

STATE OF TEXAS



# Annual Report

## Drinking Water State Revolving Fund

[www.twdb.texas.gov/financial/programs/DWSRF](http://www.twdb.texas.gov/financial/programs/DWSRF)



# SFY 2024

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Photo taken by TWDB Staff  
City of Lubbock Low Head C Pump Station

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## **Attachments:**

- A. DWSRF IIJA Emerging Contaminants Appropriations Annual Report
- B. DWSRF IIJA Lead Service Line Replacement Appropriations Annual Report
- C. SFY 2024 Annual Financial Report – DWSRF Financial Statements
- D. TCEQ – Small Systems Technical Assistance 2024 Annual Report
- E. TCEQ – State Management Program 2024 Annual Report
- F. TCEQ – IIJA State Management Program 2024 Annual Report
- G. TCEQ – Local Assistance 2024 Annual Report

# 1. Executive Summary

The purpose of the Texas Drinking Water State Revolving Fund (DWSRF) is to provide affordable financing to assist public drinking water systems to meet or maintain compliance with the primary drinking water regulations or otherwise significantly further the health protection objectives of the Safe Drinking Water Act (SDWA). Funding through the DWSRF goes towards addressing needs in the areas of ensuring public health protection, maintaining and/or bringing systems into compliance, and supporting affordable and sustainable drinking water as set forth in the SDWA.

The Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ) collectively administer the state's DWSRF program. The TWDB is authorized by statute to administer the DWSRF program in accordance with the SDWA. The TCEQ, as the State's primacy regulatory agency, is responsible for implementing the drinking water regulations established by the SDWA, enforcing the national drinking water standards set by the U.S. Environmental Protection Agency (EPA), administering the Public Water System Supervision (PWSS) program, providing Small System Technical Assistance, and providing Capacity Development across the state.

The TWDB and the TCEQ provide these reports to summarize annual activities, achievements of goals, requirements met, and obligations made as set forth in the State Fiscal Year (SFY) 2024 Intended Use Plan (IUP) and Set-Aside Work Plans for the DWSRF program. The report describes the progress made toward short-term and long-term program goals, the financial status of the DWSRF, and compliance with federal DWSRF requirements during SFY 2024, which was from September 1, 2023, through August 31, 2024.

The SFY 2024 DWSRF IUP described the intended uses of the funds available in the DWSRF financial assistance program and detailed how the TWDB 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 3, 2023, to be added to the Initial Invited Projects List and be included in the first round of invitations for funding. The TCEQ, using project details outlined in the project information forms, scored them in accordance with their ranking system for SFY 2024, federal DWSRF regulations, and program rules. The TWDB reviewed, scored, and ranked all submissions based on the requirements set forth in TWDB rules and criteria established for SFY 2024. An Initial Invited Projects List was created based upon project ranking and the established criteria.

During this SFY, the TWDB maintained an open IUP throughout the year to enable all interested parties to submit a project information form for inclusion on the Project Priority Lists. Applications from the initial round of invitations were based upon project ranking if the application was submitted by the established deadline. Following the initial round of invitations, subsequent rounds of invitations were sent to apply for assistance and funding was awarded based on priority order.

The TWDB continued to pursue program initiatives to protect public health and improve the quality of the state's drinking water through the Urgent Need funding reserve. These efforts ensured that communities had access to low-cost financial assistance to meet their most dire needs.

DWSRF capitalization grant funds provided from the Federal Fiscal Year (FFY) 2023 annual appropriations of \$39,369,000, General Supplemental appropriations from the Infrastructure Investment and Jobs Act of 2021 (IIJA) of \$167,867,000, IIJA Emerging Contaminants (EC) appropriations of \$59,202,000, and IIJA Lead Service Line Replacement (LSLR) FFY 2022 and 2023 appropriations of \$222,155,000 and \$146,246,000 respectively were used for the SFY 2024 IUPs. One IUP states that FFY 2021 annual appropriations reallocated from another state of \$812,000 were to be used for SFY 2024 annual appropriations, but these funds were not made available. Annual appropriations and the IIJA General Supplemental appropriations were used for the Base funding program.

The TWDB set the SFY 2024 DWSRF Base program capacity at \$435,066,830. Applicants for equivalency project funding, those that required compliance with all federal crosscutter requirements, were able to receive an interest rate reduction of 35 percent below market rates. Non-equivalency projects, those that did not need to comply with federal requirements, with the exception of federal anti-discrimination laws, were able to receive an interest rate reduction of 30 percent below market rates. All LSLR and EC projects were considered equivalency projects. The financing of service line inventory activities received a 0 percent interest rate while the financing of service line replacements received a reduction of 35 percent below market rates.

In addition to the EPA capitalization grant, the Texas DWSRF utilizes additional state funding sources to increase the program capacity. The additional available resources included the required annual appropriations state match of 20 percent of the grant, IIJA appropriations state match of 10 percent of the grant, principal repayments from previous DWSRF loans, interest and investment earnings, and, as necessary, revenue bonds issued by the TWDB to fund project demand in excess of available cash on hand. During the SFY, utilizing all the funding sources mentioned, the TWDB made 52 DWSRF commitments totaling \$163,990,698.

