mean? In real simple explanation is it's based on a water source. Is it groundwater or surface water?
So if you have a project identified in a regional or state plan, and the project is identified as a groundwater source project,
and then you submit a grant application for the same project, which you included as a surface water project, that would be a very simple explanation of inconsistent projects. One would be surface water, one would be groundwater. But again, that's specifically for water supply corporations.
that have projects identified either in the regional plans or the state water plan.
How are projects or applications going to be scored and ranked?
Most of our grant opportunities typically have a scoring process. Annual median household income is always a critical data point for some of our grant program, grant opportunities. It's US Census Bureau information, annual median household income.
We have a walkthrough coming up soon in a few minutes to share more information about where to find that data.
And then the population served data is also a critical number. We're going to use the drinking water system service boundary area for both the annual median household income and the population served. That will be your existing surface water or system boundary that you supply water with your customers.
The project readiness to proceed, we've already mentioned that. It's basically construction ready, project ready to receive, this worth 10 points.
We have a tiebreaker process. If 2 applicants score the same number, we have a tiebreaking method.
for those applications.
Complete means complete. That means all details of the grant application, the fill in the blank information, supporting documentation, required forms need to be complete by the deadline. The deadline is January 13th.
So make sure that you have all the data available and don't leave any missing pieces of information when you submit the application in January.
Some key requirements for construction funding.
The board will rely on TCEQ design approval for ready to proceed projects.
The board will review plans and specifications for U.S. iron and steel. That's a state program requirement ensuring that project materials using iron and steel meet state program compliance.

And then performance bond and retainage, those are specifically related to construction contracts.
Board will issue a certificate of approval before it authorizes a release of final retainage for construction contracts. It's going to ensure that all the grant funds were utilized for the committed grant project.
And the funds will be dispersed through an escrow account established by the applicant or the Wsc, which is often a local bank.
And then finally, the construction closeout deadlines. That's an important deadline dates to be aware of and to meet. January 31 of 2031, construction contracts must end. In February 28th of 2031, final closeout documents, final construction closeout documents
are due to the board by February 28th.
All of these details are listed in the implementation plan, mentioned that a few times, but the implementation plan is your primary source and details for all of the grant information. Timelines, deadlines, requirements, eligibility are all found in the implementation plan.
So, please take a download copy of that and review that closely for details.
The application period started September 15th.
Final application deadline is January 13th of 2027.
The board will start commitments for eligible grant projects in the late summer and fall of 2027, with the final approvals or grant closings in the winter of 2027.
What can you do now? Please, again, I mentioned a couple of times, review our website, the TWSCG webpage. It's a great resource for a lot of details about the grant. We have a couple of recordings there. The forms that you need are available on the webpage.
The implementation plan that again describes all the details, project types, eligibility, requirements can be found at the webpage. And then the third item, talk with your team. And we're talking about talk with your local water supply corporation team, your board of directors, your general manager, your management staff, your operations staff,
and then any consultants that you might utilize for completing a grant application. Make sure that you're all on board, you have all the data, all the information is readily available when you're filling out the grant application.
Again, some resources that are available on the web page. We have two recordings. that show an introduction similar to what we're showing now. There's a great

recording on application form review to walk you through the steps of submitting an application through OLA, which stands for our Own Online Loan Application System, our web portal.
for submitting electronic documents and supporting documentation. And we will have a third and final recording coming up soon on scoring guidance.
rating criteria and project readiness. This recording, today's meeting will be recorded and posted on our website also. So take a look at the webpage today and review it several times or frequently because new information will be posted on the website as it's available.
Link directly to the website, or you can scan it with your phone using the QR code.
Again, a lot of great details. This slide show is just a little bit of a summary of all the details that are found on the web page.
And then finally, on the web page, there is a direct link to ask additional questions.
Today's webinar has a...
Microsoft Teams Q&A box at the top of your menu for typing in questions during this session. But if you have additional questions in the future, there is a fill in the form link to ask additional questions.
Gonna stop sharing this particular.
Slide presentation and share the website itself. Let's see, stop sharing.
Let me see, let me go back one more.
And show you the web page.
I mentioned it numerous times during the slide presentation and just want to kind of walk you through a few links and details on the webpage itself. So this is on the board's homepage under FinancialAssistance Programs, Texas Water Supply Corporations Grant Opportunity. Implementation plan is the very first document that's available for download.
Just click on that and it will download a PDF document.
Application period is basically just an announcement of the grant opportunity. The primary document is going to be your implementation plan.
Also, average median household income that we're going to walk through in just a moment, that worksheet is available.
A link to the online application system.
more forms available in the future. And as you scroll down to some general information about the grant opportunity itself, the deadline date, January 13th to 27th,

