STATE OF TEXAS

Annual Report

Clean Water State Revolving Fund

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

SFY 2014

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

State of Texas
Clean Water State Revolving Fund

Annual Report
State Fiscal Year 2014

Texas Water Development Board

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1. Executive Summary

The purpose of the Texas Clean Water State Revolving Fund (CWSRF) is to provide affordable financing to assist applicants in meeting the wastewater needs of their communities. Funding for eligible applicants comes from a combination of state funds and the federal capitalization grant from the Environmental Protection Agency (EPA).

The Texas Water Development Board (TWDB) provides this report to summarize the annual activities, achievements of goals, requirements met and obligations made as set forth in the State Fiscal Year (SFY) 2014 Intended Use Plan (IUP) for the CWSRF program. This report describes the progress made toward short-term and long-term goals, the financial status of the CWSRF, and compliance with federal CWSRF requirements during SFY 2014, which was from September 1, 2013 through August 31, 2014.

The SFY 2014 IUP described the intended uses of the funds available in the CWSRF financial assistance program and detailed how Texas planned to commit available funds. To comply with the federally mandated program requirements of priority ranking, those eligible entities interested in assistance were required to submit a project information form by March 1, 2013, to be added to the initial Invited Projects List and be included in the first round of invitations for funding. TWDB staff reviewed, scored, and ranked all submissions based on the requirements set forth in TWDB rules and criteria established for SFY 2014. An initial Invited Projects List was created based upon project ranking and the established criteria.

During this SFY, the TWDB began an open IUP throughout the year to enable all interested parties to submit a project information form for inclusion on the Invited Project Lists. Applications from the initial round of invitations were based upon project ranking if the application was submitted prior to the established deadline. Following subsequent rounds of invitations, all eligible projects were invited to apply for assistance and funding was awarded on a first-come, first-served basis. The interest in the CWSRF program for SFY2014 was evidenced in the receipt of 169 project information forms from eligible applicants for projects totaling over $1.3 billion.

The Federal Fiscal Year (FFY) 2013 Appropriations authorized a $61,021,000 federal capitalization grant to be used for the SFY 2014 IUP. The TWDB's Executive Administrator set the SFY 2014 CWSRF program capacity at $325,000,000. Applicants for equivalency project funding, those that required compliance with all federal cross-cutter requirements, were able to receive an

interest rate subsidy of 155 basis points below market rates. Non-equivalency projects, those that did not need to comply with the federal requirements, were able to receive an interest rate subsidy of 120 basis points below market rates.

In addition to the EPA capitalization grant, the Texas CWSRF utilizes additional state funding sources to increase the program capacity. The additional available resources included the required state match of 20% of the grant, principal repayments, interest and investment earnings, and, as necessary, revenue bonds issued in order to fund project demand in excess of available cash on hand. In SFY 2014, no revenue bond issuance was necessary for the CWSRF program.

During the 83rd Texas Legislative Session, the governance of the TWDB was changed as a result of House Bill 4. SFY 2014 was the first year under which the TWDB was overseen by our new 3-member full-time board. The TWDB made 35 commitments totaling over $177 million. This represents an $18.2 million increase in commitments over last year. Funding through the CWSRF goes towards addressing needs in the areas of primary, secondary, and advanced treatments, recycled water distribution, new collector sewers, and sewer system rehabilitation as set forth in the Clean Water Act.

The TWDB continues to strive to improve our financial assistance programs in order to ensure that applicants have access to the cost savings associated with utilizing these programs so that they may further advance and develop safe wastewater infrastructure for all Texas citizens.

2. Goals and Achievements

The primary mission of the Clean Water Act is to restore and maintain the chemical, physical, and biological integrity of the state's waters. The CWSRF program is available to provide financial support to achieve this mission. The TWDB provided effective and efficient administration of the CWSRF program, offering below-market interest rates, long-term financing, and loan forgiveness to assist entities in protecting the water quality of the State of Texas.

Short-Term Goals of the CWSRF

Goal 1– *Make greater efforts to fund up to the Board established capacity of $325,000,000. An enhancement being offered in 2014 is an increased interest rate subsidy of 25 basis points on all loans. Projects complying with all federal cross-cutting requirements (equivalency) will be offered a subsidy of 155 basis points. Projects complying with state requirements (non-equivalency) will be offered a subsidy of 120 basis points.*

The TWDB's implemented subsidy enhancement showed an 11.5% increase in the amount of financial assistance agreements committed as of the year ended August 31, 2014, compared to those originating from the previous year.

***Goal 2** – Encourage the use of green infrastructure and technologies by offering $915,315 in loan forgiveness for green infrastructure, energy efficiency, water efficiency, or environmentally innovative portions of projects.*

The TWDB continues to support green infrastructure technologies and encourage green options that are cost effective and sustainable by awarding eligible green projects up to 15% of the green component costs as loan forgiveness. As of the end of SFY 2014, the TWDB had committed the entire amount for green subsidy available from the FFY 2013 grant allocation.

***Goal 3**– Maintain the current level of outreach on rule, policy, and guidance changes to the SRF programs by hosting six regional SRF workshops and stakeholder meetings in SFY 2014 and one webinar in the summer to alert projects to the changes in the program, and to encourage their application. In addition, the TWDB will work toward developing programmatic, informational videos during SFY 2014, and will continue our use of social media such as Facebook and Twitter.*

The TWDB hosted five formal SRF workshops and stakeholder meetings and one webinar during SFY 2014. These were held in Abilene, Austin, Beaumont, Tyler, and Weslaco. Additionally, staff participated in various outreach opportunities throughout the state at conferences, regional planning meetings, and innumerable one-on-one meetings with individual entities/authorities. The topics included the Intended Use Plan process, the project information form submission, CWSRF federal requirements and program changes, specific project related questions and answers, and general outreach. Attendees at the SRF workshops received an example project solicitation packet, information sheets, and other information on the CWSRF program. Although informational videos were not able to be produced this year, the TWDB continued to use different social media outlets to relay program information.

A map showing workshop locations is included in Appendix A.

***Goal 4**– In SFY 2014, the TWDB will continue to focus on implementing the water quality aspects of the program and ensure that funds move expeditiously and responsibly from the time Texas is awarded the capitalization grant to the*

time the funds are awarded to projects through project completion. These efforts are instrumental in achieving the requirements of the Clean Water Act.

The TWDB has a healthy program with abundant projects that allowed us to utilize all CWSRF construction grant funds by December 2013.

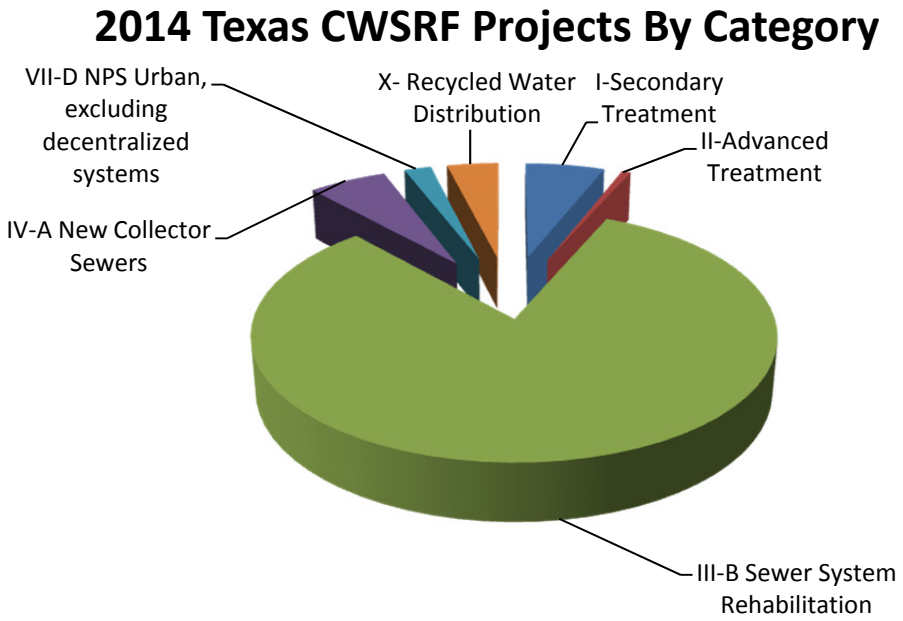
***Goal 5** – Make loan commitments of $325 million during SFY 2014, including at least $6,102,100 in commitments for green projects. The anticipated amount of loan closings is $154 million.*

During SFY 2014, the TWDB made commitments totaling $177,062,891 with $54,674,352 of those commitments for green projects. The total amount of loan closings was $213,858,741.

Long-Term Goals of the Texas CWSRF

***Goal 1** – Restore and maintain the chemical, physical, and biological integrity of the state's waters while being responsive to changes in the state's priorities and needs.*

The restoration and biological integrity of the state's waters, in compliance with the Clean Water Act, was the basis of the state's priority rating system. This ensured that projects funded will assist communities with achieving or maintaining compliance with water quality standards. The TWDB evidenced this through our reporting into EPA's National Information Management System (NIMS) and Clean Water Benefits Reporting (CBR) databases as required.



Goal 2 *– Maintain the fiscal integrity of the CWSRF in perpetuity through active management and capacity modeling to assure continuous enhancement of the fund for future generations. Comply with generally accepted accounting standards and monitor our lending rate policy to provide for long-term inflation.*

The fiscal integrity of the fund was monitored quarterly through cash flow and capacity analyses. Efficient and effective use of program resources remained a top priority of the program, especially given the economic pressure of low interest and investment rates. The challenge of prepayments, in conjunction with federal regulations, required that prepayments be evaluated on a case by case basis to determine the best use of the assets to maintain the program for perpetuity. When possible, prepayments were used for new loans, thereby reducing the need for leveraging. At other times, the prepayments were used to call program debt, in line with federal regulations to maintain high cash flow coverage.

The capability of the CWSRF program to meet future generations' needs was enhanced by the natural AAA credit rating from the three major rating agencies. Staff conducted regular reviews of the credit ratings of the borrowers, their insurers (if any), and the portfolio concentration and makeup. This review ensured that management understood the rating risk of the program and allowed appropriate management of that risk. Interest rates were set at levels below current market rates to promote more affordable projects, yet at a sufficient level necessary for the fiscal integrity of the fund.

Goal 3 *–Work with other state and federal water and wastewater funding sources in the Texas Water Infrastructure Coordinating Committee (TWICC) to collaborate and seek innovative, sustainable funding strategies.*

During SFY 2014, the TWDB participated in bi-monthly meetings with representatives from the Border Environment Cooperation Commission, Community Resource Group, North American Development Bank, Texas Commission on Environmental Quality, Texas Department of Agriculture, Texas Rural Water Association, Texas Secretary of State, U.S. Department of Agriculture - Rural Development, and the U.S. Environmental Protection Agency. These meetings encouraged assistance, collaboration, and discussion of the different programs available for funding and technical assistance for systems in need.

Special subcommittee meetings were held as needed to address outstanding issues and individual one-on-one meetings were conducted with entities interested in pursuing funding from one or more of the

member agencies. Through coordination with the TWICC, entities were invited to present project information, ask questions regarding program requirements and funding availability, and to obtain contacts for financial assistance application coordination.

Additional information on TWICC may be found at: www.twicc.org.

3. Subsidies to Promote Sustainability

According to EPA guidance, among projects with comparable public health and water quality benefits, priority for construction financing subsidies should be given to communities that could not otherwise obtain financing for the following:

- Projects that are based on a "fix it first" approach that focuses on system upgrade and replacement in existing communities;
- Investigations, studies, or plans that improve the technical, financial, and managerial capacity of the assistance recipient to operate, maintain, and replace financed infrastructure; and
- Preliminary planning, alternatives assessment, and eligible capital projects that reflect the full life cycle costs of infrastructure assets, conservation of natural resources, and alternative approaches to integrate natural or "green" systems into the built environment.

During SFY 2014, the TWDB prioritized the use of additional subsidization for those entities that met EPA's criteria. Disadvantaged communities were allocated the majority of the available subsidy for system upgrades and replacements. The maximum additional subsidy available using FFY 2013 grant funds was $4,311,524. The TWDB initially made available $3,396,209, which was later increased to $3,827,407, of additional subsidy for qualifying disadvantaged communities. The other components of this strategy were fulfilled in part by awarding additional points in the project ranking criteria for entities implementing effective management that will contribute to sustainable operations. The EPA's sustainability strategy, which included financing alternative approaches that integrate a green component into the existing system, was prioritized through an additional subsidy for green costs. The TWDB initially allocated $915,315 of the amount required in additional subsidy for green projects in the form of loan forgiveness. This amount was later increased to $1,167,911 to meet programmatic needs. Applicants with 30% or more of their proposed project components that qualified as green were eligible for up to 15% of the green costs in the form of loan forgiveness.

Details of the subsidy provided are shown in Appendix A, Table 8.

4. Green Project Reserve

The Green Project Reserve, or GPR, required that an amount equivalent to a specified portion of the capitalization grant allotment must be offered to projects that address green infrastructure, water efficiency, energy efficiency, or other environmentally innovative activities. The EPA defined innovative environmental activities as those that demonstrated new or innovative approaches to prevent or remove water pollution in an economically and environmentally sustainable way.

The TWDB designated projects as green in the IUP based upon designation by the entity and a review of the initial information submitted. All green projects required a business case to demonstrate their green components. The TWDB developed a green project information worksheet in order to facilitate a uniform approach to providing the information demonstrating eligibility. All eligible projects considered as having green components received an invitation to apply for assistance.

In order to maximize our efforts to fund green projects, the TWDB's Green Project Reserve solicitation plan consisted of the following:

- **Subsidy** – To encourage funding of green projects, the TWDB allocated an equivalent of 1.5% of the capitalization grant, and later increased the allocation to $1,167,911, as a targeted subsidy for green project costs. Eligible green projects were offered a subsidy in the form of loan forgiveness of 15% of the green project costs, provided the green costs were at least 30% of the total project costs.
- **Priority** – Green projects were prioritized throughout the ranking process. Subsidized green projects were in the highest priority group in the ranking process. Further, projects that had green component costs were given preference in the ranking over projects without green component costs.
- **Bypass** – The IUP invitation process allowed the TWDB to bypass higher ranked projects and invite lower ranked projects containing green component costs. If projects with green components were invited to apply but subsequently failed to proceed, the TWDB offered the funding to other qualified Green Project Reserve projects on the priority list.
- **Invitations Exceeded the Green Project Reserve** –For the SFY 2014 IUP, the TWDB extended invitations to all eligible green projects within the green categories: energy efficiency, water efficiency, green infrastructure, and environmentally innovative. The TWDB committed $54,674,352 in green projects during SFY 2014.

Details of the Green Project Reserve are shown in Appendix A, Table 8.

5. Method of Cash Draw

Of the available cash draw methods, TWDB utilizes the disbursement of the full amount of State Match first, then Draws 100% Federal Funds from the capitalization grant.

The TWDB demonstrates that the required state match has been deposited and utilized prior to drawing 100% federal funds.

6. Timely and Expeditious Use of Funds

The beginning capitalization grant balance from previous grants as of September 1, 2013, was $6,137,546. This amount represents administration and banked administration allotments only. There were no carry-over construction amounts. For the FFY 2013 capitalization grant of $61,021,000, construction funds of $55,934,868 were drawn in full by December 2013 and $492,000 was used in support of the EPA national TxWISE contract with Northbridge Environmental Management Consultants. In addition to the FFY 2013 capitalization grant award, $100,000,000 from the Drinking Water State Revolving Fund (DWSRF) program was transferred into the CWSRF.