The TWDB continues to strive to improve our financial assistance programs to ensure applicants have access to the cost savings associated with utilizing these programs to advance safe drinking water infrastructure for all Texas citizens.

Details for Annual Appropriations and IIJA General Supplemental Appropriations are provided in the main report. Details on the DWSRF IIJA Emerging Contaminant appropriations are provided in Attachment A and details on the DWSRF IIJA Lead Service Line Replacement appropriations are provided in Attachment B.

## 2. Goals and Achievements

The primary goal of the Texas DWSRF program is that of the SDWA: to improve public health protection. The overall program goals are to identify and provide funding for maintaining and/or bringing Texas' public water systems into compliance with the SDWA; to support affordable drinking water and sustainability; and to maintain the long-term financial health of the DWSRF program fund.

The TWDB provides effective and efficient administration of the DWSRF program and offers affordable long-term financing to assist public water systems in providing enough quality and quantity of affordable potable water throughout Texas. The DWSRF program also uses set-aside funds to improve public health protection programs that support the goals of the SDWA. The following sections detail the TWDB's progress in meeting the short- and long-term goals established in the IUP.

### Short-Term Goals of the Texas DWSRF Program

1. *Encourage the use of green infrastructure and technologies by offering principal forgiveness for green infrastructure, energy efficiency, water efficiency, or environmentally innovative portions of projects and allocating an equivalent of 10 percent of the capitalization grant to approved green project costs.*

The TWDB continued efforts to promote the use of green infrastructure and technologies by setting a goal of committing an equivalent of 10 percent of the capitalization grant, or \$3,936,900, to approved green project costs via a Green Project Reserve. The TWDB enhanced the Green Project Reserve goal with the inclusion of a Green Subsidy category, which offered additional subsidy assistance to projects that contained green components equal to or greater than 30 percent of their total project costs. For more information on projects identified for Green Project Reserve goals and Green Subsidy amounts, please see the Green Project Reserve section of this report and Appendix A, Table 1.

2. *Offer terms of up to 30 years for the planning, acquisition, design, and/or construction for up to 75 percent of available funds in accordance with TWDB determined guidelines and the SDWA.*

Of the closings made during SFY 2024, 11 projects took advantage of terms greater than 20 years. Details on loan terms for these projects may be found in Appendix B.

3. *Increase the amount of DWSRF program funding available by leveraging the program as necessary to meet the demand for funding additional drinking water projects.*

For SFY 2024, at least \$435 million was available under the DWSRF program. This amount includes \$95 million in principal forgiveness and at least \$325 million with subsidized interest rates or 0 percent for special funding categories.

4. *Continue to enhance the DWSRF by cross-collateralizing the program with the Clean Water State Revolving Fund (CWSRF) program in accordance with state and federal law.*

While the TWDB typically utilizes cross-collateralization when issuing bonds to support both programs, no bonds were issued during SFY 2024.

5. *Enhance our current level of outreach on the SRF programs by hosting virtual or in person regional financial assistance workshops in conjunction with the continued use of social media.*

The TWDB hosted sixteen Financial Assistance workshops during the SFY. Staff from the agency's regional project development teams participated in various outreach opportunities throughout the state at conferences, regional planning meetings, and one-on-one meetings with individual entities/authorities. The topics discussed during the workshops and outreach opportunities covered all TWDB financial assistance programs, the IUP process, the project information form submission, DWSRF federal requirements and program changes, specific project related questions and answers, and general outreach. A map showing workshop locations is included in Appendix A.

The use of social media continues to grow at the TWDB with increasing numbers of followers on Facebook, X (formerly Twitter), LinkedIn, YouTube, and Instagram. TWDB Board members and staff continually share information on various social media sites.

6. *Assist water systems with urgent needs through financial assistance in the form of principal forgiveness and loans with an additional interest rate subsidy from the Urgent Need reserve.*

The TWDB continued efforts to prioritize urgent need projects through outreach efforts, technical assistance, and utilization of urgent need funding. Eligible projects could receive principal forgiveness or a reduced interest rate on financing. By offering this funding, the objective was to assist communities with projects that addressed an imminent peril to public health, safety, environment, or welfare with a threat of failure in response to an emergency condition. During SFY 2024, three projects meeting these criteria received a financial commitment totaling \$18,085,023.

7. *Provide outreach, technical assistance and special allocations of funding to reduce the number of public water systems with unresolved health issues as part of the Securing Safe Water initiative.*

The TWDB allocated a specific portion of the available principal forgiveness in the Very Small Systems and Urgent Need funding options toward projects resolving the significant health violations as identified by the TCEQ. During SFY 2024, the TWDB extended outreach to these identified systems to explain the DWSRF application process and encourage them to apply for funding. As of August 31, 2024, 24 systems have submitted project information forms for funding consideration, nine of those became projects after the submission of a financial application, and four have received funding commitments to resolve their issues. Details of the progress made may be found in Section 8, Program Initiatives.

8. *Continue to implement the TWDB's AMPSS and CFO to GO initiatives.*

The TWDB continued to offer the Asset Management Program for Small Systems (AMPSS) and the CFO to GO program during the SFY. During SFY 2024, the second round of funding through the AMPSS program took place culminating in Board approval of 22 pre-qualified contractors and 20 participant systems (10 drinking water and 10 wastewater) for a total amount not to



exceed \$2,000,000 (up to \$100,000 per project). Contractors and participant systems have been working toward the completion of the deliverables for the project. Planning for a third round of AMPSS funding is underway.