Question submission form. You can fill out additional questions. And again, you do have a Q&A box at the top of your screen today through the Microsoft Teams webinar. But this is for additional questions in the future.
couple of great recordings we have from September 21st, and then one from September 20th or October 20th, and then we will post these live webinar sessions when they're available. We'll post these on the website also.
So that's just a kind of a general walkthrough of the web page and an introduction for PowerPoint slides. At this time, I'm going to stop sharing my slides and we're going to conduct A walkthrough of the median household income worksheet and where you can find that data.
And my colleague, Patrick Kading, is going to present that information.



Patrick Kading 27:01
Thank you, Scott. As Scott mentioned, my name is Patrick Kading with here at the Texas Water Development Board, and I'm going to do a quick run-through of how to find the information regarding the AMHI for your system.
Tso.
Here is the Texas Water Supply Corporations Grant Opportunity webpage that Scott was just going over. And you'll find this AMHI worksheet right here. So when you click on that, you will get a Microsoft Excel worksheet.
And so, the first thing you want to do is on top here is enter your system name, and then...
The rest of the information will come from the Census Bureau website. I suggest using the link to the Census Bureau interactive map that is on the worksheet here, as that will take you directly to where you need to go. So when you click on that, you will come up with
come up to this page. As you will note, the selected geographic area to start off with is the entire state of Texas. You will want to click this layer button here.
And from here, you can either select place, which would be communities, towns, cities, etc. But you will likely need to scroll down further to select either census tract or census plan.
Block Group, so for this I will select the census tract.
Just as a note, census block groups are smaller subdivisions of census tracts. So if you're looking at the map and seeing where your service area is, and for instance, if it

is, if your service area is covering kind of the top corner of this area,
You may want to go to the layers and select the census block group, as that will...
Bring up a geographic area that is a little bit smaller and is not covering so much area that is outside of your service area.
So, when you're looking at this map...
For this example, say your service area kind of covers this area in general. What you can do is click on each of the block groups or census tracts that your service area covers and click select. And
By doing this, you can select multiple areas at the same time. So I will go through and select each one.
And so, right here now, I have the, in this case, three block groups that are covered that my service area covers. From there, you can go to this More Tools and select Table, and...
On this table that pops up, it will have a description of what those block groups are.
And, from using that information, you can then go back to the...
The worksheet and select the select those areas on the worksheet, so we will do that right now.
And so, the first one we will look at is this block group one census tract 301.2.
So you will go to this first cell here. In this case, this is cell A6. And if you click this little drop-down menu, this has all of the census tracts, block groups, places, and even
Counties, but it is helpful if you start typing in the census tract or block group number, so...
In this case, it was block group one, census track 301.01, or I'm sorry, .02. So I will select that. You'll see that AMHI amount pops up automatically. And then you will enter in the number of connections that you serve in that area. This should be as close to the exact number as possible, but we recognize that in some cases this may be an estimate,
but it needs to be as close of an estimate as possible to the actual number of connections that you are serving in that area. So for this, I will just say we serve 50 connections in that area.
Once I put an amount here in the connections, you'll see that this average AMHI to enter into the application is populated with an amount.
Then I can search for the next area.
So, I will do that and say, block group one, census track 302.