As of August 31, 2014, the outstanding capitalization grant balance was $6,889,454 of administration funds, which consisted of $2,295,322.28 of banked administration from the FFY 2012 capitalization grant and $4,594,132 of administration and banked administration from the FFY 2013 capitalization grant. All construction funding from the FFY 2013 capitalization grant and the $100,000,000 transfer from DWSRF has been expended.

Details of fund balances are shown in Appendix A, Table 4.

7. Transfer of Funds

Section 302 of the Safe Drinking Water Act Amendments of 1996 provides states the authority to reserve and transfer funds between the DWSRF and the CWSRF programs. The TWDB reserved this right in the SFY 2014 IUP and had the authority to transfer up to $128,993,700 from open DWSRF capitalization grants as shown in the following table.

FFY	Grant Award Number	Grant Amount	Transfer Eligible
2008	FS-99679512	$67,112,000	$22,146,960
2009	FS-99679513	$67,112,000	$22,146,960
2010	FS-99679514	$86,254,000	$28,463,820
2011	FS-99679515	$59,854,000	$19,751,820
2012	FS-99679516	$57,041,000	$18,823,530
2013	FS-99679517	$53,517,000	$17,660,610
Totals		**$390,890,000**	**$128,993,700**

In an effort to expeditiously expend available federal funds and accomodate needs in the CWSRF, the TWDB transferred $100 million of grant funds from the DWSRF to the CWSRF in January 2014. The transfer allowed the TWDB to draw 100% of the transferred grant funds through the CWSRF with active eligible projects. This resulted in an immediate reduction of Unliquidated Obligations (ULO) balances in DWSRF.

The TWDB breakdown of the transferred $100 million from the DWSRF grant funds to the FFY 2013 CWSRF capitalization grant, CS-48000213, utilizing the oldest available DWSRF grant funds is shown below.

FFY	Grant Award Number	Grant Funds Transferred
2008	FS-99679512	$25,000,000*
2009	FS-99679513	$56,374,080*
2010	FS-99679514	$18,625,920
Total		**$100,000,000**

**Represents the remainder of the grant balance as of January 2014.*

Upon transfer to the CWSRF, the funds were utilized to meet the needs of active CWSRF projects. An excess of approximately $190 million of CWSRF federal equivalency projects allowed TWDB to quickly draw the transferred federal funds. In July 2014, all funds had been drawn and were transferred back into the DWSRF to meet increased program needs that resulted from implementing the other initiatives to reduce ULO balances.

8. Other Program Accomplishments

Nonpoint Source Agency Coordination and Projects Funded

The TWDB met quarterly with two other agencies that offer financial assistance for nonpoint source (NPS) projects under Section 319 of the Clean Water Act: the Texas Commission on Environmental Quality (TCEQ) and the Texas State Soil and Water Conservation Board (TSSWCB). The TCEQ and TSSWCB provided input on NPS funding needs from information gathered during the development of the Integrated Water Quality Report, Total Maximum Daily Loads, and Watershed Protection Plans. The TWDB used this information in the rating process in an effort to focus funding priorities on projects with the greatest environmental benefits.

For the SFY 2014 IUP, the TWDB applied separate rating criteria for NPS and estuary management projects. The SFY 2014 IUP reserved 7% of the total funds available, or $22,750,000, for NPS and estuary management projects. Eight eligible applicants, with project costs totaling $35,550,604, were rated using the NPS criteria and were listed under the NPS category in the IUP. The TWDB did not receive any project information forms indicating interest for estuary management assistance.

Application Process

For SFY 2014, the TWDB continued an invitation process whereby projects are invited in excess of the funding capacity available. As in previous years, the TWDB invited projects in stages. In an effort to better streamline the process, the TWDB limited the amount of time applicants had to respond to their invitation to allow those with projects further down the Project Priority List earlier access to program funds.

The first round of invitations included projects with the sum of all project costs exceeding the total amount of the capitalization grant as evidenced by the initial Invited Projects List (IPL). Applications received by the initial deadline were considered in the priority order listed on the Project Priority List. Applications received from subsequent invitations rounds were allocated funding on a first-come, first-served basis.

In addition, the TWDB utilized an open IUP to allow the addition of new projects at any time throughout the year. This encouraged entities with projects that were not on the initial list to apply at any time during the year. Once their project was

added to the SFY 2014 IUP Project Priority List, invitations were extended for them to apply for funding.

By following these processes, the TWDB expedited the time to review and approve a project for a commitment and increased the amount of projects utilizing the program funds.

Bypass of Projects on the Project Priority List

The SFY 2014 IUP, in accordance with CWSRF regulations, included a process to bypass higher ranked projects to ensure that funds available were utilized in a timely manner, and that statutory and capitalization grant requirements were met.

9. Performance Evaluation Review Follow-Up

The CWSRF requires that States comply with Title VI, Section 606(e) of the Clean Water Act, 40 CFR 35.3165(c). The EPA conducts an annual Performance Evaluation Review (PER) to evaluate compliance with the program and grant requirements. The SFY 2013 PER was held February 3-7, 2014. The review was based upon the TWDB SFY 2013 annual activity. For the review, there were interactive onsite discussions, file reviews, and completion of the standardized national EPA checklists of program evaluation questions. The PER was finalized on July 24, 2014. The EPA found that TWDB is in compliance with Title VI, Section 606(e) of the Clean Water Act (CWA), 40 CFR 35.3165(c), and the capitalization grant conditions. There were no outstanding PER items as of August 31, 2014.

Appendix A: CWSRF SFY 2014 Tables

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Map of Workshops Conducted in SFY 2014

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Table 1 – CWSRF Grants and Match Funds					
IUP Year	Grant Award #	SRF Grant	Required State Match	State Match Provided	In-Kind
1988					
1989	N-480001-88	105,190,250	21,038,050	21,037,500	-
1990	CS-480001-89	82,691,538	16,538,308	32,452,673	-
1990	CS-480001-90	72,843,855	14,568,771	28,760,000	-
1991	CS-480001-90	1,466,749	293,350	-	-
1991	CS480001-91	96,302,005	19,260,401	-	-
1991	CS480001-91	1,900,000	380,000	-	-
1992	CS480001-92	92,254,341	18,450,868	-	-
1993	CS480001-93	98,743,594	19,748,719	10,000,000	-
1994	CS480001-94	57,750,000	11,550,000	18,030,000	-
1995	CS480001-95	56,296,944	11,259,389	20,552,574	-
1996	CS480001-96	97,216,124	19,443,225	12,000,000	-
1997	CS480001-97	28,485,864	5,697,173	17,000,000	-
1998	CS480001-98	61,546,617	12,309,323	25,000,000	-
1999	CS480001-99	61,551,864	12,310,373	-	-
2000	CS-48000201	63,343,000	12,668,600	25,000,000	-
2001	CS-48000201	60,797,781	12,159,556	-	-
2002	CS-48000202	60,933,213	12,186,643	13,000,000	-
2003	CS-48000203	60,537,213	12,107,443	13,000,000	-
2004	CS-48000204	61,080,444	12,216,089	12,500,000	-
2005	CS-48000205	49,252,104	9,850,421	10,000,000	-
2006	CS-48000206	40,024,512	8,004,902	4,000,000	-
2007	CS-48000208	61,564,429	12,312,886	11,988,141	168,000
2008	CS-48000209	31,103,000	6,220,600	6,240,247	96,875
2009	CS-48000210	31,101,800	6,220,368	6,220,368	150,000
2010	No Grant	-	-	-	-
2011	CS-48000210	93,126,000	18,625,200	18,625,200	-
2012	CS-48000211	67,492,000	13,498,400	13,498,400	400,000
-	Toward Prior Grants	-	-	13,953	-
2013	CS-48000212	64,597,000	12,919,400	12,919,400	-
2014	CS-48000213	61,021,000	12,204,200	12,204,200	492,000
2014	CS-48000213	100,000,000	-	-	-
Totals		**$ 1,820,213,241**	**$ 344,042,656**	**$ 344,042,656**	**$ 1,306,875**

IUP Year	Grant Award #	SRF Grant	Required State Match	State Match Provided	In-Kind
ARRA	2W-96692401	179,121,900	-	-	-
Grand Totals		**$ 1,999,335,141**	**$ 344,042,656**	**$ 344,042,656**	**$ 1,306,875**

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Table 2 – Binding Commitments Summary											
IUP	Recipient	Project ID	Commitment #	Type	Commitment Date	Status	Closing Date	Amount	Required Binding Commitments	Total Commitments per Quarter	% of Required
(1988-2013)	Previous SFY's							$7,149,625,393	$2,021,720,106	$7,149,625,393	353.64%
2013	Roscoe	73666	L1000205	Non-EQ	09/19/2013	Active	12/19/2013	$1,040,000			
2014	Agua SUD	10365	L1000253	EQ	10/17/2013	Commitment	N/A	$1,845,000			
2014	Agua SUD	10365	LF1000254	EQ	10/17/2013	Commitment	N/A	$365,000			
2013	Amarillo	73663	L1000185	Non-EQ	10/17/2013	Active	01/22/2014	$8,495,000			
2013	Amarillo	73663	LF1000248	Non-EQ	10/17/2013	Active	01/22/2014	$444,131			
2013	Cushing	73671	L1000242	EQ	10/17/2013	Active	02/26/2014	$510,000	$2,126,931,534	$7,168,547,664	337.04%
2013	Cushing	73671	LF1000243	EQ	10/17/2013	Active	02/26/2014	$217,000			
2013	Ralls	73673	L1000233	EQ	10/17/2013	Active	02/24/2014	$130,000			
2013	Ralls	73673	LF1000232	EQ	10/17/2013	Active	02/24/2014	$122,500			
2014	Arlington	73679	L1000231	EQ	11/21/2013	Active	03/25/2014	$3,430,000			
2014	Arlington	73679	LF1000234	EQ	11/21/2013	Active	03/25/2014	$593,640			
2014	Greater Texoma UA	73686	L1000228	Non-EQ	11/21/2013	Active	09/23/2014	$1,730,000			
2014	Cisco	73668	L1000274	EQ	12/05/2013	Active	05/21/2014	$475,000			
2014	Cisco	73668	LF1000273	EQ	12/05/2013	Active	05/21/2014	$202,050			
2014	Huntington	73681	L1000229	EQ	12/05/2013	Active	02/27/2014	$125,000			
2014	Huntington	73681	LF1000230	EQ	12/05/2013	Active	02/27/2014	$123,844			
2014	Ingram	73656	L1000262	EQ	12/05/2013	Active	04/18/2014	$1,185,000			
2014	Robstown	73680	L1000224	EQ	12/05/2013	Active	06/17/2014	$490,000			
2014	Robstown	73680	LF1000225	EQ	12/05/2013	Active	06/17/2014	$376,143			
2014	Angelina & Neches RA	73677	L1000257	EQ	01/23/2014	Active	06/10/2014	$205,000	$2,128,263,832	$7,268,000,684	341.50%
2014	Angelina & Neches RA	73677	LF1000258	EQ	01/23/2014	Active	06/05/2014	$469,013			
2014	Dell City	73678	L1000226	EQ	01/23/2014	Active	05/08/2014	$75,000			
2014	Dell City	73678	LF1000227	EQ	01/23/2014	Active	05/08/2014	$116,223			
2014	Houston	73676	L1000223	EQ	01/23/2014	Commitment	N/A	$55,005,000			
2014	McAllen	73659	L1000237	EQ	01/23/2014	Commitment	N/A	$40,000,000			
2014	McAllen	73659	LF1000282	EQ	01/23/2014	Commitment	N/A	$202,322			
2014	Olney	73684	L1000275	EQ	02/24/2014	Active	06/03/2014	$285,000			
2014	Olney	73684	LF1000283	EQ	02/24/2014	Active	06/03/2014	$118,425			
2011	Greater Texoma UA	73622	L1000308	EQ	03/17/2014	Active	05/15/2014	$2,085,000			
2014	San Antonio Water System	73672	L1000304	Non-EQ	03/17/2014	Active	06/18/2014	$38,260,000	$2,129,596,130	$7,308,948,284	343.21%
2014	La Joya	73682	L1000295	EQ	03/24/2014	Commitment	N/A	$425,000			
2014	La Joya	73682	LF1000296	EQ	03/24/2014	Commitment	N/A	$177,600			
2014	Greater Texoma UA	73689	L1000309	Non-EQ	06/18/2014	Active	08/26/2014	$1,780,000			
2014	Port Arthur	73688	L1000298	Non-EQ	06/18/2014	Commitment	N/A	$5,960,000	$2,183,884,317	$7,326,688,284	335.49%
2014	Laredo	73691	L1000329	Non-EQ	08/13/2014	Commitment	N/A	$10,000,000			
SFY Totals			**35**					**$177,062,891**			

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Table 3 - Federal Funds Drawn	
SFY	**Amount**
1989	$105,187,501
1990	$123,845,098
1991	$137,906,475
1992	$173,641,705
1993	$55,626,699
1994	$64,406,219
1995	$52,785,020
1996	$56,951,258
1997	$36,514,636
1998	$46,924,306
1999	$77,571,747
2000	$114,761,727
2001	$17,818,655
2002	$23,134,356
2003	$6,032,064
2004	$5,389,732
2005	$9,408,387
2006	$15,495,249
2007	$169,701,730
2008	$63,249,011
2009	$18,761,712
2010	$21,024,776
2011	$21,786,661
2012	$172,714,061
2013	$61,601,034
2014	$159,777,092
Total	**$1,812,016,911**

ARRA Funds - *Completed SFY 2013*	
SFY	**Amount**
2010	$47,060,500
2011	$96,433,621
2012	$29,360,746
2013	$6,267,034
Total	**$179,121,901**

Base Total	$1,812,016,911
ARRA Total	$179,121,901
Grand Total	**$1,991,138,812**

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Table 4 – Capitalization Grant Draws			
	Beginning Balance	**Expended**	**Balance - 08/31/2014**
CS-48000211 FY 2011			
Construction	$ -	$ -	$ -
Administration	$ -	$ -	$ -
Banked Administration	$ 1,051,413.86	$ 1,051,413.86	$ -
Totals	**$ 1,051,413.86**	**$ 1,051,413.86**	**$ -**
CS-48000212 FY 2012			
Construction	$ -	$ -	$ -
Administration	$ 2,583,880.00	$ 2,583,880.00	$ -
Banked Administration	$ 2,502,252.00	$ 206,929.72	$ 2,295,322.28
Totals	**$ 5,086,132.00**	**$ 2,790,809.72**	**$ 2,295,322.28**
CS-48000213 FY 2013			
Construction	$ 55,934,868.00	$ 55,934,868.00	$ -
DWSRF Transfer	$ 100,000,000.00	$ 100,000,000.00	$ -
Administration	$ 2,440,840.00	$ -	$ 2,440,840.00
Banked Administration	$ 2,153,292.00	$ -	$ 2,153,292.00
Totals	**$ 160,529,000.00**	**$ 155,934,868.00**	**$ 4,594,132.00**
Grand Totals	**$ 166,666,545.86**	**$ 159,777,091.58**	**$ 6,889,454.28**

NOTE: ***Above amounts do not include the $492,000 TxWISE contribution for SFY 2014***

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Table 5 – Grant Payments by Quarter					
	SFY 1988 - SFY 2013	SFY 2014			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
GRANT PAYMENTS					
All Previous Grants (including ARRA)	1,882,658,894	-	-	-	-
CS-48000213		15,369,372	100,000,000	-	-
QUARTERLY TOTAL		**$ 15,369,372**	**$ 100,000,000**	**$ -**	**$ -**
CUMMULATIVE EPA PAYMENTS	**$ 1,882,658,894**	**$ 1,898,028,266**	**$ 1,998,028,266**	**$ 1,998,028,266**	**$ 1,998,028,266**
REQUIRED BINDING COMMITMENTS	**SFY 1988 - SFY 2014**	**SFY 2015**			
		1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**
REQUIRED BINDING COMMITMENTS (Within One Year)	$ 2,259,190,673	$ 2,277,633,919	$ 2,397,633,919	$ 2,397,633,919	$ 2,397,633,919
LESS Administration	$ 75,306,356	$ 75,921,131	$ 75,921,131	$ 75,921,131	$ 75,921,131
REQUIRED BINDING COMMITMENTS - Amounts (Excluding Administration) Within One Year	**$ 2,183,884,317**	**$ 2,201,712,789**	**$ 2,321,712,789**	**$ 2,321,712,789**	**$ 2,321,712,789**