Additionally, through the SRF General Activities IUP, any eligible entity was eligible to receive up to \$100,000 at zero percent interest financing to prepare all applicable AMPSS deliverables as a part of their proposed project. A small system eligible under AMPSS was also eligible to receive up to \$500,000 at zero percent interest financing if they had implemented substantially all of the AMPSS deliverables. As of August 31, 2024, sixteen systems (ten drinking water and six wastewater) have been allocated funding through the SRF programs for asset management plan creation.

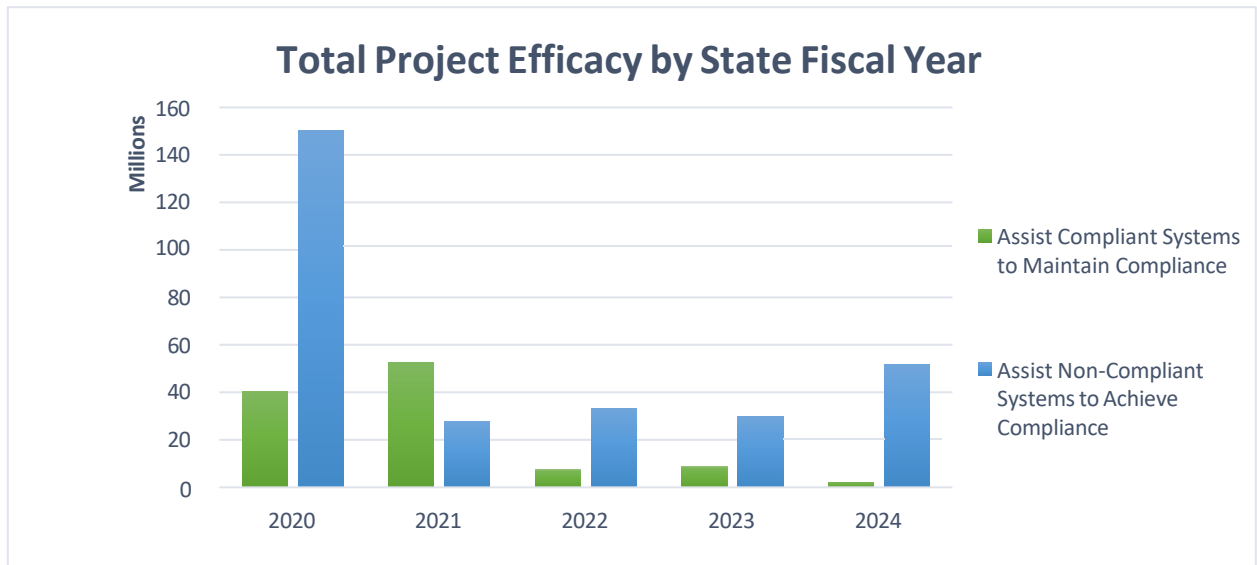
During SFY 2024, TWDB staff began coordinating with 9 SRF borrowers under the CFO to GO initiative. These entities have received subsidized financial consulting expertise used to identify deficiencies in financial operations and related activities and develop plans to remediate them. Details of TWDB's AMPSS program and the CFO to GO recipients may be found in Section 8, Program Initiatives.

### **Long-Term Goals of the Texas DWSRF Program**

**1. *Maintain the fiscal integrity of the DWSRF in perpetuity.***

The long-term financial health of the DWSRF is monitored through ongoing cash flow and capacity analyses. Efficient and effective use of program resources remained a top priority of the program. The TWDB lending rate policy has been established to preserve the corpus of the capitalization grants and state match funds, excluding the amount of principal forgiveness and set-aside amounts from each grant. The TWDB will continue to manage the DWSRF to ensure funds will be available in perpetuity for activities under the SDWA.

**2. *Employ the resources in the DWSRF in the most effective and efficient manner to protect public health and assist communities in maintaining compliance with SDWA requirements and maintain a strong financial assistance program that is responsive to changes in the state's priorities and needs.***



During SFY 2024, the TWDB provided DWSRF funds totaling over \$53 million to 13 projects that will protect public health and assist communities in maintaining or achieving compliance with SDWA requirements. To further achieve this goal, the TWDB has an established priority rating system that directly supports the goals of the SDWA. The TWDB reports on its efforts in achieving this goal using EPA’s DWSRF Reporting System as required.

3. *Assist borrowers in complying with the requirements of the SDWA by meeting the demands for funding eligible water projects by providing financial assistance with interest rates below current market levels and with Additional Subsidization.*

The TWDB provided funding commitments during the SFY to eligible entities invited to submit applications for assistance, thereby ensuring water systems within the state achieved or maintained compliance with the SDWA. In total, 40 funding commitments were made during SFY 2024.