And you'll note that the county is also at the end of this description as well to help out because there are the same track numbers that are used in multiple counties sometimes. So I will select this one. You'll see the AMHI pops up there. And I will say we serve 75 connections there. And when I do that,
This average then is updated as well.
And finally, I will do one more here.
Do.
So, as you see, this...
Pulls up several different census tracks that include that 9503, so I will find the block group that.
Is for this area, and actually I think that was a census tract, so go back up here to...
I might have miswrote that, but we'll just say it was this one. And again, then add the number of connections. And once again, this average is updated. It's important to note that
After you have entered in the census areas that are covering your service area, the number of connections listed here on column C should equal up to the total number of connections that your system serves. It is best to
check on the Texas Commission on Environmental Quality's Drinking Water Viewer to note the number of connections that the TCEQ is showing that you serve, as that is the data that we will be referring to when we are doing
Quality checks on these submittals.
So, from this...
Once you have this all filled out, you will print a PDF document of this worksheet and attach this to your application. I do want to also note that if your Water Supply Corporation does have a
Texas Water Development Board approved socioeconomic survey. That's AMHI from that approved survey may be used in lieu of the census data here.
But again, that does need to have been approved by the Texas Water Development Board within the last five years. And if you need more information on the process for requesting approval to conduct a socioeconomic survey,
as well as information on the actual conducting of that survey, you can refer to the Texas Water Development Board's guidance, WRD 285. That is the socioeconomic survey guidelines.
So again, once you have completed this form in Excel, you will print out a PDF

document of this and include this on your application.
And that concludes my walkthrough, and I thank you all for your time.



Scott Galaway 37:02
Thank you, Patrick.
And so we're getting a few questions typed into the chat box, and one of them was, will this presentation be recorded? Yes, it will. It will be available probably in a week or so. It takes us a little bit of time to go through the quality control checks before we post it online, but it will be recorded. It is being recorded and will be available on the website.
Action.



Spencer Montemorano 37:35
Thank you for that, Scott. We did have several pre-submitted questions that I was going to quickly go over and try to get some of those answers out to you. And then we'll start reading out of the chat some of the questions that you all have dropped in as of now.



Patrick Kading 37:51
Hey, Spencer, this is Patrick again. Can I just note one additional thing I forgot to mention? I do just want to clarify or make it clear that for the AMHI for this application, you do need to include the AMHI that is representative of your entire service area.



Spencer Montemorano 37:56
Yeah.



Patrick Kading 38:16
and not just your project area. So it does need to reflect your entire service area that is served by the Water Supply Corporation.
Thank you, Spencer.

Spencer Montemorano 38:29
No problem. Thank you, Patrick. That was actually one of the questions.
All right, so for some of the other questions that we've received so far, one of the ones that we've gotten a couple of times is in regards to if they submit the 990 form instead of a financial audit, does that limit their funding to only $1 million? You are allowed to submit the 990 form.
in place of the financial audit that is in our implementation plan, which you'll find on our website. There is not a funding impact to that. So if you submit that 990 instead of the financial audit, it does not limit you to 1 million. However, there is a project CAP per project of 5 million.
And that's for the entire funding opportunity.
Someone did also ask about the WRD253D and several of the other forms that are applicable to this funding opportunity. We did go over all of those forms in our previous webinar. They are located on our website for you to find.
It looks like we're navigating to the free now.

Scott Galaway 39:44
Yeah, I'm trying to find it. Here it is. So it's on the website on the right hand side of the grant page. We're at the Water Supply Corporations Grant Opportunity page.
And near the middle of the page is
Program guidance and manuals. Click that button, and you come to our library of forms, and you can type in any of the forms that are referenced in the online application. For instance, TWDB dash 12.

Spencer Montemorano 40:10
Play this.

Scott Galaway 40:21
Oh, one is an important document, is the budget template, and that will bring that document up, and you can download that document.
So any of the numbers that you see like that that are referenced by an ID number, you can type that in this search box and it will bring up the document. And then also

in the online application system itself,
Most of those documents are also web link. There's a link in the application form itself to those specific documents too. And there's quite a few documents that you have to complete and fill in the blank, so to speak, and then upload those documents into the online system as a PDF.
The primary preferred method for submitting additional documentation is through a PDF.