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Table 6 - Administrative Costs						
	Federal Funds					Total
SFY	4% Administration	Banked Administration	Other	Total Federal Funds	State Funds	Administration Expended
1991	$ 2,212,581	$ -	$ -	$ 2,212,581	$ -	$ 2,212,581
1992	$ 1,806,072	$ -	$ 1,500,674	$ 3,306,746	$ -	$ 3,306,746
1993	$ -	$ -	$ 4,259,370	$ 4,259,370	$ -	$ 4,259,370
1994	$ -	$ -	$ 4,578,753	$ 4,578,753	$ -	$ 4,578,753
1995	$ -	$ -	$ 5,077,507	$ 5,077,507	$ -	$ 5,077,507
1996	$ -	$ -	$ 4,069,387	$ 4,069,387	$ 700,000	$ 4,769,387
1997	$ -	$ -	$ -	$ -	$ 5,166,713	$ 5,166,713
1998	$ -	$ -	$ -	$ -	$ 5,157,083	$ 5,157,083
1999	$ -	$ -	$ -	$ -	$ 5,175,910	$ 5,175,910
2000	$ -	$ -	$ -	$ -	$ 5,035,877	$ 5,035,877
2001	$ -	$ -	$ -	$ -	$ 4,795,878	$ 4,795,878
2002	$ -	$ -	$ -	$ -	$ 5,026,804	$ 5,026,804
2003	$ -	$ -	$ -	$ -	$ 4,957,912	$ 4,957,912
2004	$ -	$ -	$ -	$ -	$ 4,513,673	$ 4,513,673
2005	$ -	$ -	$ -	$ -	$ 4,882,643	$ 4,882,643
2006	$ -	$ -	$ -	$ -	$ 5,366,376	$ 5,366,376
2007	$ 2,443,218	$ 202,727	$ -	$ 2,645,945	$ 2,026,297	$ 4,672,242
2008	$ 1,600,980	$ 2,761,882	$ -	$ 4,362,862	$ 181,452	$ 4,544,314
2009	$ 2,294,578	$ 2,866,919	$ -	$ 5,161,497	$ -	$ 5,161,497
2010	$ 2,485,401	$ 3,240,999	$ -	$ 5,726,400	$ -	$ 5,726,400
2011	$ 3,725,040	$ 1,633,184	$ -	$ 5,358,224	$ -	$ 5,358,224
2012	$ 1,734,298	$ 1,664,673	$ -	$ 3,398,971	$ -	$ 3,398,971
2013	$ 949,382	$ 1,140,784	$ -	$ 2,090,166	$ -	$ 2,090,166
2014	$ 2,583,880	$ 1,258,344	$ -	$ 3,842,224	$ -	$ 3,842,224
Totals	**$ 21,835,430**	**$ 14,769,512**	**$ 19,485,691**	**$ 56,090,633**	**$ 52,986,618**	**$ 109,077,251**
ARRA Funds						
2010	$ 2,222,875	$ -	$ -	$ 2,222,875	$ -	$ 2,222,875
2011	$ 1,153,259	$ -	$ -	$ 1,153,259	$ -	$ 1,153,259
2012	$ 1,632,755	$ -	$ -	$ 1,632,755	$ -	$ 1,632,755
2013	$ 2,155,987	$ -	$ -	$ 2,155,987	$ -	$ 2,155,987
Totals	**$ 7,164,876**	**$ -**	**$ -**	**$ 7,164,876**	**$ -**	**$ 7,164,876**
Base	$ 21,835,430	$ 14,769,512	$ 19,485,691	$ 56,090,633	$ 52,986,618	$ 109,077,251
ARRA	$ 7,164,876	$ -	$ -	$ 7,164,876	$ -	$ 7,164,876
Grand Totals	**$ 29,000,306**	**$ 14,769,512**	**$ 19,485,691**	**$ 63,255,509**	**$ 52,986,618**	**$ 116,242,127**

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Table 7 – Analysis of Banked Administration Funds Available in the CWSRF								
Award Number	Federal Amount Awarded	Calculated 4%	4% Expended	Retained for TxWISE	Banked Admin Awarded / Expended	Total Admin Awarded / Expended	Banked or (Used)	Cumulative Banked Balance
N-480001-87	26,457,500.00	1,058,300.00					1,058,300.00	1,058,300.00
N-480001-88	78,732,750.00	3,149,310.00					3,149,310.00	4,207,610.00
CS-480001-89	82,691,538.00	3,307,661.52					3,307,661.52	7,515,271.52
CS480001-90	74,310,604.00	2,972,424.16	2,212,581.00			2,212,581.00	759,843.16	8,275,114.68
CS480001-91	98,202,005.00	3,928,080.20	1,806,072.00			1,806,072.00	2,122,008.20	10,397,122.88
CS480001-92	92,254,341.00	3,690,173.64	1,500,674.00			1,500,674.00	2,189,499.64	12,586,622.52
CS480001-93	98,743,594.00	3,949,743.76	4,259,370.00			4,259,370.00	(309,626.24)	12,276,996.28
CS480001-94	57,750,000.00	2,310,000.00	4,578,753.00			4,578,753.00	(2,268,753.00)	10,008,243.28
CS480001-95	56,296,944.00	2,251,877.76	5,077,507.00			5,077,507.00	(2,825,629.24)	7,182,614.04
CS480001-96	97,216,124.00	3,888,644.96	4,069,387.00			4,069,387.00	(180,742.04)	7,001,872.00
CS480001-97	28,485,864.00	1,139,434.56					1,139,434.56	8,141,306.56
CS-48000198	61,546,617.00	2,461,864.68					2,461,864.68	10,603,171.24
CS-48000199	61,551,864.00	2,462,074.56					2,462,074.56	13,065,245.80
CS-48000201	124,140,781.00	4,965,631.24					4,965,631.24	18,030,877.04
CS-48000202	60,933,213.00	2,437,328.52					2,437,328.52	20,468,205.56
CS-48000203	60,537,213.00	2,421,488.52					2,421,488.52	22,889,694.08
CS-48000204	61,080,444.00	2,443,217.76	2,443,218.00		202,727.47	2,645,945.47	(202,727.71)	22,686,966.37
CS-48000205	49,252,104.00	1,970,084.16					1,970,084.16	24,657,050.53
CS-48000206	40,024,512.00	1,600,980.48	1,600,980.00			1,600,980.00	0.48	24,657,051.01
CS-48000208	61,564,429.00 1)	2,462,577.16	2,294,578.00	168,000.00	3,163,427.00	5,626,005.00	(3,163,427.84)	21,493,623.17
CS-48000209	31,103,000.00 2)	1,244,120.00	1,241,329.00		4,233,624.00	5,474,953.00	(4,230,833.00)	17,262,790.17
CS-48000210	124,077,800.00 3)	4,963,112.00	4,969,112.00		4,770,606.00	9,739,718.00	(4,776,606.00)	12,486,184.17
CS-48000211	67,092,000.00 4)	2,683,680.00	2,699,680.00		2,176,198.00	4,875,878.00	(2,192,198.00)	10,293,986.17
CS-48000212	64,597,000.00	2,583,880.00	2,583,880.00		2,502,252.00	5,086,132.00	(2,502,252.00)	7,791,734.17
CS-48000213	161,021,000.00 5)	2,440,840.00	2,440,840.00	492,000.00	2,153,292.00	5,086,132.00	(2,645,292.00)	5,146,442.17
Totals	**$ 1,819,663,241.00**	**$ 68,786,529.64**	**$ 43,777,961.00**	**$ 660,000.00**	**$ 19,202,126.47**	**$ 63,640,087.47**	**$ 5,146,442.17**	

1) Includes TxWISE in-kind amount of	168,000
2) Includes TxWISE in-kind amount of	96,875
3) Includes TxWISE in-kind amount of	(150,000)
4) Includes TxWISE in-kind amount of	(400,000)
5) Includes TxWISE in-kind amount of	492,000

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Table 8				
Green Project Reserve and Additional Subsidization - 2011 IUP / 2010 Grant				
Targets		**$18,625,000**	**Minimum**	**$ 13,947,320**
			Maximum	**$ 46,491,066**
Recipient	**Amount**	**Green**	**Green Subsidy**	**Disadvantaged**
Alton	9,595,000	-	-	9,595,000
Cibolo Creek MA	24,440,000	12,247,551	-	-
La Feria	8,381,340	-	-	8,381,340
Nueces River Authority	9,961,460	-	-	9,961,460
San Antonio Water System	19,630,000	10,712,750	-	-
Total Closed	**$ 72,007,800**	**$ 22,960,301**	**$ -**	**$ 27,937,800**

Green Project Reserve and Additional Subsidization - 2012 IUP / 2011 Grant				
Targets		**$13,498,400**	**Minimum**	**$ 6,254,207**
			Maximum	**$ 20,847,357**
Recipient	**Amount**	**Green**	**Green Subsidy**	**Disadvantaged**
Brady	2,651,990	846,597	126,989	1,315,001
Breckenridge	1,193,461	-	-	353,461
Edcouch	3,468,600	-	-	2,413,600
Grand Prairie	582,000	582,000	87,000	-
Hidalgo Co. MUD # 1	2,129,896	-	-	629,896
Kerr County	1,860,000	-	-	1,290,000
McAllen	1,700,000	-	-	510,000
McAllen	7,808,511	7,808,511	1,153,511	-
Mercedes	4,650,000	-	-	1,395,000
Mount Vernon	562,788	251,918	37,788	-
Ranger	600,000	-	-	300,000
West Tawakoni	227,500	-	-	112,500
Total Closed	**$ 27,434,746**	**$ 9,489,026**	**$ 1,405,288**	**$ 8,319,458**

Green Project Reserve and Additional Subsidization - 2013 IUP / 2012 Grant				
Targets		**$6,459,700**	**Minimum**	**$ 3,590,067**
			Maximum	**$ 5,385,101**
Recipient	**Amount**	**Green**	**Green Subsidy**	**Disadvantaged**
Agua SUD	4,750,000	-	-	2,375,000
Amarillo	8,939,131	8,580,026	444,131	-
Aqua WSC	181,768	-	-	127,238
Buda	401,500	-	-	276,500
Comanche	1,071,500	-	-	316,500
Cushing	727,000	-	-	217,000
Grand Prairie	2,079,431	1,829,538	274,431	-
McAllen	3,245,393	1,669,285	250,393	-
Ralls	252,500	-	-	122,500
Wimberley	650,000	160,606	-	-
Total Closed	**$ 22,298,223**	**$ 12,239,455**	**$ 968,955**	**$ 3,434,738**
Los Fresnos	1,164,980	-	-	344,980
McAllen	40,202,322	-	-	202,322
Wichita Falls	33,797,597	-	-	252,597
Total Unclosed	**$ 75,164,899**	**$ -**	**$ -**	**$ 799,899**
Grand Totals	**$ 97,463,122**	**$ 12,239,455**	**$ 968,955**	**$ 4,234,637**

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Table 8 (Continued)				
Green Project Reserve and Additional Subsidization - 2014 IUP / 2013 Grant				
Targets		$6,102,100	Minimum	$ 2,874,350
			Maximum	$ 4,311,524
Recipient	Amount	Green	Green Subsidy	Disadvantaged
Angelina & Neches River Authority	674,013	-	-	469,013
Arlington	4,023,640	3,957,600	593,640	-
Cisco	677,050	-	-	202,050
Dell City	191,223	-	-	116,223
Huntington	248,844	-	-	123,844
Olney	403,425	-	-	118,425
Robstown	866,143	786,794	119,352	256,791
Total Closed	**$ 7,084,338**	**$ 4,744,394**	**$ 712,992**	**$ 1,286,346**
Agua Special Utility District	2,210,000	-	-	365,000
Kirbyville	2,712,466	-	-	1,342,466
McAllen	40,202,322	16,741,671	-	-
San Marcos	811,915	-	-	401,915
Wichita Falls	33,797,597	33,188,287	-	-
Total Unclosed	**$ 79,734,300**	**$ 49,929,958**	**$ -**	**$ 2,109,381**
Grand Totals	**$ 86,818,638**	**$ 54,674,352**	**$ 712,992**	**$ 3,395,727**

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Table 9 – CWSRF Statement of Sources and Uses of Funds (Cash Basis)

Cash Available	**$391,237,995**
SOURCES:	
FFY 2013 Federal Capitalization Grant	61,021,000
State Match	12,204,200
Previous Federal Grants (Admin. Only)	6,137,546
Principal Repayments from Existing Loans	92,429,000
Interest Repayments from Existing Loans	76,486,619
Investment Earnings on Funds	959,661
Refunding Bond Proceeds Used to Pay Debt	11,995,000
TOTAL SOURCES:	**$261,233,026**
USES:	
Administration	
Administration	3,842,224
TxWISE Project	492,000
Bank Charges and Debt Management Fees	2,000
Total Administration:	4,336,224
Projects Funded	
Funds Disbursed	213,858,741
Debt Service	
Revenue Bonds - Principal Paid:	
Senior Lien	0
Subordinate - Variable Rate	11,995,000
Subordinate - Fixed Rate	24,265,000
Match General Obligation Bonds - Principal Paid	8,864,393
Interest Paid	43,442,874
Total Debt Service:	88,567,267
TOTAL USES:	**$306,762,232**
NET SOURCES (USES):	**($45,529,206)**
Transfers	
Transfer from DWSRF	100,000,000
Transfer to DWSRF	(100,000,000)
	$0
Cash - Ending Balance (8/31/2014)	**$345,708,789**