To encourage entities to use the DWSRF, reductions from market interest rates on financing were provided to recipients in the form of a 35 percent reduction for equivalency projects and a 30 percent reduction for non-equivalency projects. The resulting effects were substantial cost savings for the communities. To provide additional savings to disadvantaged communities, green projects, urgent need, and very small systems, the TWDB allocated \$95,066,830 of additional subsidy as shown in the SFY 2024 IUP. During the SFY, the TWDB identified 15 projects to receive this additional subsidy with a grand total of \$40,084,643.

4. *Support the development of drinking water systems that employ effective utility management practices to build and maintain the level of financial, managerial, and technical (FMT) capacity necessary to ensure long-term sustainability.*

Through the promotion of effective management, the TWDB provides additional prioritization points to drinking water systems that demonstrate a commitment to effective utility management practices. Categories in which systems may demonstrate their ability to maintain the level of financial, managerial, and technical capacity include asset management,

implementation of water plans, water conservation strategies, use of reclaimed water, and projects increasing energy efficiencies.

Additionally, the TWDB continued to support two programs to assist communities with effective financial, managerial, and technical capacity. The first is the Asset Management Program for Small Systems, or AMPSS. The program is intended to assist small, rural wastewater systems with the development and implementation of an asset management plan and other management tools through use of program funds. The second is the CFO to GO initiative. The TWDB contracted with Certified Public Accountants (CPA) to provide established procedures and technical assistance services to designated recipients with the intent to assist struggling communities maintain adequate compliance with the requirements of the DWSRF. Further details are available in Program Initiatives, Asset Management Program for Small Systems and CFO to GO initiative, respectively.

### 3. Subsidies to Promote Sustainability

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

- Projects that are based on a “fix it first” approach which focuses on system upgrades 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 2024, the TWDB prioritized the use of additional subsidization for those entities that met EPA’s guidance criteria. Disadvantaged communities were allocated most of the available subsidies for system upgrades and replacements. The TWDB’s initial allocations to each funding category are explained below.

The TWDB made available \$59,112,000 of additional subsidy for qualifying disadvantaged communities. The maximum amount from this allocation was \$1,000,000 per project pursued by the entity.

An additional \$20,754,830 was made available to small/rural disadvantaged communities. If any disadvantaged small/rural communities required a loan component to cover project costs, the TWDB offered zero percent interest. The maximum amount from this allocation was \$1,000,000. Similar to the maximum amount listed above, this limit was applied to all projects pursued by the entity during the SFY.

The TWDB also made available \$5,600,000 of additional subsidy for very small system projects (serving 1,000 or fewer in population) of which \$2,000,000 was allocated to the Securing Safe Water initiative through the first round of funding. Entities were limited to no more than \$400,000 in principal forgiveness from this allocation category for all projects pursued during the SFY. The other components of this guidance 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 made available \$3,600,000 of the amount required in additional subsidy for green projects in the form of principal forgiveness. This funding option offered principal forgiveness for up to 15 percent of the total DWSRF-funded eligible green component costs. Applicants with proposed project components that qualified as green were eligible for this additional subsidy. For further details, review Section 4, Green Project Reserve. Details of the subsidies provided are shown in Appendix A, Table 1.

Finally, the TWDB made available \$2,000,000 in zero percent interest loan funding to any eligible system pursuing the completion or implementation of an asset management plan consistent with the scope of work and deliverables for the AMPSS program. An eligible system could receive up to \$100,000 for the creation of a plan and up to \$500,000 for a plan's implementation.

## 4. Green Project Reserve

To further the EPA's sustainability strategy, the TWDB set a goal to fund green projects in the amount of 10 percent of the annual appropriations capitalization grant. The green project funding was allocated to projects that addressed green infrastructure, water efficiency, energy efficiency, or other environmentally innovative activities.

The TWDB designated projects as green in the IUP based upon designation by the entity and a review of the initial information submitted demonstrating their green components. The TWDB developed a green project information worksheet to facilitate a uniform approach to providing the information proving eligibility. The TWDB committed to fund \$3,936,900 in green project costs during SFY 2024. One green project totaling \$1,785,318 was funded during the SFY. Details of the Green Project Reserve are shown in Appendix A, Table 2.

## 5. Income from Program Fees

The TWDB assesses fees to recover administrative costs associated with the DWSRF. These fees are placed in a separate account held outside of the program funds. The fees are an assessment of 2 percent of the portion of the DWSRF financial assistance that is to be repaid and is assessed in full at closing.

For SFY 2024, the TWDB collected \$1,456,274 in DWSRF administrative fees. Fees are budgeted as a source of revenue for financing DWSRF administration expenses including the AMPSS and CFO to GO initiatives. During SFY 2024, \$663,893.44 was expended from the fee account for operations. The balance of funds within the fee account was \$62,481,311.57 as of August 31, 2024.

## 6. Method of Cash Draw

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

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

In accordance with statute and the FFY 2023 Capitalization Grant, on December 27, 2023, the TWDB deposited \$616,321 into the DWSRF to meet future state matching fund requirements for capitalization grants. The balance of the match deposited totals \$76,222,148 in excess of the cumulative required state match that will be applied toward future capitalized grants. Details of the state match are shown in Appendix A, Table 3.

## 7. Timely and Expeditious Use of Funds

As of August 31, 2024, the outstanding capitalization grant balance was \$137,527,388.10. Federal draws for the SFY totaled \$83,186,614.31. Details of fund balances are shown in Appendix A, Table 4.