Spencer Montemorano 41:12
Thank you, Scott.
The next question we had was actually more project specific. It was about a large line replacement that's been in planning for several years, but they haven't been able to afford this project. Is that something that would be eligible? Scott did go over already a lot of the eligible projects that we're looking for.
We do ask that you clearly describe the full scope of the project that you are wanting to get funding for, identify the eligible activities for which this funding is being requested, and if the total project cost exceeds our funding limitations, please identify the amount that the grant funding is going to complete and then how you expect to pay for the remainder of that project.
Um...
For systems that have not had a water conservation plan, do we have to have one submitted for approval and can this be submitted along with the application? Yes, you do have to have a water conservation plan submitted with us. It can be submitted along with your application, but we do recommend reviewing your checklist, reviewing our checklist and the resources that we have on our website.
to ensure that it meets all of our minimum requirements.
We do have a co-funding question. If WSG has an ongoing grant to address capacity issues, current grant only addresses 110 gallons. Can this program be used to add more
capacity to the system.
So, you are able to apply for this funding opportunity, even if you are receiving assistance from another program. However,
You cannot receive duplicate fundings for the same project. So if it's obviously like this would have to be cost overruns or maybe you're expanding, whatever that looks

like. We're not gonna fund the same project twice. It would have to be a different component of the project or maybe cost overruns.
would be more appropriate, but you would need to clearly identify how the proposed improvements address the remaining system needs and provide sufficient information for eligibility and all of the funding that's been received and what you're requesting funding for. If I didn't answer that right, please colleagues jump in and elaborate on that.
And.
Answer that. I think that's pretty much a lot of the generalized, a lot of the pre-submitted questions that we had. So we'll switch over to the chat and start trying to answer some of these.
I'm going to start just here at the top.
Okay, so the first question at the top is asking about the section of the application that's handled by a bond attorney or financial advisor. For the TWSCG opportunity, those are not requirements for this, so you can refer back to the October 20th a pre-recorded application process webinar, and it will give you more guidance on how to answer those questions and answer those sections, but those are not requirements for this funding opportunity.
Financial continuing disclosure, since this is 100% grant, SEC 15C does not apply. There is no in slash A, only yes or no. Answering no requires a response to list, which does not apply to the Wsc.
how to respond to this section.
Scott, please correct me if I'm wrong, but I do believe that was also addressed in the October 20th webinar. You would put no, and then in that box, I do believe you could just type in, this is a 100% grant opportunity. Was that, am I remembering that correctly?



Scott Galaway 45:42
I think that is accurate. Yes. It's been a while since I've looked at the October 20th details, but I think that is right. Maybe one of our financial analysts can answer that question also or elaborate on it.



Nancy Richards 46:05
Hey, Scott, this is Nancy. I don't know if, I don't know the question specifically, but it

may say you need to attach something to that specific question. And if it's something that needs to be attached, then the attachment can just say what, what Spencer just said, no, this is not required.
So if there's not a box for them to write that in, and there's something that's required to be attached, then they can just attach.
A PDF that says, no, this is not required.



Spencer Montemorano 46:39
Perfect. Thank you, Nancy.
It looks like a lot of these questions have been answered already in the chat.
My colleagues are incredible. Thanks guys.
All right, the next question we have is, should we submit the request for a categorical exclusion with the application or before submission of the application?

RM_560E with Teams (WhiteBoard) 47:07
Hi, this is Lauren Dill. That would be with the application.



Spencer Montemorano 47:15
submit it with the application. Thank you, Loren.

RM_560E with Teams (WhiteBoard) 47:17
With the application.



Spencer Montemorano 47:26
Just scrolling back through here to see if I missed any questions.
Looks like so far they've all been answered.
One of the things I will highlight or re-emphasize that Scott already said and we've still received questions about is the maximum amount for single awards and our funding cap for this funding opportunity is 5 million per project.
Um...
That was a good one that was asked.
We do have a lot of like, how do we do the application? How do we?
When we get to certain parts within the application asking about bonds and

percentages, we receive some of those questions. Again, that's covered in the October 20th webinar. So if you go back and re-review that recording, then all of the answers to those application questions are already in there.



Scott Galaway 48:42

But that's something too that's important to know, be aware of. In the online application system, that is a broad application for a variety of TWDB financial assistance programs. And so you're really drilling down into this one grant opportunity for Water Supply Corporations Grant. So

Every cell in that application may not be necessary for the Water Supply Corporations grants.

So there are some options maybe to put in a for not available, some of those specific cells.



Spencer Montemorano 49:19

Mhm.

That was a good point, Scott. Thank you for elaborating on that.

We'll give it a couple more minutes here for additional questions to trickle in.

Looks like so far we've answered all of them that have come in through the Q&A.