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

Cash Flow Coverage Model

TEXAS WATER DEVELOPMENT BOARD
CLEAN WATER STATE REVOLVING FUND
PROJECTED ANNUAL CASH FLOW COVERAGE
AS OF AUGUST 31, 2014

Operational Minimum DSC: 1.10
Lowest Total DSC: 1.75

Fiscal Year	Funds On Hand Restricted To Debt Service & Prior Year Balance	Loan Receipts 9/1 - 5/31 (2)	Loan Receipts & Investment Projections (3)	Total Existing Debt Service (4)	Bond Debt Service Coverage (5)	Total Existing Match Debt Debt Service (4)	Total Debt Service Coverage (5)	Total Existing Debt Service Requirements (4)	Balance	Loan Receipts 6/1 - 8/31	Net Balance After Debt Service	Projected Fee Income (6)	Projected Operating Expenses
2015 (1)	$58,359,013	$128,710,211		$91,419,945	2.05	$15,324,647	1.75	$106,744,592	$80,324,632	$49,492,308	$129,816,940	$5,299,906	
2016	129,816,940	136,315,360	-	93,476,045	2.85	15,363,120	2.45	108,839,166	157,293,134	56,900,368	214,193,502	5,299,906	-
2017	214,193,502	136,422,087	-	54,088,445	6.48	15,373,513	5.05	69,461,958	281,153,631	67,693,665	348,847,296	5,299,906	-
2018	348,847,296	136,529,754	16,717,885	74,927,295	6.70	15,383,179	5.56	90,310,474	411,784,460	74,122,285	485,906,745	5,299,906	-
2019	485,906,745	136,837,496	16,717,885	98,376,795	6.50	12,842,185	5.75	111,218,980	528,243,145	73,878,011	602,121,156	5,299,906	-
2020	602,121,156	135,791,808	16,717,885	55,890,138	13.50	12,016,778	11.11	67,906,915	686,723,934	75,195,886	761,919,820	5,299,906	-
2021	761,919,820	135,278,491	16,717,885	56,211,138	16.26	12,028,209	13.39	68,239,346	845,676,850	80,535,045	926,211,895	5,299,906	-
2022	926,211,895	134,568,106	16,717,885	61,994,800	17.38	12,055,214	14.55	74,050,014	1,003,447,872	80,929,178	1,084,377,050	5,299,906	-
2023	1,084,377,050	132,700,279	16,717,885	62,638,988	19.70	10,102,087	16.96	72,741,075	1,161,054,139	80,238,125	1,241,292,263	5,299,906	-
2024	1,241,292,263	130,114,613	16,717,885	66,524,088	20.87	10,114,449	18.11	76,638,536	1,311,486,225	81,135,737	1,392,621,962	5,299,906	-
2025	1,392,621,962	123,516,263	16,717,885	70,670,900	21.69	9,176,419	19.20	79,847,319	1,453,008,791	77,369,510	1,530,378,301	5,299,906	-
2026	1,530,378,301	104,751,130	16,717,885	68,238,438	24.21	9,210,544	21.33	77,448,982	1,574,398,334	77,621,535	1,652,019,869	5,299,906	-
2027	1,652,019,869	89,016,353	16,717,885	78,379,650	22.43	8,157,685	20.31	86,537,335	1,671,216,771	79,419,657	1,750,636,428	5,299,906	-
2028	1,750,636,428	81,260,785	16,717,885	60,949,438	30.33	6,407,161	27.45	67,356,599	1,781,258,500	74,550,857	1,855,809,357	5,299,906	-
2029	1,855,809,357	72,382,253	16,717,885	64,343,938	30.23	6,411,572	27.49	70,755,510	1,874,153,985	69,635,404	1,943,789,388	5,299,906	-
2030	1,943,789,388	66,500,058	16,717,885	18,116,250	111.89	6,097,792	83.71	24,214,042	2,002,793,290	71,643,536	2,074,436,826	5,299,906	-
2031	2,074,436,826	59,876,259	16,717,885	7,201,250	298.70	3,872,404	194.25	11,073,654	2,139,957,316	70,888,963	2,210,846,279	5,299,906	-
2032	2,210,846,279	55,613,955	16,717,885	3,151,750	724.42	1,654,854	475.01	4,806,604	2,278,371,516	69,188,828	2,347,560,343	5,299,906	-
2033	2,347,560,343	49,675,558	16,717,885	3,154,750	765.18	684,355	628.78	3,839,105	2,410,114,681	19,598,527	2,429,713,209	5,299,906	-
2034	2,429,713,209	48,113,387	16,717,885	3,157,000	790.16	-	790.16	3,157,000	2,491,387,481	13,150,432	2,504,537,913	5,299,906	-
2035	2,504,537,913	47,186,628	16,717,885	3,148,250	815.83	-	815.83	3,148,250	2,565,294,176	5,724,959	2,571,019,134	5,299,906	-
2036	2,571,019,134	46,508,955	16,717,885	3,153,750	835.27	-	835.27	3,153,750	2,631,092,224	5,697,368	2,636,789,592	5,299,906	-
2037	2,636,789,592	45,406,756	16,717,885	3,147,500	857.48	-	857.48	3,147,500	2,695,766,732	4,322,785	2,700,089,517	5,299,906	-
2038	2,700,089,517	45,280,408	1,864,496	3,144,750	873.59	-	873.59	3,144,750	2,744,089,671	2,908,229	2,746,997,900	5,299,906	-
2039	2,746,997,900	35,272,797	1,864,496	-		-		-	2,784,135,193	2,055,519	2,786,190,712	5,299,906	-
2040	2,786,190,712	28,112,888	1,864,496	-		-		-	2,816,168,095	1,557,732	2,817,725,827	5,299,906	-
2041	2,817,725,827	23,262,550	1,864,496	-		-		-	2,842,852,872	1,587,812	2,844,440,684	5,299,906	-
2042	2,844,440,684	17,198,513	1,864,496	-		-		-	2,863,503,692	1,061,123	2,864,564,815	5,299,906	-
2043	2,864,564,815	12,439,464	1,864,496	-		-		-	2,878,868,774	126,262	2,878,995,037	5,299,906	-
2044	2,878,995,037	4,905,528	1,864,496	-		-		-	2,885,765,060	123,186	2,885,888,246	5,299,906	-
2045	2,885,888,246	132,619	1,864,496	-		-		-	2,887,885,360	-	2,887,885,360	5,299,906	-
2046	2,887,885,360	-	1,864,496	-		-		-	2,889,749,856	-	2,889,749,856	5,299,906	-
2047	2,889,749,856	-	1,864,496	-		-		-	2,891,614,351	-	2,891,614,351	-	-
2048	2,891,614,351	-	-	-		-		-	2,891,614,351	-		-	-
2049	-	-	-	-		-		-	-	-		-	-
2050	-	-	-	-		-		-	-	-		-	-
		$2,399,681,307	$353,002,656	$1,105,505,290		$182,276,165		$1,287,781,455		$1,368,352,830			

(1) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
(2) Represents loan receipts received from September 1st through May 31st to be used for debt service.
(3) Represents the total income available from loan receipt and investment projections based on current fund balances.
(4) Represents current debt service requirements.
(5) Total revenue to debt ratio. Total revenue includes beginning fund balances, actual loan receipts received from September 1st thru May 31st, and projected loan receipt and investment projections.
(6) Projected fee income is derived from fees charged to borrowers to cover the administrative costs of the program. The fees in all years are based upon the assumption that $291,781,306 in principal amount of loans are made per year with charges of 1.85% of the loan amou
Fees are collected outside of the State Revolving Fund based upon state law. Borrowers are provided an additional reduction in loan rates to offset the charges. This is reflected in the cash flow loan rate assumptions.

TEXAS WATER DEVELOPMENT BOARD
CLEAN WATER STATE REVOLVING FUND
PROJECTED SOURCES OF REVENUES
AS OF AUGUST 31, 2014

Income to be Used Within the Same Fiscal Year

Fiscal Year	Loan Receipts 9/1 - 5/31 (2)	Projected Loan Receipts (3)	Projected Investment Income (4)	Total Projected Income to Pay Debt Service	Loan Receipts From 6/1 - 8/31 (2)
2015 **(1)**	$128,710,211			$128,710,211	$49,492,308
2016	136,315,360			136,315,360	56,900,368
2017	136,422,087			136,422,087	67,693,665
2018	136,529,754	$16,717,885		153,247,639	74,122,285
2019	136,837,496	16,717,885		153,555,381	73,878,011
2020	135,791,808	16,717,885		152,509,693	75,195,886
2021	135,278,491	16,717,885		151,996,376	80,535,045
2022	134,568,106	16,717,885		151,285,991	80,929,178
2023	132,700,279	16,717,885		149,418,164	80,238,125
2024	130,114,613	16,717,885		146,832,498	81,135,737
2025	123,516,263	16,717,885		140,234,148	77,369,510
2026	104,751,130	16,717,885		121,469,015	77,621,535
2027	89,016,353	16,717,885		105,734,238	79,419,657
2028	81,260,785	16,717,885		97,978,670	74,550,857
2029	72,382,253	16,717,885		89,100,138	69,635,404
2030	66,500,058	16,717,885		83,217,943	71,643,536
2031	59,876,259	16,717,885		76,594,144	70,888,963
2032	55,613,955	16,717,885		72,331,840	69,188,828
2033	49,675,558	16,717,885		66,393,443	19,598,527
2034	48,113,387	16,717,885		64,831,272	13,150,432
2035	47,186,628	16,717,885		63,904,513	5,724,959
2036	46,508,955	16,717,885		63,226,840	5,697,368
2037	45,406,756	16,717,885		62,124,641	4,322,785
2038	45,280,408	1,864,496		47,144,904	2,908,229
2039	35,272,797	1,864,496		37,137,293	2,055,519
2040	28,112,888	1,864,496		29,977,383	1,557,732
2041	23,262,550	1,864,496		25,127,045	1,587,812
2042	17,198,513	1,864,496		19,063,008	1,061,123
2043	12,439,464	1,864,496		14,303,960	126,262
2044	4,905,528	1,864,496		6,770,023	123,186
2045	132,619	1,864,496		1,997,114	
2046		1,864,496		1,864,496	
2047		1,864,496		1,864,496	
2048					
2049					
2050					
	$2,399,681,307	$353,002,656		$2,752,683,963	$1,368,352,830

(1) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
(2) Represents scheduled repayments of $2,864,007,530 in outstanding principal amount of Political Subdivision Bonds as of August 31, 2014.
(3) Represents projected repayments from (a) $105,175,000 in Board commitments which include $87,485,000 in Equivalency loans, $17,690,000 in Non-Equivalency loans, and $0 in Equivalency - Disadvantaged loans; and (b) $247,827,656 in projected loans to be made with excess available program funds.
(4) Assumes investment income on fund balances at 0% for 8 months.

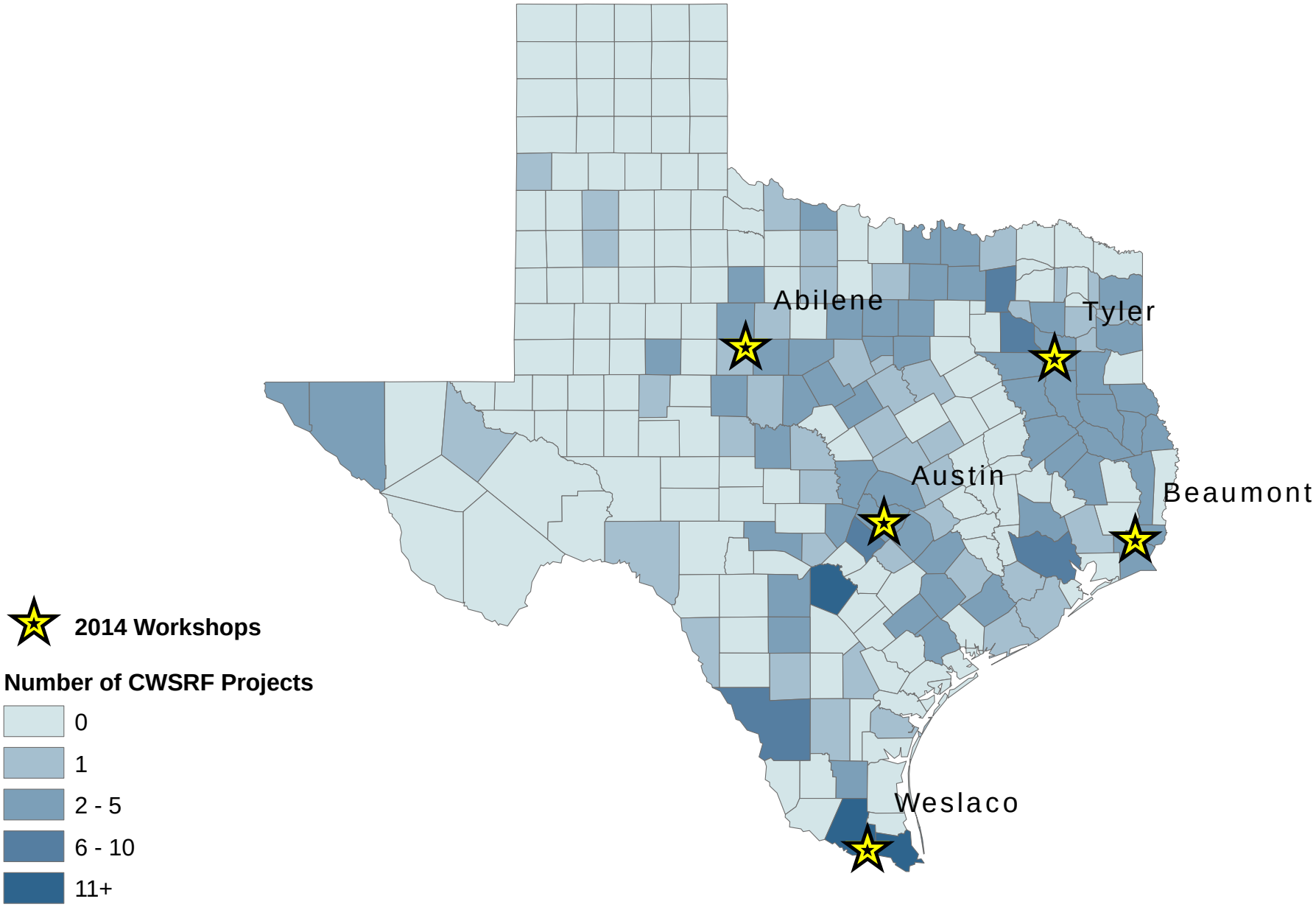
TEXAS WATER DEVELOPMENT BOARD
CLEAN WATER STATE REVOLVING FUND
DEBT SERVICE ON OUTSTANDING BONDS
AS OF AUGUST 31, 2014

Fiscal	SRF Revenue Fixed Rate Bonds			Variable Rate Bonds (2)				State Match Fixed Rate Bonds (3)			Total Debt
Year	Principal	Interest	Total	Principal	Interest	Total	Grand Total	Principal	Interest	Total	Service
2015 (1)	$55,380,000	$36,012,588	$91,392,588	-	$27,358	$27,358	$91,419,945	$9,238,281	$6,086,366	$15,324,647	$106,744,592
2016	60,180,000	33,268,688	93,448,688	-	$27,358	27,358	93,476,045	9,664,456	5,698,664	15,363,120	108,839,166
2017	23,585,000	30,476,088	54,061,088	-	$27,358	27,358	54,088,445	10,094,312	5,279,202	15,373,513	69,461,958
2018	45,570,000	29,329,938	74,899,938	-	$27,358	27,358	74,927,295	10,553,668	4,829,511	15,383,179	90,310,474
2019	22,510,000	27,156,438	49,666,438	48,683,000	$27,358	48,710,358	98,376,795	8,494,766	4,347,419	12,842,185	111,218,980
2020	29,755,000	26,135,138	55,890,138	-		-	55,890,138	8,048,684	3,968,094	12,016,778	67,906,915
2021	31,560,000	24,651,138	56,211,138	-		-	56,211,138	8,423,895	3,604,314	12,028,209	68,239,346
2022	38,935,000	23,059,800	61,994,800	-		-	61,994,800	8,842,296	3,212,917	12,055,214	74,050,014
2023	41,565,000	21,073,988	62,638,988	-		-	62,638,988	7,308,284	2,793,803	10,102,087	72,741,075
2024	47,570,000	18,954,088	66,524,088	-		-	66,524,088	7,660,842	2,453,607	10,114,449	76,638,536
2025	54,125,000	16,545,900	70,670,900	-		-	70,670,900	7,086,039	2,090,381	9,176,419	79,847,319
2026	54,430,000	13,808,438	68,238,438	-		-	68,238,438	7,455,031	1,755,513	9,210,544	77,448,982
2027	67,325,000	11,054,650	78,379,650	-		-	78,379,650	6,760,422	1,397,263	8,157,685	86,537,335
2028	53,310,000	7,639,438	60,949,438	-		-	60,949,438	5,329,913	1,077,248	6,407,161	67,356,599
2029	59,370,000	4,973,938	64,343,938	-		-	64,343,938	5,588,928	822,645	6,411,572	70,755,510
2030	16,100,000	2,016,250	18,116,250	-		-	18,116,250	5,546,023	551,768	6,097,792	24,214,042
2031	5,990,000	1,211,250	7,201,250	-		-	7,201,250	3,591,873	280,531	3,872,404	11,073,654
2032	2,240,000	911,750	3,151,750	-		-	3,151,750	1,550,866	103,988	1,654,854	4,806,604
2033	2,355,000	799,750	3,154,750	-		-	3,154,750	653,197	31,158	684,355	3,839,105
2034	2,475,000	682,000	3,157,000	-		-	3,157,000	-	-	-	3,157,000
2035	2,590,000	558,250	3,148,250	-		-	3,148,250	-	-	-	3,148,250
2036	2,725,000	428,750	3,153,750	-		-	3,153,750	-	-	-	3,153,750
2037	2,855,000	292,500	3,147,500	-		-	3,147,500	-	-	-	3,147,500
2038	2,995,000	149,750	3,144,750	-		-	3,144,750	-	-	-	3,144,750
2039	-	-	-	-		-	-	-	-	-	-
2040	-	-	-	-		-	-	-	-	-	-
2041	-	-	-	-		-	-	-	-	-	-
2042	-	-	-	-		-	-	-	-	-	-
2043	-	-	-	-		-	-	-	-	-	-
2044	-	-	-	-		-	-	-	-	-	-
2045	-	-	-	-		-	-	-	-	-	-
2046	-	-	-	-		-	-	-	-	-	-
2047	-	-	-	-		-	-	-	-	-	-
2048	-	-	-	-		-	-	-	-	-	-
2049	-	-	-	-		-	-	-	-	-	-
2050	-	-	-	-		-	-	-	-	-	-
	$725,495,000	$331,190,500	$1,056,685,500	$48,683,000	$136,790	$48,819,790	$1,105,505,290	$131,891,776	$50,384,390	$182,276,165	$1,287,781,455

(1) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
(2) Assumes an interest rate of 0.056196% for variable rate bonds.
(3) State Match Bonds are paid only from interest repayments.