The TWDB closed on 19 projects totaling \$106,187,540. Additionally, four projects totaling \$27,838,461 began work while two projects totaling \$1,235,000 were completed. The TWDB has ensured that recipients of financial assistance make sufficient progress to reasonably ensure completion of their project within the project period.

## 8. Program Initiatives

### **Additional Subsidization**

The additional subsidization associated with the FFY 2023 grants that were allocated to closed projects and commitments totaled \$4,488,441 for Annual Appropriations and \$36,536,202 for the IJA General Supplemental as of August 31, 2024. Fourteen projects received a commitment and the remaining applications are still under review. While the TWDB did not meet the FFY 2023 capitalization grant requirements for additional subsidization during the SFY, there are several project applications still under review that will receive financial assistance in subsequent years and will be reported in future annual reports. Details of the additional subsidization are shown in Appendix A, Table 1.

## **Disadvantaged Communities Funding**

The TWDB received 12 applications for projects totaling \$38,056,845 in Disadvantaged principal forgiveness for SFY 2024. Two projects received commitments during SFY 2024 and count toward the FFY 2023 grants. The TWDB closed on financial assistance for nine disadvantaged community projects totaling \$67,062,517 during SFY 2024; this amount includes projects that were originally listed in previous years' IUPs. Details of the disadvantaged communities' funding are shown in Appendix A, Table 1.

A disadvantaged community is a community that meets the DWSRF's Affordability Criteria based on income, unemployment rates, and population trends. For details on the DWSRF Affordability Criteria, please see the SFY 2024 IUP, Appendix D, Affordability Criteria to Determine Disadvantaged Community Eligibility.

## **Application Process**

During SFY 2024, applicants listed on the IUP's Invited Projects List were required to complete and submit an intent to apply form showing their interest in SRF funding. If they failed to submit their intent form by the established deadline, their project was bypassed. This allowed those with projects further down the Project Priority List access to program funds.

The first round of invitations included projects whose total costs were within the amount of the capitalization grant, as evidenced by the Initial Invited Projects List within the SFY 2024 IUP. Applications received by the initial deadline were considered in the priority order listed on the Project Priority List. If any funds remain unallocated, then other projects on the Project Priority List were invited to apply in rank order.

The TWDB continued to utilize an open IUP to allow for the addition of new projects at any time throughout the year. The open IUP encouraged entities with projects that were not on the initial list to submit a Project Information Form at any time during the year. Those projects were added to the bottom of the SFY 2024 IUP Project Priority List in the order in which they were received.

## **Bypass of Projects on the Project Priority List**

The SFY 2024 IUP, in accordance with DWSRF regulations, included a process to bypass higher ranked projects to ensure that funds available are utilized in a timely manner, and that statutory and capitalization grant requirements were met. Following the application process listed above, higher ranked projects that did not apply for financial assistance were bypassed by lower ranked projects that were ready to apply for financial assistance. Additionally, several projects were invited to apply for financial assistance to ensure that the TWDB met the FFY 2023 Capitalization Grant requirements.

## **American Iron and Steel**

To implement the requirements for American Iron and Steel, the TWDB: (1) advised all DWSRF applicants of the need to comply with the American Iron and Steel requirements during pre-application meetings, via guidance documents, and the agency's website; (2) included a

condition in TWDB resolutions requiring recipients of DWSRF financial assistance to comply with the American Iron and Steel requirements; (3) ensured that all financial assistance agreements contained a clause mandating compliance with American Iron and Steel requirements; and (4) provided recipients with de minimis logs and certification forms.

### **Build America, Buy America (BABA)**

During SFY 2024, only a small number of projects received equivalency commitments that are subject to the BABA requirements. Additionally, the TWDB continued to develop and implement the compliance requirements for financial assistance recipients subject to BABA requirements during the SFY. As of August 31, 2024, the TWDB intends to implement the following items to ensure compliance with BABA requirements: (1) advise all CWSRF equivalency funding applicants of the need to comply with the BABA requirements during pre-application meetings, via guidance documents, and the agency's website; (2) include a condition in TWDB resolutions requiring recipients of CWSRF equivalency financial assistance to comply with the BABA requirements; (3) ensure that all financial assistance agreements contain a clause mandating compliance with BABA requirements; and (4) provide recipients with de minimis logs and certification forms.

### **Asset Management Program for Small Systems (AMPSS)**

The TWDB has implemented a program for small systems to undertake asset management planning since SFY 2018. The program allows qualified contractors to work with small water and wastewater system providers to create asset management plans including, but not limited to, an inventory of assets with replacement dates and estimated costs, best practices for operation and maintenance, and associated financial plans for obtaining funding to meet future needs.

During SFY 2024, the Board approved the second round of the AMPSS program with 22 pre-qualified contractors and 20 participant systems for a total amount not to exceed \$2,000,000. Funding for the AMPSS was obtained through use of the CWSRF and DWSRF origination fees. The 20 AMPSS projects from the first round are almost complete with final deliverables expected in the first quarter of SFY 2025. The 20 AMPSS projects from the second round have begun and final deliverables are expected in the first quarter of SFY 2026.