Scott Galaway 50:25

While we're waiting for a few other questions to come in, I'll share just some highlights from the implementation plan. This is 6 pages of documentation that explains the details of the Texas Water Supply Corporations Grant, some of the key issues.

But this again is your primary document.

For all the eligibility details, requirements, timelines, key issues, some of the requirements, program eligibility.

And I'll skip down here to some of the prioritization information.

This is your annual median household income. That was details that Patrick was walking us through with the Excel spreadsheet. This would go here. You do this calculation and enter your points in this type of cell.

And finally, down at the bottom is the implementation timeline.

and some of the legal conditions. But this is a great document to download and become familiar with because this is our primary source for all the details of the grant opportunity.



Spencer Montemorano 51:46

We do have one question that we missed here, it looks like. So the question is, if a WSG develops a construction budget for their project that is at or just under the $5 million cap, and if the WSG happens to be successful of being awarded funding, What happens to the project when it is bid out and the selected best value contractor provided a price that is substantially less than the $5 million awarded grant? Does the WSG have to forfeit the remaining funds back to the TWDB or, like many TWDB loan projects,

The Wsc can do other water projects within their system as long as it meets the original application project description. Please advise. So, if I'm understanding correctly, they're going to they intend to apply for 5 million. They think that's what the project is going to cost, and then they end up getting.

the bid and it comes in at 2 million, can they keep the $3 million to use for other water projects?

I'm going to turn this over to my colleagues to give a better answer. I think the short answer is likely no, but I'm going to turn it over to my colleagues to give a better answer.



Jesse Milonovich 53:08

Yes, this is Jesse Milonovich, Director of Par, Project Administration Reporting. Yes, that's correct. This speaks to remaining unused funds. We would want to see that those funds are being used for the scope of work that would

that was approved. Any funds that are not expended for that scope would be basically be forfeited or not released.

for, you know, any other non-related work. So we would need to see if, for example, if there were change orders that later increased the cost, those could be requested. But, um...

Um, we, we would...

Probably be taking that case by case as we go and see what you're working with.



Spencer Montemorano 54:27

So Jan submitted a question to us before I move on. Does anybody have anything to add?

Thanks.

Things.

Sandt.

Okay, so Jan did ask a question and I do see your question in our

that you submitted previously. It looks like we've answered some of these. Since this is 100% grant program, can we skip or leave blank the sections or questions related to loan repayment? If there is an N/A option, please select that. You can again refer to our October 20th

webinar to get more detailed answers on how to address those sections that are not applicable. Scott, did you have something to add on that?



Scott Galaway 55:27

No, I think that covers it pretty well.



Spencer Montemorano 55:30

Okay. Perfect. You're the expert here, so I'd like to defer to you. Another part of her question is, we are a very small WSG serving a strictly residential subdivision that will never have more than 60 residential water meters. I believe that we are exempt



Scott Galaway 55:35

Thank you, thank you.



Spencer Montemorano 55:50

from the requirement to have an annual audit performed by a CPA or accounting firm. Would it be sufficient if we submit instead the treasurer's annual earning and expense report we have provided to our other, to our member customers?

I'm going to defer to Tyrone on this one or Nancy, but I do believe we either require the financial audit or the 990 form.

Tyrone Alcorn 56:19
Yes, that's correct, Spencer. Hello, everybody. My name is Tyrone Alcorn. We will still require the Form 990 or an Audit.

Spencer Montemorano 56:32
Yes, thank you.

RM_560E with Teams (WhiteBoard) 56:34
And at one point of clarification, just on what Tyrone just said, this place Schultz, that is the Form 990 that has been filed with the IRS.
Is that correct, Tyrone?

Tyrone Alcorn 56:46
That is correct.

RM_560E with Teams (WhiteBoard) 56:47
Thanks.

Spencer Montemorano 56:50
Okay. The next part of your question is, some of the requested documents, such as the loan repayment questions that don't appear to apply to this grant opportunity, do not have an option to state it is in A. The review section will note that the documents are missing. Will this prevent the software from accepting the application?
You should still be able to submit your application.
Even without those documents.
Um...
It shouldn't flag you and not let you submit your application for sections that are not applicable.

Nancy Richards 57:35

Spencer, this is Nancy. There is an audit function in the online application, and it does say, you know, what attachments are missing. And if there are missing attachments, it will not let you submit. And so that kind of goes back to what I said earlier.