Texas Water Development Board
SFY 2014 Clean Water State Revolving Fund
Annual Report

Map of Workshops Conducted in SFY 2014



Appendix B: CWSRF SFY 2014 Projects

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Loans Closed									
Map ID	Entity	Commitment #	Amount	Equivalency	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community
1	Agua SUD	L1000143	2,375,000	EQ	08/01/2017	08/01/2044	2.53%	2013	Yes
1	Agua SUD	LF1000144	2,375,000	EQ	N/A	N/A	Loan Forgiven	2013	Yes
2	Amarillo	L1000185	8,495,000	Non-EQ	04/01/2014	04/01/2033	1.43%	2013	
2	Amarillo	LF1000248	444,131	Non-EQ	N/A	N/A	Loan Forgiven	2013	
3	Angelina & Neches RA	L1000257	205,000	EQ	10/01/2015	10/01/2024	0.94%	2014	Yes
3	Angelina & Neches RA	LF1000258	469,013	EQ	N/A	N/A	Loan Forgiven	2014	Yes
4	Aqua WSC	L1000167	54,530	EQ	04/15/2014	03/15/2024	4.06%	2013	Yes
4	Aqua WSC	LF1000168	127,238	EQ	N/A	N/A	Loan Forgiven	2013	Yes
5	Arlington	L1000231	3,430,000	EQ	06/01/2015	06/01/2034	0.93%	2014	
5	Arlington	LF1000234	593,640	EQ	N/A	N/A	Loan Forgiven	2014	
6	Cisco	L1000274	475,000	EQ	02/15/2015	02/15/2024	1.07%	2014	Yes
6	Cisco	LF1000273	202,050	EQ	N/A	N/A	Loan Forgiven	2014	Yes
7	Comanche	L1000170	755,000	EQ	09/01/2015	09/01/2044	3.04%	2013	Yes
7	Comanche	LF1000171	316,500	EQ	N/A	N/A	Loan Forgiven	2013	Yes
8	Cushing	L1000242	510,000	EQ	09/01/2015	09/01/2044	3.22%	2013	Yes
8	Cushing	LF1000243	217,000	EQ	N/A	N/A	Loan Forgiven	2013	Yes
9	Dell City	L1000226	75,000	EQ	02/15/2015	02/15/2024	1.14%	2014	Yes
9	Dell City	LF1000227	116,223	EQ	N/A	N/A	Loan Forgiven	2014	Yes
10	Edcouch	L1000068	1,055,000	EQ	01/01/2014	01/01/2042	3.05%	2012	Yes
10	Edcouch	LF1000081	2,413,600	EQ	N/A	N/A	Loan Forgiven	2012	Yes
11	Greater Texoma UA	L1000308	2,085,000	EQ	08/15/2015	08/15/2041	2.41%	2011	Yes
12	Greater Texoma UA	L1000309	1,780,000	Non-EQ	10/01/2015	10/01/2034	1.68%	2014	
13	Houston	L1000149	65,000,000	EQ	11/15/2014	11/15/2043	1.80%	2013	
14	Huntington	L1000229	125,000	EQ	02/01/2015	02/01/2024	1.33%	2014	Yes
14	Huntington	LF1000230	123,844	EQ	N/A	N/A	Loan Forgiven	2014	Yes
15	Ingram	L1000262	1,185,000	EQ	02/15/2016	02/15/2043	3.02%	2014	Yes
16	McAllen	L1000022	6,655,000	Non-EQ	02/01/2014	02/01/2043	1.28%	2012	
16	McAllen	LF1000023	1,153,511	Non-EQ	N/A	N/A	Loan Forgiven	2012	
17	McAllen	L1000169	2,995,000	Non-EQ	02/01/2014	02/01/2023	0.33%	2013	
17	McAllen	LF1000165	250,393	Non-EQ	N/A	N/A	Loan Forgiven	2013	
18	Olney	L1000275	285,000	EQ	09/01/2015	09/01/2024	0.93%	2014	Yes
18	Olney	LF1000283	118,425	EQ	N/A	N/A	Loan Forgiven	2014	Yes
19	Ralls	L1000233	130,000	EQ	02/01/2015	02/01/2024	1.34%	2013	Yes
19	Ralls	LF1000232	122,500	EQ	N/A	N/A	Loan Forgiven	2013	Yes

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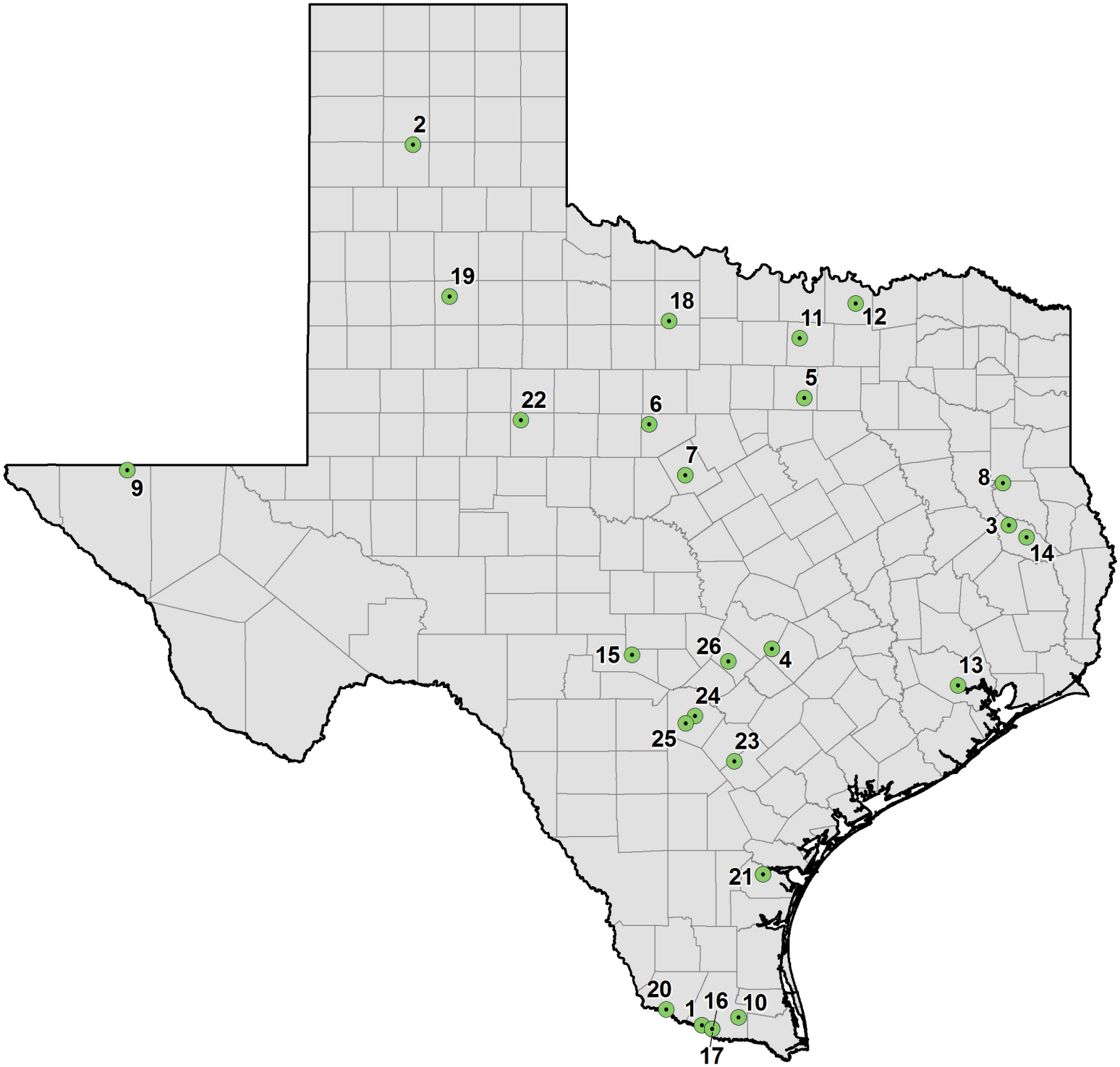
Loans Closed									
Map ID	Entity	Commitment #	Amount	Equivalency	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community
20	Rio Grande City	L1000069	1,930,000	Non-EQ	02/15/2014	02/15/2033	3.96%	2012	
21	Robstown	L1000224	490,000	EQ	12/01/2015	12/01/2035	1.00%	2014	Yes
21	Robstown	LF1000225	376,143	EQ	N/A	N/A	Loan Forgiven	2014	Yes
22	Roscoe	L1000205	1,040,000	Non-EQ	02/15/2016	02/15/2045	3.59%	2013	Yes
23	San Antonio River Authority	L1000189	4,300,000	Non-EQ	01/01/2015	01/01/2024	1.05%	2013	
24	San Antonio Water System	L1000197	60,100,000	Non-EQ	05/15/2014	05/15/2043	2.41%	2013	
25	San Antonio Water System	L1000304	38,260,000	Non-EQ	05/15/2015	05/15/2044	1.69%	2014	
26	Wimberley	L1000152	650,000	EQ	08/01/2014	08/01/2020	1.20%	2013	Yes
Totals		**42**	**$213,858,741**						

Total Loan Forgiveness: $9,419,211

Texas Water Development Board
SFY 2014 Clean Water State Revolving Fund
Annual Report

Map of Project Locations of Closings



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Clean Water SRF 2014 Closed Loans Narrative Descriptions

Agua SUD
Eastern Wastewater System
Project # 10365

Commitment Amount	$4,750,000	Closing Date	6/5/2014
Commitment Code	L1000143, LF1000144	Map Location	1

Need: The Agua Special Utility District (District) has completed the design of the first phase of a multi-phase project intended to provide first time wastewater collection service to residents of the City of Palmview commonly known as the "Eastern project" area. The District now seeks funds to complete the construction of this phase of the project. Currently, the project area does not have a centralized wastewater disposal system. Wastewater disposal from the project area is through the use of septic tanks with drain fields and other types of on-site disposal systems that present serious health issues, particularly during wet weather.

Project Description: The District proposes to construct the first phase of collection system to serve the area residents. This phase of the project, when completed, is expected to provide wastewater services to 1,752 homes within the City of Palmview. The proposed project includes the construction of approximately 160,000 linear feet of gravity sewer lines, four lift stations, 7,245 linear feet of force main lines and 534 manholes.

Amarillo
LS 32 & Georgia Street Sewer Projects
Project # 73663

Commitment Amount	$8,939,131	Closing Date	1/22/2014
Commitment Code	L1000185, LF1000248	Map Location	2

Need: Based on a previous study, the existing Lift Station #32 has been determined to be beyond its useful life and the City of Amarillo is looking to relocate and install a new lift station north of the existing lift station. In addition, The Georgia Street Gravity Main Sewer project that was initiated in 2006 which consisted of removing three old lift stations has not been completed; therefore, the City of Amarillo is seeking funding to complete the final phase of the proposed project.

Project Description: The City is looking to install a new lift station north of existing Lift Station #32. The project includes the design of 1,400 linear feet of 18-inch force main and demolition of the existing Lift Station #32 facilities.

Angelina & Neches RA
Redland Estates & FWSD 1 Sewer Systems
Project # 73677

Commitment Amount	$674,013	Closing Date	6/10/2014, 6/5/2014
Commitment Code	L1000257, LF1000258	Map Location	3

Need: The Redland Estates Wastewater Treatment Plant originally provided wastewater treatment for the Redland Estates Subdivision. The plant has been out of service for approximately 20 years, which has allowed raw untreated sanitary sewer flows from existing homes to discharge directly into an unnamed tributary of the Angelina River. A Public Health Threat has been issued by both the Texas Commission on Environmental Quality and the Angelina County & Cities Health District.

Project Description: The Angelina & Neches River Authority (RA) is seeking Construction phase funding for proposed wastewater collection system improvements that will provide first time sewer service to approximately 105 connections within the District's service area including the Redland Estates subdivision and additional homes along the proposed sewer line route. This will include elimination of existing on-site sewer facilities for existing

connections and provide collection through a proposed sanitary sewer collection system with treatment being provided by the Angelina & Neches RA's North Angelina County Regional Wastewater Treatment Facility.

Aqua WSC
Stony Point WWCS
Project # 73658

Commitment Amount	$181,768	Closing Date	2/27/2014
Commitment Code	L1000167, LF1000168	Map Location	4

Need: Aqua Water Supply Corporation's (Corporation) existing gravity collection system provides wastewater service for 262 lots out of a total of 387 lots in the Stony Point Subdivision in western Bastrop County. Unsanitary conditions continue to exist in the project area since the remaining lots in Stony Point having no access to public wastewater collection service. The existing private septic systems pose a threat to public health and water quality.

Project Description: The Corporation seeks CWSRF funding for planning and design of a first time sewer collection system for the remaining portions of the subdivision to address long-time public health concerns. The project would directly benefit Maha Creek, a tributary of Cedar Creek, thence a tributary of the Colorado River.

Arlington
Kee Branch & Lynn Creek Sewer Lines
Project # 73679

Commitment Amount	$4,023,640	Closing Date	3/25/2014
Commitment Code	L1000231, LF1000234	Map Location	5

Need: The City of Arlington has entered into a Sanitary Sewer Overflow Initiative and subsequent Enforcement Order with the Texas Commission on Environmental Quality that has established a plan for the City to improve the performance of its wastewater collection system.

Project Description: The City of Arlington is proposing to replace approximately 14,000 linear feet of existing 10, 18, and 21-inch pipeline with 15, 18, and 24-inch PVC pipeline within the Kee Branch Sanitary Sewer System in southwest Arlington. In addition, the City is proposing to replace approximately 8,100 linear feet of existing 10, 12, and 15-inch pipeline with 15 and 18-inch PVC pipeline within the Lynn Creek Sanitary Sewer System in southeast Arlington.