#### **AMPSS 2<sup>nd</sup> Round Projects**

<b><u>Participant System</u></b>	<b><u>Contractor Firm</u></b>	<b><u>Max. Amount</u></b>	<b><u>Source of Funding (Loan Origination Fees)</u></b>
Bluff Dale WSC	Seagull PME	\$100,000.00	DWSRF
City of Alpine	Jacob & Martin, LLC	\$100,000.00	CWSRF
City of Balmorhea	Burgess & Niple, Inc.	\$100,000.00	DWSRF
City of Bartlett	Kimley-Horn and Associates, Inc.	\$100,000.00	CWSRF
City of Blooming Grove	Ardurra Group, Inc.	\$100,000.00	CWSRF
City of Brazoria	LSPS Solutions, LLC	\$100,000.00	CWSRF

City of Cottonwood Shores	KSA Engineers, Inc.	\$100,000.00	DWSRF
City of Goliad	Ardurra Group, Inc.	\$100,000.00	DWSRF
City of Goliad	Ardurra Group, Inc.	\$100,000.00	CWSRF
City of Junction	Ardurra Group, Inc.	\$100,000.00	CWSRF
City of Malone	Texas Rural Water Association	\$100,000.00	CWSRF
City of Marfa	RJN Group, Inc.	\$100,000.00	DWSRF
City of Marfa	RJN Group, Inc.	\$100,000.00	CWSRF
City of Reklaw	Texas Rural Water Association	\$100,000.00	DWSRF
East Rio Hondo WSC - Arroyo City	Halff Associates, Inc.	\$100,000.00	DWSRF
Glidden FWSD 1	HR Green, Inc.	\$100,000.00	CWSRF
Markham MUD	LSPS Solutions, LLC	\$100,000.00	DWSRF
Marlow WSC	Texas Rural Water Association	\$100,000.00	DWSRF
Matagorda Co WCID 5	LSPS Solutions, LLC	\$100,000.00	DWSRF
Sheridan WSC	HR Green, Inc.	\$100,000.00	CWSRF

In early SFY 2025, a third round of AMPSS projects is being planned. Like the first and second rounds, the third round will likely consist of 20 AMPSS projects (10 drinking water and 10 wastewater systems) for a total contract amount not to exceed \$2,000,000 (\$100,000 maximum per project).

## **CFO to GO**

Beginning in SFY 2019, the TWDB implemented a program to assist CWSRF and DWSRF financial assistance recipients. The focus of the program was to help recipients improve or maintain adequate compliance with State Revolving Fund program requirements. The TWDB contracts with Certified Public Accountants and assigns them to assist with the design and implementation of recipients' financial reporting, compliance and internal control processes and procedures. Some examples of contracted activities include monitoring compliance with financial instrument covenants; monitoring allowable costs and compliance with cost principles; financial reporting; advising recipients on the design and implementation of internal control procedures; and, enhancing procedures for the preparation of financial statements, among others.

During SFY 2024, TWDB provided nine SRF borrowers with support under the CFO to GO initiative. These entities have received subsidized financial consulting expertise used to identify deficiencies and process improvement opportunities in financial operations and related activities and develop plans to remediate them.

For SFY 2024, a total of \$1,000,000 was authorized for use. The TWDB coordinated financial consulting services for nine entities.



<u>Subrecipient</u>	<u>Consulting Firm</u>	<u>Amount Expended</u>	<u>Source of Fees for Payment</u>
Blanco	CohnReznick	\$5,557.50	CW/DWSRF
Bonham	CohnReznick	\$6,700.00	CW/DWSRF
Cisco	CohnReznick	\$10,430.00	CW/DWSRF
Gatesville	CohnReznick	\$5,030.00	CWSRF
La Joya	Weaver & Tidwell	\$33,175.00	CWSRF
Llano	CohnReznick	\$44,141.00	CW/DWSRF
Marlin	CohnReznick	\$45,687.50	CW/DWSRF
Mercedes	Weaver & Tidwell	\$27,825.00	CWSRF
Mission	Weaver & Tidwell	\$11,460.00	CW/DWSRF
<b>Total</b>		<b>\$190,006.00</b>	

## Efforts to Address Systems with Urgent Needs

The TWDB continues to join with other state, federal, and local agencies to aid communities impacted by disasters. Through the DWSRF's Urgent Need funding reserves, the TWDB was able to make available principal forgiveness and zero-interest financing for damaged and imperiled infrastructures. During SFY 2024, four projects closed on funding to address urgent needs. Details of these projects and previous year's projects are shown in Appendix A, Table 1.

## Securing Safe Water

Beginning in SFY 2020, the TWDB began an initiative called Securing Safe Water that involved a comprehensive outreach, technical assistance, and funding strategy to reduce the number of public water systems that have unresolved health issues. By providing these services and funding, the TWDB worked to facilitate EPA's Strategic Plan goal of significantly reducing the number of public water systems with reported health violations.

At the start of the SFY 2020, the TCEQ shared a list of over 250 public water systems with health violations. The TWDB's Outreach staff and the TCEQ's Enforcement Division staff continued outreach efforts to these communities in hopes of resolving their chronic issues. For the SFY 2024 IUP, 24 entities submitted a PIF for consideration. Ten projects were invited and submitted an application for funding in SFY 2024. As of August 31, 2024, four systems have funding commitments.