Spencer Montemorano 57:36
Anything? Yes, yes.



Nancy Richards 57:54
Those sections are not applicable and there's not a not applicable checklist item. Just go ahead and upload a piece of paper that says this section is not applicable because the online application won't let you submit if you are missing documents.



Spencer Montemorano 58:14
Oh, gotcha. Okay, so you would just say, you would just upload a document saying like this section is not applicable to us. Okay.



Scott Galaway 58:17
Ohh.



Nancy Richards 58:20
Yeah, yeah, you just upload a PDF that says in a this section not applicable or something to that effect. Yeah.



Scott Galaway 58:21
Is it?
It.



Spencer Montemorano 58:30
Okay, great. Thank you.

Scott Galaway 58:31
And I would even recommend if they copy and paste the name of that section and say it's not applicable. It would just probably help our reviewers as they're reviewing the application in the future.

Spencer Montemorano 58:43
That's a great point, Scott. Thank you, Nancy and Scott.
And then the last part of your question was, our application is for the funding of replacing our manual water meters with automated meters that will report customer usage electronically and detect water leaks in a timely manner. Since this will obviously not involve any disturbance to the environment, do we need to acquire an official statement of
no environmental impact.
And I'm going to turn that one over to Clay, maybe, or Jesse.

RM_560E with Teams (WhiteBoard) 59:19
Yeah, this is Lauren Dill again. So yeah, that would be something that would be the type of project that would be a categorical exclusion level of environmental review, which for state funding programs, that's called a determination of no effect. It's the same form. The same form would have to be submitted.

Spencer Montemorano 59:22
Fif.

RM_560E with Teams (WhiteBoard) 59:40
that would be submitted for a categorical exclusion, but that would be categorical exclusion level of environmental review.

Spencer Montemorano 59:48
Thank you, Loren.
That concludes all the questions that I have so far.
Oh.

Just kidding, we had one mark. For a Wsc that has in it its bylaws that a financial audit must be conducted every five years and their five year audit was conducted in 2024, is that audit acceptable or will they have to conduct a financial audit for the year 2025?
Tyrone, I'll give that one to you.



Tyrone Alcorn 1:00:29
Yes, Spencer, I can answer that. A current audit is still required for this funding opportunity. So we will still need a current audit for this application to be deemed complete or a submitted tax form 990.



Spencer Montemorano 1:00:51
Thank you.
Do we have any other questions?
Anything any of my colleagues would like to add or expand on.



Scott Galaway 1:01:38
I don't have any additional information to share if there's no other questions. But again, this is your opportunity for the audience to type in questions. And then don't forget that there is a...
link to it, a fill in the blank question section on the web page. So if you have questions in the future, you can also ask those questions to that. I fill in the blank. Question.
Any other thoughts or comments by the board team or the audience?
Well, I'm going to go ahead and wrap it up then if we don't have any additional questions. I really appreciate your attendance today for this one-time grant opportunity. Much of the data that you will be completing for this grant opportunity also will be transferable to data
for additional financial assistance programs, like the Drinking Water State Revolving Fund, which will have an application period in the spring, due date in the spring, or some of our other funding programs. So much of the data that you collect for this grant opportunity
Could be useful in the future, too.



Jesse Milonovich 1:03:07

Hey, Scott, could I just add some clarification on the question regarding the remaining unused funds? If there's a remaining unused funds, I mean, we'll take that case by case. If there's remaining unused funds from the original project, we can



Scott Galaway 1:03:08

Yes, sure.

Yes, please.



Jesse Milonovich 1:03:26

look at further use of those for related scope. That's all. It was just, it wasn't a blanket no, that we would not allow anything else. It's just, we need to review what the proposed use of those remaining funds would be.

and make sure they're in accordance with our programmatic rules and state rules.



Scott Galaway 1:03:55

Hey, thank you, Jesse, for that update.

Any other questions from the audience?

We'll go ahead and thank you again for attending, and we'll go ahead and end a few minutes early. It's almost a little before 3 o'clock, so that's when the session was scheduled to end. But thank you for your time. Good luck on submitting the application for this one-time grant opportunity. And again, fill in questions on the web page through the link if you have future questions.

Thank you so much. I appreciate it.

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