Cisco
Lift Stations & Reuse System
Project # 73668

Commitment Amount	$677,050	Closing Date	5/21/2014
Commitment Code	L1000274, LF1000273	Map Location	6

Need: Two of the City of Cisco's lift stations have reached the end of their useful life and are no longer acceptable in terms of capacity and reliability. The City's wastewater treatment plant also requires modifications to maintain its full treatment capacity and to allow reuse of the effluent to reduce the vulnerability of the City's raw water supply.

Project Description: The City of Cisco intends to fully replace their Humble Town and Influent lift stations and implement improvements at their wastewater treatment plant which include adding new polishing processes, and constructing a reclaimed water transmission system to augment Lake Bernie. Also, the City intends to purchase the solar mixers that they currently lease. These projects will allow the City to maintain consistent regulatory compliance throughout its wastewater system and also reduce the risk of future water shortages through safe and cost-effective diversification of its water supplies.

Comanche WWTP Aeration & Clarifiers Project # 73661			
Commitment Amount	$1,071,500	Closing Date	11/21/2013
Commitment Code	L1000170, LF1000171	Map Location	7

Need: The City of Comanche (City)'s wastewater treatment plant (WWTP) was constructed in 1965 and hasn't had significant modifications since 1983. The City is participating with the Texas Commission on Environmental Quality in a plan to eliminate sanitary sewer overflows and is required to make improvements in the collection system and at the WWTP. The aeration system is leaking and cannot produce the amount of air needed and the clarifiers have deteriorated to the point that they cannot effectively manage sludge levels.

Project Description: The City proposes to replace the aeration system and two clarifiers, install new sludge drying beds, and reconstruct an existing sludge drying box at the City's WWTP. Additionally, the City proposes to install an in-line grinder in place of an existing manhole in the collection system to address an area subject to repeated overflows.beds, and reconstruct an existing sludge drying box at the City's WWTP. Additionally, the City proposes to install an in-line grinder in place of an existing manhole in the collection system to address an area subject to repeated overflows.

Cushing WWTP Rehabilitation Project # 73671			
Commitment Amount	$727,000	Closing Date	2/26/2014
Commitment Code	L1000242, LF1000243	Map Location	8

Need: The City is currently under enforcement from Texas Commission on Environmental Quality for failing to meet effluent limitations at its wastewater treatment plant.

Project Description: The proposed project includes the planning, design and construction for the purpose of rehabilitating the existing wastewater treatment plant which includes the removal of excess vegetation and sludge, as well as adding floating aerators to help meet effluent limitations for dissolved oxygen. In addition the City of Cushing plans to prepare and implement an asset management plan.

Dell City Land Application System Project # 73678			
Commitment Amount	$191,223	Closing Date	5/8/2014
Commitment Code	L1000226, LF1000227	Map Location	9

Need: The City of Dell City (City) is under enforcement from the Texas Commission on Environmental Quality (TCEQ) to expand the land disposal area available for their wastewater treatment plant.

Project Description: The City intends to expand the area available by installing pumps and piping sufficient to dispose of effluent on land near the existing wastewater treatment plant.

Edcouch Collection System Improvements Project # 73643			
Commitment Amount	$3,468,600	Closing Date	9/11/2013
Commitment Code	L1000068, LF1000081	Map Location	10

Need: The City of Edcouch's wastewater collection system currently exhibits elevated levels of inflow and infiltration due to the high groundwater table and poor stormwater drainage.

Project Description: The City is requesting Planning, Design, and Construction funding for the replacement of

approximately 3,837 linear feet of eight to fifteen inch diameter gravity sewer line using Cure In-Place Piping technology. The proposed project also includes the rehabilitation of approximately six brick manholes and approximately six lift stations to bring them up to electrical code and Texas Commission on Environmental Quality compliance.

Greater Texoma UA Krum WWTP Project # 73622			
Commitment Amount	$2,085,000	Closing Date	5/15/2014
Commitment Code	L1000308	Map Location	11

Need: The City of Krum (City) currently has a lagoon wastewater treatment plant (WWTP) that serves part of their population. The Texas Commission on Environmental Quality (TCEQ) is imposing higher permit limits that the lagoon treatment system will not be able to meet.

Project Description: The City is proposing to construct a larger capacity activated-sludge WWTP that will service the existing customers and a portion of the City that is currently served by the City of Denton wastewater system and homes that are on septic tanks.

Greater Texoma UA Sherman WWTP Renovation Project # 73689			
Commitment Amount	$1,780,000	Closing Date	8/26/2014
Commitment Code	L1000309	Map Location	12

Need: As part of the Greater Texoma Utility Authority (Authority), the City of Sherman (City) has prepared a Capital Improvement Plan to address aging and deteriorated infrastructure needs. These needs include worn out and obsolete electronic components for UV disinfecting system, deteriorating headworks at the wastewater treatment plant, and deteriorated sewer lines resulting in infiltration problems.

Project Description: The City's project includes the design of the wastewater treatment plant headworks replacement project, design and construction of the Eastside Outfall Return Sewer Replacement project and construction of the UV disinfection system project.

Houston Collection System Rehabilitation - 2013 Project # 73652			
Commitment Amount	$65,000,000	Closing Date	2/12/2014
Commitment Code	L1000149	Map Location	13

Need: The City is under a TCEQ enforcement order to rehabilitate portions of their collection system in order to remove infiltration and inflow and eliminate sanitary sewer overflows.

Project Description: The City intends to rehabilitate approximately 600,000 linear feet of sanitary sewer line within the Sims Bayou, Almeda Sims, Keegan's Bayou and Southwest service areas.

Huntington WWTP Renovation Project # 73681			
Commitment Amount	$248,844	Closing Date	2/27/2014
Commitment Code	L1000229, LF1000230	Map Location	14

Need: the City of Huntington is under an Enforcement Order from the Texas Commission on Environmental Quality for violations at its existing wastewater treatment plant.

Project Description: The City proposes to conduct planning studies and design of a project that will lead to the ultimate construction of modifications to the existing wastewater treatment plant.

Ingram Eastside & Central Interceptors Project # 73656			
Commitment Amount	$1,185,000	Closing Date	4/18/2014
Commitment Code	L1000262	Map Location	15

Need: The City of Ingram (City) has recently completed wastewater system improvements throughout the City to its collection system and is about to begin construction on additional improvements. The proposed project will provide wastewater service for commercial properties in the central and the east side of the City that currently are on septic systems.

Project Description: The purpose of this project is to provide wastewater service to existing nonresidential connections in the central portion of the City and the businesses along Junction Highway (SH 27) in the eastern portion of the City. This project consists of approximately 2,200 linear feet of 12-inch, 3,600 linear feet of 10-inch 6,500 linear feet of 8-inch, and 1,500 linear feet of 6-inch sewer lines.

McAllen Effluent Reuse System Project # 73640			
Commitment Amount	$7,808,511	Closing Date	9/26/2013
Commitment Code	L1000022, LF1000023	Map Location	16

Need: The City intends to reduce its raw water demand by creating a reclaimed wastewater reuse system that will replace potable water use with treated wastewater.

Project Description: Construct a 2 MGD reuse water pump station and a UV disinfection system at the City's South WWTP and approximately 34,100 linear feet of purple pipe distribution system to serve irrigation customers that currently use potable water. The South WWTP disinfection system will be switched from chlorine, allowing the chlorine tank to be converted to storage capacity for reuse pumping. An onsite bleach generator will provide residual disinfection to prevent biological fouling of the reuse pipeline.

McAllen South WWTP Upgrade Project # 73659			
Commitment Amount	$3,245,393	Closing Date	9/26/2013
Commitment Code	L1000169, LF1000165	Map Location	17

Need: Components at the City's South Wastewater Treatment Plant are nearing the end of their useful life and several of the treatment components are in poor condition.

Project Description: The City is requesting construction phase funding for upgrades at the South Wastewater Treatment Plant including both the liquid and solids treatment processes to improve treatment and increase efficiency. As part of the upgrade to the wastewater treatment plant, the City has elected to include the construction of a new belt filter press. The project will also include enclosure of the dewatering facility and the provision of the odor control system, which were initially taken out of the project.

Olney Lake Olney Reuse Project # 73684			
Commitment Amount	$403,425	Closing Date	6/3/2014
Commitment Code	L1000275, LF1000283	Map Location	18

Need: The City of Olney has been in stage four water use restrictions since February 2013. The City receives 300,000 gallons per day from a contract with the City of Wichita Falls, but it uses 350,000 to 420,000 gallons per day. Water availability in Lakes Cooper and Olney, which makes up the difference in meeting excess demand, is at critical stage.

Project Description: The City is proposing to obtain a bed and banks permit from the Texas Commission on Environmental Quality (TCEQ) and divert a portion of the effluent from its wastewater treatment plant through a pumping station and transmission line to Lake Olney, where it will be available for treatment and use.

Ralls
Facultative Lagoon WWTP
Project # 73673

Commitment Amount	$252,500	Closing Date	2/24/2014
Commitment Code	L1000233, LF1000232	Map Location	19

Need: Unlined effluent ponds at the City's Wastewater treatment plant have been cited by the Texas Commission on Environmental Quality as a potential source of groundwater contamination that requires a Ground Water Monitoring Plan.

Project Description: Plan and design a new 0.259 million gallon per day wastewater treatment plant that will enable the City to remedy the potential for groundwater contamination and remove the need for a Ground Water Monitoring Plan.

Rio Grande City
Lift Station Rehabilitation
Project # 73644

Commitment Amount	$1,930,000	Closing Date	11/20/2013
Commitment Code	L1000069	Map Location	20

Need: The City of Rio Grande City has nine lift stations in their collection system. Of the nine, seven lift stations require rehabilitation due to unreliability.

Project Description: The City of Rio Grande City is proposing to rehabilitate seven lift stations within their collection system known as Solis, BBVA Motor Bank, Walmart, V.F.W., Garza/Solinas, Garcia's, and Bluebonnet. A preliminary assessment indicates improvements will include all new pumps, motors, piping, valves, electrical panels with transfer switches for portable generators, wetwell rehabilitation, SCADA, and fencing.

Robstown
Matiana Ortiz Line Replacement
Project # 73680

Commitment Amount	$866,143	Closing Date	6/17/2014
Commitment Code	L1000224, LF1000225	Map Location	21

Need: The City of Robstown needs to continue addressing their failing, deteriorated sanitary sewer collection system in an effort to prevent sanitary sewer overflows.

Project Description: The City of Robstown proposes to replace approximately 6,500 feet of failing, vitrified clay sanitary sewer and associated deteriorated brick manholes along Matiana Ortiz Boulevard and adjacent side streets to address inflow/infiltration into the sewer system in an effort to prevent sanitary sewer overflows in the immediate area.

Roscoe
Collection System Upgrades
Project # 73666

Commitment Amount	$1,040,000	Closing Date	12/19/2013
Commitment Code	L1000205	Map Location	22

Need: The City of Roscoe (City) has identified severely dilapidated clay tile sewer lines that were constructed in the 1940s. These lines have experienced numerous failures, leaks, collapses and blockages.

Project Description: The City requests funding for Planning, Design, and Construction to replace the majority of the

their collection system, including approximately 7,300 linear feet of 6 and 8-inch sewer collection line and approximately 57 sanitary sewer manholes.

San Antonio River Authority Watershed Master Plans Project # 73667			
Commitment Amount	$4,300,000	Closing Date	10/22/2013
Commitment Code	L1000189	Map Location	23

Need: The jurisdiction of San Antonio River Authority (Authority) covers Bexar, Wilson, Karnes and Goliad Counties. Bexar and Wilson Counties are undergoing rapid development, and Karnes and Goliad Counties are undergoing rapid development of the Eagleford Shale natural gas resource. The Lower San Antonio River and reaches of the Cibolo Creek are impaired water bodies on the Texas 303d list due to high bacteria levels. Some reaches of Cibolo Creek have elevated nutrient concentrations. The Medina River watershed has potential water quality and flooding issues. Martinez and Salatrillio Creeks receive effluent from three of the Authority's wastewater treatment facilities, which is effectively the only contributions to the streams during drought conditions.

Project Description: The Authority proposes to use Clean Water State Revolving Fund (CWSRF) funding to develop holistic watershed master plans for the San Antonio River watershed in Karnes and Goliad Counties, Cibolo Creek watershed, and Medina River watershed. Plans will include flood issues, stream restoration, water quality modeling, water quality Best Management Practices (BMPs), Geographic Information System (GIS) mapping and remote sensing, low impact development, Municipal Separate Stormwater Sewer Systems (MS4) permitting, conservation easements, mitigation banking, and nature-based park planning. Also, the Authority proposes to conduct a wastewater and storm water nutrient study on the Martinez Creek watershed in eastern Bexar County.

San Antonio Water System SSO Reduction & Rehabilitation Project # 73664			
Commitment Amount	$60,100,000	Closing Date	10/31/2013
Commitment Code	L1000197	Map Location	24

Need: The San Antonio Water System (SAWS) is in need of reducing Infiltration and Inflow (I/I) into the deteriorated portions of their collection and interceptor system.

Project Description: The San Antonio Water System (SAWS) proposes the rehabilitation of sanitary sewer and interceptor lines within their system as a part of their ongoing SSO program. In addition, SAWS proposes the replacement of a 10,000 LF existing 42-inch sanitary sewer main.

San Antonio Water System SSO Reduction & Western Relief Line Project # 73672			
Commitment Amount	$38,260,000	Closing Date	6/18/2014
Commitment Code	L1000304	Map Location	25

Need: The San Antonio Water System (SAWS) has identified 87 miles of sewer line that have experienced sanitary sewer overflows and need rehabilitation.

Project Description: The San Antonio Water System (SAWS) proposes the rehabilitation of sanitary sewer and interceptor lines within their system as part of their ongoing Sewer System Overflow (SSO) reduction program. In addition, SAWS proposes the construction of approximately 2,750 linear feet of 90-inch diameter gravity sewer line to replace a deteriorated 54-inch diameter gravity sewer line.

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Wimberley Downtown Wastewater System Project # 73653			
Commitment Amount	$650,000	Closing Date	9/20/2013
Commitment Code	L1000152	Map Location	26

Need: Recently, elevated E. coli and fecal coliform bacteria levels have been detected in the City of Wimberley (City)'s local waterways, particularly Cypress Creek, which winds through the City's central business district. The source of the pollutants is believed to be failing septic systems on certain business properties which line the creek. Most residences and businesses in the City, on the east side of Cypress Creek, rely on private septic systems for wastewater service; many of the systems are deteriorating and pose a threat to surface and ground water quality in the subject area.

Project Description: The City seeks CWSRF funding to plan and design a collection system in their problematic service area to mitigate the threat posed to water quality. The City also requests CWSRF funding to plan and design an upgrade and expansion of the existing waste water treatment plant (WWTP) from a 15,000 GPD plant to 75,000 GPD plant to provide wastewater service to approximately 170 properties in the adjacent central Wimberley area.

The City intends to beneficially reuse the WWTP's Type I effluent to irrigate the park site and other irrigation sites, therefore, minimizing the need for discharges into a local stream.