## Financial Indicators

The TWDB annually reviews key financial health indicators of the DWSRF program to ensure the program is keeping "pace" with national benchmarks. The TWDB's overall indicators have been comparable to the national averages as of the latest update provided by EPA via the last performance evaluation review.

	TX DWSRF Financial Indicators (as of June 30, 2023)				
NIMS Line #	Financial Indicators based on Cumulative Activity	2021	2022	2023	National Average SFY 2023*
401	Cumulative Assistance Disbursed as a % of Funds Available	90.613%	84.2%	81.9%	80.5%
418	Return on Federal Investment	186.8%	196.6%	198.1%	224.4%
419	Assistance Provided as a % of Funds Available	92.1%	85.7%	83.5%	94.7%
420	Disbursements as a % of Assistance Provided	98.4%	98.2%	98.0%	85.0%
420.1	Ratio of Undisbursed Project Funds to Disbursements/Undisbursed Funds to Average Disbursements (Years to Disburse)	1.0 yr	1.9 yrs	3.9 yrs	3.7 yrs
421	Additional Assistance Provided Due to Leveraging	\$117.7M	\$192.1M	\$66.6M	N/A
424	Set-aside spending rate	93.9%	93.3%	96.8%	85.7%
425	Net Return/ (Loss)	\$27.5M	\$11.6M	\$5.2M	\$3.19B
426	Net Return on Contributed Capital Excluding Subsidy	1.9%	0.8%	0.3%	15.5%
N/A	Total Net	\$97.7M	\$59.0M	N/A	N/A
N/A	Net Interest Margin	0.1%	-0.2%	N/A	N/A

\*As of the writing of this Annual Report, SFY 2024 data was unavailable.

## 9. Performance Evaluation Review Follow-up

The DWSRF requires that states comply with Section 1452 of the Safe Drinking Water Act, 40 CFR 35.3570(c). The EPA conducts an annual Performance Evaluation Review (PER) to evaluate compliance with the program and grant requirements. The SFY 2023 PER review was conducted April 2024 – May 2024. The review was based upon the TWDB SFY 2023 annual activity. For the review, there were interactive discussions, file reviews, completion of the standardized national EPA checklists of program evaluation questions, and an analysis of the EPA Office of Chief Financial Officer's selected cash transactions.

The EPA has not yet shared recommendations for the SFY 2023 PER.

## 10. Compliance Statements

### **Compliance with FFY 2023 DWSRF Grant Agreement Conditions**

The TWDB has complied with all administrative and programmatic conditions in the FFY 2023 DWSRF 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. The TWDB 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.

### **State Statutes**

The TWDB has complied with all applicable state laws pertaining to the TWDB's DWSRF program.

# Appendix A:

## DWSRF SFY 2024 Tables

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Table 1						
Green Project Reserve and Additional Subsidization - 2020 IUP / 2019 Grant						
IUP and/or Grant Targets	GPR: \$ 8,622,500		Add Sub Minimum			\$ 22,418,500
			Add Sub Maximum			\$ 47,423,750
Recipient - Closing Date	Amount	Green	Green Subsidy	V.S.S.	Disadvantaged	Urgent Need
Annona	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Carbon	754,600	285,384	42,808	300,000	411,792	-
Coke County WSC	300,000	-	-	300,000	-	-
Commodore Cove Improvement District	295,000	-	-	295,000	-	-
Eagle Pass	3,997,286	3,997,286	357,286	-	-	-
Evadale WCID #1	300,000	-	-	300,000	-	-
Gordon	901,323	675,486	101,323	300,000	400,000	-
H2O Tech, Inc	53,467	-	-	-	-	53,467
Millersview-Doole WSC - 03/21/2024 *	2,450,980	-	-	-	1,715,686	735,294
Newton	537,600	-	-	300,000	237,600	-
North Alamo WSC	6,976,373	4,271,261	754,873	-	1,831,500	-
Paducah	3,392,958	-	-	-	1,677,958	-
Pharr	17,880,000	-	-	-	4,000,000	-
Presidio Co. WCID/Redford	300,000	-	-	-	-	300,000
Quitaque	1,495,000	-	-	300,000	650,000	-
Raymondville	2,599,412	-	-	-	1,079,412	-
Riesel	5,860,000	-	-	-	-	500,000
Roby	550,000	-	-	300,000	-	-
Rotan	5,202,068	5,090,553	763,583	-	2,163,485	-
Sandbranch Development & WSC	300,000	-	-	300,000	-	-
Sweetwater	3,100,000	-	-	-	\$913,725	-
<b>Total Closed</b>	<b>\$ 57,546,067</b>	<b>\$ 14,319,970</b>	<b>\$ 2,019,873</b>	<b>\$ 2,995,000</b>	<b>\$ 15,081,158</b>	<b>\$ 1,588,761</b>
Mount Calm	\$ 1,106,000	\$ -	\$ -	\$ 300,000	\$ 106,000	\$ 700,000
<b>Total Uncommitted (Application)</b>	<b>\$ 1,106,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 106,000</b>	<b>\$ 700,000</b>

