

SWIFT

developing

WATER for TEXAS



ABOUT SWIFT

On November 5, 2013, Texas voters overwhelmingly approved a constitutional amendment, known as Proposition 6, which would allow for the creation of the State Water Implementation Fund for Texas, or SWIFT. Introduced by the 83rd Texas Legislature during the 2013 legislative session, SWIFT enabled the one-time investment of \$2 billion from the state's Rainy Day Fund to provide low-cost loans for water projects in Texas.

WHO IS ELIGIBLE?

Any political subdivision of the state or a non-profit water supply corporation with a project included in the 2012 State Water Plan can apply for SWIFT funding. Political subdivisions include municipalities, counties, river authorities, special law districts, water improvement districts, water control and improvement districts, irrigation districts, and groundwater conservation districts.

To find out if a project is in the 2012 State Water Plan, please visit the Texas Water Development Board's website.

TYPES OF LOANS

SWIFT offers a variety of low-cost loan options to accommodate the diversity of projects included in the state water plan. Entities may request a combination of those options or a specific type of assistance. SWIFT has the ability to provide multi-year commitments for entities that have project funding needs spanning several years.

1. **Low-interest Loans:** Long-term, fixed-rate loans offered at below-market rate. Maturities range from 20 to 30 years. Interest subsidies will vary based on the length of the loan.
2. **Deferred Loans:** Used for funding developmental costs (planning and design). Maturities range from 20 to 30 years. Borrowers will be able to defer principal and interest payments for a specified amount of time—approximately eight years.
3. **Board Participation:** Long-term, fixed-rate financing through a temporary TWDB ownership interest in a regional facility. These terms are intended to allow entities to reasonably finance the total debt for an optimally sized facility. The local sponsor repurchases the TWDB's interest under a payment schedule that allows for the structured deferral of both principal and interest.

HOW TO APPLY

Submitting an abridged application is the first step to receiving financial assistance from SWIFT. Abridged applications will be solicited up to two times each year and will be used to prioritize projects for funding. Abridged applications are due by February 3, 2015.



Invitations to submit full applications will be extended to those projects within the limits of available funding. Full applications include more detailed project information and will receive standard environmental, engineering, financial, and legal reviews by the TWDB staff. Once the technical review process has been completed, the project will be presented to the TWDB Board for funding consideration. Full applications will be due later in the spring.

Because of the lengthy process required for bond sales, the TWDB expects loan closings to occur in November or December 2015.

HOW MUCH FUNDING IS AVAILABLE?

A strategic planning model was developed to analyze funding scenarios to provide billions of dollars to implement state water plan projects over the next 50 years. This model will be used in analyzing the capacity of SWIFT and the specific amount of funds available each funding cycle. In the first year 10 years of funding, the TWDB anticipates approximately \$800 million will be available each year for projects.