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Equivalency Projects - SFY 2012					
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date
Brady	73638	L1000011	1,210,000	07/19/2012	11/09/2012
Brady	73638	LF1000019	1,441,990	07/19/2012	11/09/2012
Breckenridge	73647	L1000054	840,000	10/17/2012	04/11/2013
Breckenridge	73647	LF1000092	353,461	10/17/2012	04/11/2013
Edcouch	73643	L1000068	1,055,000	02/28/2013	09/11/2013
Edcouch	73643	LF1000081	2,413,600	02/28/2013	09/11/2013
Houston	73635	L120030	48,750,000	04/19/2012	04/11/2013
Kerr County	10366	G120007	1,290,000	06/21/2012	09/25/2012
Kerr County	10366	L120022	570,000	06/21/2012	09/25/2012
Laredo	73626	L120019	48,750,000	04/19/2012	07/18/2012
McAllen	73633	L120016	1,190,000	04/19/2012	08/01/2012
McAllen	73633	LF1000014	510,000	04/19/2012	08/01/2012
Mercedes	73642	L1000024	3,255,000	08/16/2012	05/07/2013
Mercedes	73642	LF1000059	1,395,000	08/16/2012	05/07/2013
Ranger	73634	G120008	300,000	04/19/2012	10/24/2012
Ranger	73634	L120023	300,000	04/19/2012	10/24/2012
Springtown	73630	L120020	3,930,000	04/19/2012	08/30/2012
West Tawakoni	73648	L1000051	115,000	12/06/2012	06/28/2013
West Tawakoni	73648	LF1000052	112,500	12/06/2012	06/28/2013
Totals	**19**		**$ 117,781,551**		

Amount of Grant (2011 Appropriations): $ 67,492,000
Percentage: 175%

Equivalency Projects - SFY 2013					
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date
Agua SUD	10365	L1000143	2,375,000	04/18/2013	06/05/2014
Agua SUD	10365	LF1000144	2,375,000	04/18/2013	06/05/2014
Aqua WSC	73658	L1000167	54,530	04/18/2013	02/27/2014
Aqua WSC	73658	LF1000168	127,238	04/18/2013	02/27/2014
Buda	73657	L1000157	125,000	04/18/2013	08/29/2013
Buda	73657	LF1000158	276,500	04/18/2013	08/29/2013
Comanche	73661	L1000170	755,000	06/20/2013	11/21/2013
Comanche	73661	LF1000171	316,500	06/20/2013	11/21/2013
Cushing	73671	L1000242	510,000	10/17/2013	02/26/2014
Cushing	73671	LF1000243	217,000	10/17/2013	02/26/2014
Grand Prairie	73654	L1000155	1,805,000	02/28/2013	07/18/2013
Grand Prairie	73654	LF1000156	274,431	02/28/2013	07/18/2013
Houston	73652	L1000149	65,000,000	02/28/2013	02/12/2014
Ingram	73656	L1000154	175,000	02/28/2013	06/18/2013
Ralls	73673	L1000233	130,000	10/17/2013	02/24/2014
Ralls	73673	LF1000232	122,500	10/17/2013	02/24/2014
Wimberley	73653	L1000152	650,000	04/18/2013	09/20/2013
Totals	**17**		**$ 75,288,699**		

Amount of Grant (2012 Appropriations): $ 64,597,000
Percentage: 117%

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Equivalency Projects - SFY 2014					
Recipient	**Project ID**	**Commitment #**	**Amount**	**Commitment Date**	**Closing Date**
Angelina & Neches RA	73677	L1000257	205,000	01/23/2014	06/10/2014
Angelina & Neches RA	73677	LF1000258	469,013	01/23/2014	06/05/2014
Arlington	73679	L1000231	3,430,000	11/21/2013	03/25/2014
Arlington	73679	LF1000234	593,640	11/21/2013	03/25/2014
Cisco	73668	L1000274	475,000	12/05/2013	05/21/2014
Cisco	73668	LF1000273	202,050	12/05/2013	05/21/2014
Dell City	73678	L1000226	75,000	01/23/2014	05/08/2014
Dell City	73678	LF1000227	116,223	01/23/2014	05/08/2014
Huntington	73681	L1000229	125,000	12/05/2013	02/27/2014
Huntington	73681	LF1000230	123,844	12/05/2013	02/27/2014
Ingram	73656	L1000262	1,185,000	12/05/2013	04/18/2014
Olney	73684	L1000275	285,000	02/24/2014	06/03/2014
Olney	73684	LF1000283	118,425	02/24/2014	06/03/2014
Robstown	73680	L1000224	490,000	12/05/2013	06/17/2014
Robstown	73680	LF1000225	376,143	12/05/2013	06/17/2014
Agua SUD	10365	L1000253	1,845,000	10/17/2013	N/A
Agua SUD	10365	LF1000254	365,000	10/17/2013	N/A
Houston	73676	L1000223	55,005,000	01/23/2014	N/A
La Joya	73682	L1000295	425,000	03/24/2014	N/A
La Joya	73682	LF1000296	177,600	03/24/2014	N/A
McAllen	73659	L1000237	40,000,000	01/23/2014	N/A
McAllen	73659	LF1000282	202,322	01/23/2014	N/A
Totals	**22**		**$ 106,289,260**		

Amount of Grant (2013 Appropriations): $ 160,529,000
Percentage: 66%

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CWSRF Project Construction Starts					
Entity	**Commitment #**	**Project #**	**Closing Date**	**Construction Start Date**	**Net Amount**
Breckenridge	L1000054	73647	04/11/2013	02/10/2014	$840,000
Breckenridge	LF1000092	73647	04/11/2013	02/10/2014	$353,461
Edcouch	L1000068	73643	09/11/2013	04/11/2014	$1,055,000
Edcouch	LF1000081	73643	09/11/2013	04/11/2014	$2,413,600
Cameron	L110084	73620	06/15/2012	09/06/2013	$860,000
Totals	**5**				**$5,522,061**

CWSRF Project Construction Completions					
Entity	**Commitment #**	**Project #**	**Closing Date**	**Completion Date**	**Net Amount**
Bryan	L100094	72528	06/28/2011	03/06/2014	$15,685,000
Harris Co MUD # 50	L070043	72040	06/21/2007	10/15/2013	$1,500,000
Brownsville PUB	G100007	72495	12/09/2009	09/24/2013	$46,140,492
Rio Grande City	L070022	72014	04/23/2008	04/30/2014	$2,885,000
Harris Co WCID # 36	L080013	72242	03/13/2008	07/25/2014	$5,000,000
Harris Co WCID # 89	L070107	72144	06/10/2009	12/19/2013	$7,565,000
Alton	G110016	73600	06/23/2011	08/25/2014	$9,595,000
Raymondville	L100043	72342	03/25/2010	01/31/2014	$1,365,000
Totals	**8**				**$89,735,492**

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Clean Water Benefits Reporting (CBR) Summaries

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CW Benefits Summary Loan List for Texas

System Number		Recipient	Tracking Number	Assistance Amount	Initial Agreement
TX	334	Agua Special Utility District	10365 - L1000143, L	4,750,000	6/5/2014
TX	306	Amarillo	73663 - L1000185, L	8,939,131	1/22/2014
TX	330	Angelina & Neches River Authority	73677 - L1000257, L	674,013	6/10/2014
TX	309	Aqua WSC	73658 - L1000167, L	181,768	2/27/2014
TX	320	Arlington	73679 - L1000231, L	4,023,640	3/25/2014
TX	325	Cisco	73668 - L1000274, L	677,050	5/21/2014
TX	304	Comanche	73661 - L1000170, L	1,071,500	11/21/2013
TX	308	Cushing	73671 - L1000242, L	727,000	2/26/2014
TX	326	Dell City	73678 - L1000226, L	191,223	5/8/2014
TX	297	Edcouch	73643 - L1000068, L	3,468,600	9/11/2013
TX	336	Greater Texoma UA	73622 - L1000308	2,085,000	5/15/2014
TX	337	Greater Texoma UA	73689 - L1000309	1,780,000	8/26/2014
TX	307	Houston	73652 - L1000149	65,000,000	2/12/2014
TX	317	Huntington	73681 - L1000229, L	248,844	2/27/2014
TX	323	Ingram	73656 - L1000262	1,185,000	4/18/2014
TX	299	McAllen	73640 - L1000022/L	7,808,511	9/26/2013
TX	300	McAllen	73659 - L1000169/L	3,245,393	9/26/2013
TX	329	Olney	73684 - L1000275, L	403,425	6/3/2014
TX	318	Ralls	73673 - L1000233, L	252,500	2/27/2014
TX	303	Rio Grande City	73644 - L1000069	1,930,000	11/20/2013
TX	332	Robstown	73680 - L1000224, L	866,143	6/17/2014
TX	305	Roscoe	73666 - L1000205	1,040,000	12/19/2013
TX	302	San Antonio	73664 - L1000197	60,100,000	10/31/2013
TX	335	San Antonio River Authority	73667 - L1000189	4,300,000	10/22/2013
TX	331	San Antonio Water System	73672 - L1000304	38,260,000	6/18/2014
TX	298	Wimberley	73653 - L1000152	650,000	9/20/2013
			Total for all 26 Loans	**213,858,741**	

All Dates from 9/1/2013 thru 8/31/2014 10/8/2014

Texas CW Benefits Summary Report for Projects with Water Uses Reported

All Loans

	Loans		Projects			Borrowers		
	Assistance Dollars (millions)	Loan Count	Assistance Dollars (millions)	Subsidy Dollars (millions)	Project Count	Facility Population (millions)	Facility Flow (MGD)	Borrower Count
Total Records	213.9	26	213.9		26	6.2	537	24
Records with Benefits Data	196.1	18	196.1	115.2	18	6.1	537	17
Impacting Human Health	196.1	18	196.1	115.2	18	6.2	537	17
	100%	100%	100%		100%	31,362	People Served per $million	100%
With Impaired Waterbody			0.7	0.2	1	0.0	0	1
			0%		6%	0	People Served per $million	6%
With Waterbody Meeting Standards			2.8	1.0	2			
To Improve Water Quality			172.8	102.5	10			
To Maintain Water Quality			9.6	4.2	2			
To Achieve Compliance			2.1	0.6	4			
To Maintain Compliance			182.7	106.9	11			

All Dates from 9/1/2013 thru 8/31/2014

10/8/2014

Texas Program Performance Measures for CW Benefits

All Primary and Secondary Uses

	Number of Projects	Assistance Dollars (Millions)	Measure **(Projects per Million $)**
Waterbodies Protected			
Protected and Restored	4	120.7	0.033
Protected but Not Restored	17	200.7	0.085
All Protected	21	321.4	0.065
Waterbodies Restored			
Restored and Protected	2	60.3	0.033
Restored but Not Protected	0	0.0	0
All Restored	2	60.3	0.033

All Dates from 9/1/2013 thru 8/31/2014

10/8/2014

Reported Needs Categories for Texas

Needs Category	Number of Projects	Total Amount	
I Secondary Treatment	8	12,647,616	5.9%
II Advanced Treatment	2	1,395,690	0.7%
III-B Sewer System Rehabilitation	10	174,958,587	81.8%
IV-A New Collector Sewers	6	12,344,912	5.8%
VII-D Urban, excluding decentralized syste	1	4,300,000	2.0%
X Recycled Water Distribution	2	8,211,936	3.8%
		213,858,741	

All Dates from 9/1/2013 thru 8/31/2014

10/8/2014

Special Appropriations Act Program

The Special Appropriations Act Program (SAAP) provides funding for water and wastewater projects. Financial Assistance funds are distributed directly to the recipients by the EPA with construction management and program oversight being performed by the TWDB. The TWDB receives 3% of the project's total costs to monitor construction and provide construction/administration assistance for the Texas projects.

The TWDB has assisted the EPA with 33 projects under this program. A few of the SAAP projects have received additional funding from TWDB Financial Assistance Programs. As of August 31, 2014, 21 projects have been completed and the remaining 12 projects are in active construction.

The TWDB's duties include; attendance and participation in pre-construction conferences; comparing completion percentages and milestones with the approved project schedule; conducting interim inspections; reviewing bid documents, change orders and reimbursement requests; and providing recommendations and construction progress reports to EPA Region 6.

Below is a list of the current active Texas projects for SAAP:

Project Name	Project #	Start Date	Estimated Completion Date
Andrews SAAP Water Treatment Sys	80028	08/15/2014	10/06/2015
Cotulla SAAP WWTP Rehab	80025	06/10/2011	03/11/2016
Crystal City SAAP	80026	02/20/2012	06/03/2016
Fort Bend Co FWSD 1 CWSRF-GR-SAAP	21524	03/19/2007	06/29/2017
Ft Bend Co FWSD1/Arcola SAAP	21589	08/04/2011	03/01/2015
GTUA Gainesville (SAAP/WIF) SWTP	21684	05/01/2013	08/27/2015
Hillsboro SS Rehab SAAP	80008	01/04/2010	11/27/2015
La Vernia SAAP Water System Imp	80031	10/15/2013	12/11/2014
Liberty Hill CWSRF/SAAP	72048	07/21/2008	10/09/2015
Lorena CWSRF/SAAP	71830	05/16/2011	11/29/2015
Lubbock Canyon Lks Reuse SAAP	80011	02/10/2014	11/07/2014
Lufkin SAAP Storage Tank Rehab	80027	05/06/2013	09/27/2015

Appendix C: Compliance with FFY 2013 CWSRF Grant Agreement Conditions

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Compliance with FFY 2013 Capitalization Grant Conditions

The TWDB complied with all administrative and programmatic conditions in the 2013 CWSRF Capitalization Grant Assistance Agreement (Agreement). The Agreement was adhered to by the TWDB in an appropriate and expeditious manner in compliance with state and federal law. TWDB staff understands the terms and conditions as set forth in the Agreement. Any proposed changes or necessary corrections were provided to EPA for appropriate Agreement Amendments.

Administrative Conditions

1. General Conditions

A. Grants and Other Federal Assistance and Timeliness [40 CFR Chapter 1, Subchapter B including Parts 31, 33, 34, and 35]

The TWDB has expeditiously initiated and is completing in a timely fashion the project work for which assistance has been awarded. The TWDB committed funds equivalent to the Agreement amount in a timely manner. TWDB rules require loans for planning, acquisition and design projects to be closed within six (6) months of receiving a commitment or a loan for construction to be closed within twelve (12) months of receiving a commitment. The TWDB expended all CWSRF funds for construction by December 2013.

The TWDB complied with the Agreement requirements in 40 CFR Chapter 31 and 40 CFR, Part 35, Subpart K.

B. Recipient Standards [OMB Circulars and 40 CFR Part 31]

TWDB adhered to OMB Circulars A-87, A-102, and A-133 and with 40 CFR Part 31, relating to Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. The TWDB's standards governing procurement comply with 40 CFR Part 31, specifically 40 CFR § 31.36, and with 40 CFR Part 33 relating to Disadvantaged Business Enterprises (DBE). TWDB maintained a financial management system that meets the requirements of 40 CFR § 31.20.

C. EPA-ACH / ASAP Payment Systems

CWSRF projects were funded from various sources at the time of loan closing. Federal funds were drawn when projects designated for federal

draws submitted outlay reports showing evidence of eligible costs incurred. Therefore, cash drawdowns of federal funds are only made when needed.

Cash draw-downs were made only when needed for disbursements. Costs have been incurred and verified. The TWDB displayed the Assistance Agreement Number(s) under "Financial Data" on the EPA-ACH Payment Request Form when drawing down funds.

2. Payment Methods

The TWDB requested and received funds via the Automated Standard Application for Payments.

3. Single Audit [OMB Circular A-133]

In accordance with OMB Circular A-133, the TWDB obtained a single audit. In the State of Texas, the State Auditor performed a statewide single audit which includes an audit of the TWDB's management of the State Revolving Funds. The TWDB will submit a copy of form SF-SAC and a Single Audit Report package within nine (9) months after the end of its fiscal year or 30 days after receiving the report from the auditor. The TWDB's complete Annual Financial Report (AFR) and the State's Comprehensive Annual Financial Report (CAFR) are submitted upon completion and receipt.

4. EPA's Financial Obligation.

TWDB understands that EPA's obligations are limited to the amount of funds awarded to date on the grant agreement's budget.

5. Payments to Consultants [40 CFR 31.36(j)(1)]

In accordance with 40 CFR § 31.36(j), the TWDB has adhered to the salary limitations when it used federal funds to directly contract for consultation services of individuals paid at daily or hourly rates.

6. Central Contractor Registration and Universal Identifier Requirements

The TWDB complied with the requirements of System for Award Management (SAM), the successor to the Central Contractor Registration. It has established a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number as the identifier for Federal financial assistance applicants, as well as recipients.

7. Reporting Subawards and Executive Compensation

In compliance with the Federal Funding Accountability and Transparency Act (FFATA), the TWDB reported each action that obligates $25,000 or more in the FFATA Subaward Reporting System (FSRS) at www.fsrs.gov. The TWDB reports covered actions in FSRS by the established deadline of the end of the month plus one additional month after an award or sub-award is obligated.

8. Drug-Free Workplace [2 CFR Part 1536]

The TWDB maintained a drug-free workplace and will continue to make an ongoing, good faith effort to maintain a drug-free workplace in accordance with the requirements of 2 CFR Part 1536.

9. Hotel and Motel Fire Safety Act of 1990 [40 CFR §30.18]

The TWDB ensured that all space used for conferences, meetings, conventions and training seminars funded in whole or in part with federal funds complied with the protection and control guidelines of the Act.

10. Recycling [42 U.S.C. 6962; 40 CFR Part 247]

The TWDB complied with the preference requirements in its procurement programs to the purchase of specific products containing recycled materials in accordance with Section 6002 of the Resource Conservation and Recovery Act. Texas Government Code § 2155.445 requires all state agencies, municipalities, counties and special districts to follow certain statutes regarding recycling and the purchase of recycled content products. Texas Government Code § 2155.445(a) provides that all entities "give preference to recycled, remanufactured, or environmentally sensitive products" as determined by rule of the Texas Comptroller of Public Accounts if the purchases meet applicable specifications as to quantity and quality.

11. Lobbying and Litigation – All Recipients [40 CFR Part 34]

The TWDB adhered to the prohibition against using project funds to lobby the federal government or for litigation against the United States. The Executive Administrator agreed to ensure that no grant funds awarded pursuant to the Agreement were used to engage in lobbying the federal government or in litigation against the United States unless authorized under existing law. The TWDB abided by OMB Circular Numbers A-87 or A-122, as applicable, which prohibits such use of federal funds as well as 40 CFR Part 34. Additionally, the TWDB required sub-recipients to certify compliance with 40 CFR Part 34.

12. Applicable to All Recipients - Management Fees

TWDB was aware that management fees or similar charges in excess of the direct costs and approved indirect rates were not allowable. The term “management fees or similar charges” refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or other similar costs which are not allowable. Management fees or similar charges were not used to improve or expand the projects funded under this Agreement, except to the extent authorized as a direct cost of carrying out the scope of work.

13. Suspension & Debarment

The TWDB fully complied with Subpart C of 2 CFR Part 180, entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532 by reviewing federal lists to ensure that debarred or suspended entities or persons do not receive Agreement funds.

14. Trafficking in persons [Trafficking Victims Protection Act of 2000 - 22 USC § 7104(g)]

The TWDB agreed to inform the EPA immediately of any information received from any source that alleges a violation of §106(g) of the Trafficking Victims Protection Act of 2000, as amended. The statue prohibits recipients of Federal funds from engaging in severe forms of trafficking in persons during the period of time that the Agreement is in effect; nor may a recipient procure a commercial sex act during the period of time that the Agreement is in effect or use forced labor in the performance of the award.

15. Unliquidated Obligations Term and Condition [40 CFR §§31.41(b) and 31.50(b)]

The TWDB agreed to submit an annual Federal Financial Report (SF-425) to the EPA no later than 90 calendar days following the end of the reporting quarter, as established in the Agreement. Additionally, the TWDB will submit a final Federal Financial Report to the EPA no later than 90 calendar days after the completion of each project funded under the Agreement.

16. Quality Management Plan

The TWDB submitted an annual Quality Management Plan (QMP) to the Region Quality Assurance Manager which was approved on June 17, 2014. The Texas Commission on Environmental Quality (TCEQ) received approval of its QMP on February 28, 2014, by the EPA.

17. Quality Assurance Project Plan

A Quality Assurance Project Plan (QAPP) was completed and submitted by the TCEQ to the EPA on November 4, 2013. Approval of the QAPP was approved by the EPA and is in effect through November 4, 2016.

18. Utilization of Small, Minority and Women's Business Enterprises

The TWDB has complied with the EPA Disadvantaged Business Enterprise (DBE) rules when using federal funds for procurement. The table below shows the TWDB's DBE activity in State Fiscal Year 2014. In accordance with 40 CFR § 33.502 and 40 CFR § 33.503, the TWDB submitted a completed Standard Form 5700-52A within 30 days of the end of the semiannual reporting periods in which sub-agreements were awarded (except for older grants which are reported quarterly). The TWDB made good faith efforts in accordance with 40 CFR § 33.301. TWDB complied with the contract administration provisions of 40 CFR § 33.302 and the bidders list requirements of 40 CFR § 33.501(b)(c). Projects are assigned to a federal Agreement in chronological order by commitment date.

CWSRF SFY 2014 MBE/WBE Procurement Activity						
		MBE Actual			WBE Actual	
Total Procurements	MBE Goals	Dollar Value	% of Procurement	WBE Goals	Dollar Value	% of Procurement
$46,612,132		$8,448,549	18.13%		$7,027,042	15.08%
Construction	12.94%	$4,910,516	10.53%	8.72%	$5,176,895	11.11%
Supplies	9.68%	$1,130,446	2.43%	9.34%	$1,052,712	2.26%
Equipment	7.12%	$0	0.00%	5.39%	$0	0.00%
Services	10.84%	$2,407,587	5.17%	5.72%	$797,435	1.71%
	Overall DBE Procurements				33.20%	

The above DBE goals were negotiated with EPA in SFY 2012 in accordance with 40 CFR 33.404 and included in the FFY 2013 Agreement.

19. Civil Rights Obligations

The TWDB submitted EPA Form 4700-4 and Standard Form 424B in compliance with civil rights statues and EPA regulations. Specifically, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Title IX of 40 CFR Part 5, Title VI, Sections 13 and 504 of CFR Part 7, and EPA Form 4700-4.

20. National Term and Condition – Indirect Costs

The TWDB received EPA approval of its indirect rates for SFY 2014. When actual costs for the period have been determined, an adjustment may be made to the rates.

Programmatic Conditions

Specific Requirements

1. The TWDB administered the program during SFY 2014 in accordance with the representations made in the grant application and the SFY 2014 Intended Use Plan, unless the signed Agreement provided otherwise.

2. The TWDB does not have an Operating Agreement with EPA covering the CWSRF.

3. Grant Payments. (a) The TWDB accepted grant payments in accordance with a payment schedule established by the EPA and deposited all such payments in the CWSRF in accordance with Title VI of the Clean Water Act. Payments, cash draw downs and disbursements will be as defined in 40 CFR §§ 35.3155 and 35.3160. (b) As of the end of SFY 2014, the TWDB had deposited $344,042,656 into the CWSRF to fully meet its requirement to match an amount at least equal to 20 percent of the Agreement. (c) The TWDB submitted each request for a cash draw from the ACH system separate from other program ACH draws. (d) The cumulative amount of state match in SFY 2014 was at least equal to 16.67% of the cumulative amounts of both state match and federal funds drawn. Any interest earned on the fund balances remained in the fund.

4. The TWDB does not provide loan assistance for the non-federal share of costs of treatment work projects for which the recipient is receiving assistance from another EPA program.

5. There are no projects that began prior to March 7, 1985 that received assistance through refinancing.

6. The TWDB filed the Annual Report with the EPA as required within 90 days after the end of the state fiscal year in accordance with 40 CFR Part 35, Subpart K.

7. EPA Region 6 completed its SFY 2013 CWSRF Annual Review within 120 days after receipt of the Annual Report. The SFY 2013 Annual Performance Review was conducted on February 3-7, 2014.

8. The TWDB certified that it will assist the EPA in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended, and that such certification has been submitted to the EPA. Moreover, the TWDB complied with the requirements of 36 CFR Part 800 et seq. and all applicable standards and guidelines of the Advisory Council on Historic Preservation for all SRF activities receiving EPA assistance.

9. The TWDB is audited yearly as part of the Comprehensive Annual Financial Report (CAFR). The CAFR meets the federal requirements of an Audited Financial Report. The Comprehensive Annual Financial Report (CAFR) can be found at the following URL: http://www.window.state.tx.us/finances/pubs/cafr.

10. The TWDB did not used funds received under the Agreement for administrative expenses that exceeded 4% of the cumulative amount of the grant award in accordance with 40 CFR § 35.3120(g)(1).

11. The TWDB agreed that CWSRF administrative fees earned during the grant period and held in accounts outside the CWSRF shall only be used for purposes directly related to the CWSRF program. The uses of all fees was consistent with EPA "Guidance on Fees Charged by States to Recipients of CWSRF Program Assistance" issued on October 20, 2005. Fees held in such accounts were audited and reported annually. The interest earned on said fees was used only for water quality activities or for the combined financial administration of the CWSRF.

12. The TWDB complied with Executive Order 13202 of February 17, 2001 entitled "Preservation of Open Competition and Government Neutrality towards Government Contractors' Labor Relations on Federal and Federally-Funded Construction Projects," as amended by Executive Order 13208 of April 6, 2001.

13. The TWDB drew cash proportionality for the CWSRF program cash draws in accordance with 40 CFR § 35.3160(d)(4) and EPA guidance. TWDB demonstrated that 100 percent of the required state match had been utilized first, then drew 100 percent federal funds from all project outlays. Once all federal and state match funds were expended, the remaining outlays were paid from the repayment stream.

14. The TWDB completed the Environmental Benefits form for each CWSRF project

loan closed during Fiscal Year (FY) 2014 and included the information on the FY 2014 CWSRF Annual Performance Report. TWDB reported data into the Clean Water Benefits Reporting (CBR) System for each closed loan and included a copy of the CBR reports in Appendix B of this report.

15. All equivalency projects, in an amount equal to or greater than the capitalization grants, complied with the National Environmental Policy Act (NEPA) and with cross-cutting authorities. All nonequivalency projects complied with the alternative State Environmental Review Process (SERP).

    A NEPA-like environmental review or alternative SERP was conducted on all CWSRF funded projects. There were no Environmental Impact Statements required this fiscal year. A favorable environmental determination was issued for all projects identified as equivalency projects as well as all non-equivalency projects.

    In SFY 2014, twelve projects that were funded in compliance with the SFY 2014 IUP and were designated as Equivalency Crosscutters in the amount of $106,289,260. See Equivalency-Crosscutter Tables in the Appendix B for a list of Equivalency commitments.

16. Except for event(s) and all of its components described in the approved workplan, TWDB agreed to obtain prior approval from EPA for the use of grant funds for light refreshments and/or meals served at meetings, conferences, training workshops and outreach activities (events). No grant funds were used for light refreshments and/or meals during SFY 2014.

17. TWDB is aware that EPA may terminate the Agreement for failure of the sub-recipient to make sufficient progress so as to reasonably ensure completion of the project within the project period, including any extensions. In SFY 2014, the TWDB closed on 42 projects totaling $213,858,741. Additionally, five projects totaling $5,522,061 began construction while eight projects totaling $89,735,492 initiated operations. The TWDB reduced the CWSRF unliquidated obligation balance allocated to construction to zero as of the end of SFY 2014.

FY 2013 Required Grant Conditions Identified in the 2013 CWSRF Procedures

1. TWDB complied with all requests for data related to the use of CWSRF funds and reported all uses of the funds quarterly in the CWSRF Benefits Reporting database. The reporting included data with respect to compliance with the Green Project Reserve and additional subsidization requirements.

2. The TWDB provided information in its Annual Report on key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of outputs and outcomes established in the

Intended Use Plan; 2) the reasons for delay if established outputs or outcomes were not met; 3) any additional, pertinent information on environmental results; 4) compliance with the green project reserve requirement; and 5) compliance with the additional subsidization requirement.

3. EPA specified that in accordance with FFY 2013 Appropriations the TWDB used at least $2,874,350 and no more than $4,311,524 of the funds provided by the Capitalization Grant to provide additional subsidization in the form of principal forgiveness, negative interest rate loans or grants. The EPA further specified in guidance that priority for additional subsidies should be given to communities that could not otherwise afford the projects. Moreover, the subsidies were to be directed to (a) repair, replace, and upgrade infrastructure in existing communities; (b) investigations, studies and plans that, once implemented, would improve the technical, financial and managerial capacities of the recipients; and (c) preliminary planning, alternatives assessment, and eligible capital projects that reflect the full life-cycle costs of infrastructure assets, the conservation of natural resources and alternative "green" approaches.

   The TWDB complied with these requirements and listed the communities that received subsidies from the FFY 2013 capitalization grant in Appendix A, Table 8. The additional subsidization associated with the FFY 2013 grant that was allocated to closed loans and commitments totaled $4,108,719 as of August 31, 2014. The TWDB is on track to exceed the minimum grant requirement with pending applications.

4. The SFY 2014 IUP reserved 10% of the capitalization grant or $6,102,100, for Green Project Reserve (GPR) projects. The TWDB developed "Green Project Information Worksheets" in order to facilitate a uniform approach to providing business case information should it be required. All projects from the SFY 2014 IUP received invitations, including those projects identified as GPR. To encourage adequate funding of green projects during SFY 2014, the TWDB allocated $1,167,911 as a targeted subsidy to green project costs. Eligible green projects were offered a subsidy in the form of loan forgiveness of 15% of the green project costs, provided the green costs were at least 30% of the total project costs.

   As of the end of SFY 2014, the total closed loans and commitments totaled $54,683,242 or 896% of the GPR targeted amount. The projects that received green project reserve funds are shown in Appendix A, Table 8. A description of the TWDB's good faith efforts to meet the Green Project Reserve is found under the narrative section.

5. Under the FY 2013 appropriations for the CWSRF program, Congress has mandated that Davis-Bacon Act prevailing wage rate requirements apply to the construction, alteration and repair of treatment works carried out in whole or in

part with CWSRF funds. The TWDB implemented this mandate by (1) advising all CWSRF applicants of the need to comply with Davis-Bacon prevailing wage rate requirements during pre-application meetings prior to the submission of an application for financial assistance; (2) requiring in all TWDB resolutions making a commitment for a CWSRF loan that recipients comply with Davis-Bacon Act prevailing wage rate legislation; and (3) by ensuring that all loan closing ordinances, resolutions and/or loan (forgiveness) agreements contain a clause mandating compliance with Davis-Bacon Act requirements.

The TWDB implemented procedures for construction projects requiring all construction contracts in excess of $2,000 to contain contract and subcontract clauses in accordance with Page 20 of the document "Texas Water Development Board Supplemental Contract Conditions and Instructions" found on its website at this link: http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0550.pdf.

The TWDB's project engineers provided guidance to project owners on the Davis-Bacon Act requirements utilizing the TWDB Davis-Bacon (DBA) Guidance for CW and DW SRF Projects, DB-0156. The TWDB ensured that it received the monthly DBA Certification of Compliance form when project owners submitted the monthly Outlay Report, form DB-0154.

The TWDB's Inspection and Field Support Services (IFSS) performed periodic field inspections of projects funded by the Agreement during the construction phase. IFSS Field staff verified compliance with the TWDB Davis-Bacon (DBA) Guidance, DB-0156, by reviewing the following:

- Wage Determination and DBA poster WH-1321 were posted at each contract site
- Weekly contractor(s) certified payrolls and certification submitted to the owner were current.
- Owner's Monthly DBA Certificate of Compliance was submitted with the monthly Outlay Report to the TWDB using form DB-0154

The IFSS staff conducted preconstruction conference to confirm that the project owner was aware that DBA compliance was required and that compliance procedures were followed. Monthly inspection reports also documented compliance. Noncompliance issues were noted in each monthly inspection report until issues were resolved and confirmation was noted in the subsequent inspection report.