<b>Grand Totals</b>	<b>\$ 58,652,067</b>	<b>\$ 14,319,970</b>	<b>\$ 2,019,873</b>	<b>\$ 3,295,000</b>	<b>\$ 15,187,158</b>	<b>\$ 2,288,761</b>
					<b>Total Additional Subsidy:</b>	<b>\$ 22,790,792</b>

Table 1 (Continued)						
Green Project Reserve and Additional Subsidization - 2021 IUP / 2020 Grant						
IUP and/or Grant Targets	GPR: \$ 8,628,000		Add Sub Minimum			\$ 17,256,000
			Add Sub Maximum			\$ 42,277,200
Recipient - Closing Date	Amount	Green	Green Subsidy	V.S.S.	Disadvantaged	Urgent Need
Alice - 12/14/2022	\$ 7,000,000	\$ -	\$ -	\$ -	\$ 2,046,000	\$ -
Arp - 12/14/2021	7,367,173	6,172,164	925,825	300,000	3,739,348	800,000
Barksdale WSC - 12/15/2021	124,300	-	-	124,300	-	-
Breckenridge - 07/13/2022	3,637,809	2,221,275	333,191	-	979,618	-
Comanche - 05/17/2022	2,299,908	1,118,451	167,768	-	626,140	-
Crockett - 04/21/2022	3,450,905	-	-	-	1,705,905	-
Daingerfield - 06/09/2022	3,332,157	-	-	-	1,647,157	-
East Texas of Smith Co. - 12/22/2022	2,119,530	-	-	-	623,530	-
Ellinger Sewer & Water SC - 06/29/2022	1,400,000	-	-	-	-	500,000
Gladewater - 11/22/2022	2,638,900	-	-	-	777,900	-
Lexington - 05/08/2023	2,454,100	-	-	-	689,100	-
Melvin - 02/16/2023	300,000	-	-	-	300,000	-
North Alamo WSC - 12/16/2022	14,879,373	4,271,261	754,873	-	1,831,500	-
Rising Star - 01/25/2023	300,000	-	-	-	300,000	-
Stryker Lake WSC - 07/10/2024 *	990,000	-	-	300,000	400,000	-
Tom Green Co FWSD2 - 08/26/2022	300,000	-	-	300,000	-	-
Tri-Try WSC - 05/17/2023	300,000	-	-	300,000	-	-
<b>Total Closed</b>	<b>\$ 52,894,155</b>	<b>\$ 13,783,151</b>	<b>\$ 2,181,657</b>	<b>\$ 1,324,300</b>	<b>\$ 15,666,198</b>	<b>\$ 1,300,000</b>
Concan WSC	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Thorndale	14,940,000	-	-	-	4,000,000	-
Roma	7,300,000	-	-	-	-	-
Richland Springs	3,765,520	-	-	300,000	2,410,520	-
Slaton	4,098,917	-	-	-	898,917	-
<b>Total Uncommitted</b>	<b>\$ 30,604,437</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 7,309,437</b>	<b>\$ 500,000</b>

<b>Grand Totals</b>	<b>\$ 83,498,592</b>	<b>\$ 13,783,151</b>	<b>\$ 2,181,657</b>	<b>\$ 1,624,300</b>	<b>\$ 22,975,635</b>	<b>\$ 1,800,000</b>
					<b>Total Additional Subsidy:</b>	<b>\$ 28,581,592</b>

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

\* Disadvantaged projects that closed during SFY 2024

Table 1 (Continued)							
Green Project Reserve and Additional Subsidization - 2022 IUP / 2021 Grant							
IUP and/or Grant Targets	GPR: \$ 8,701,500		Add Sub Minimum				\$ 17,451,780
			Add Sub Maximum				\$ 42,686,130
Recipient - Closing Date	Amount	Green	Green Subsidy	V.S.S.	Disadvantaged	Urgent Need	ER Preparedness
Daisetta - 04/12/2023	\$ 2,290,280	\$ -	\$ -	\$ 300,000	\$ 410,280	\$ 600,000	\$ -
M & M WSC - 08/10/2022	1,269,700	-	-	-	305,700	-	75,000
Miles - 01/19/2023	269,608	-	-	269,608	-	-	-
Mullin ISD - 01/17/2023	998,000	-	-	300,000	300,000	-	-
Riverside SUD - 11/18/2022	1,650,000	-	-	-	-	-	75,000
Oak Grove - 11/27/2023	300,000	-	-	300,000	-	-	-
Medina Highlands - 03/15/2024	300,000	-	-	300,000	-	-	-
Leonard - 06/13/2024 *	8,480,000	-	-	-	4,155,000	-	-
Strawn - 09/14/2022	2,001,900	-	-	300,000	928,900	-	-
Mertzon - 01/9/2024 *	4,289,000	-	-	300,000	1,904,000	-	-
<b>Total Closed</b>	<b>\$ 21,848,488</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,069,608</b>	<b>\$ 8,003,880</b>	<b>\$ 600,000</b>	<b>\$ 150,000</b>
De Kalb	\$ 7,174,307	\$ 5,602,892	\$ 840,434	\$ -	\$ 3,133,873	\$ -	\$ -
Hidalgo	13,715,000	-	-	-	3,990,000	-	75,000
<b>Total Unclosed (Committed)</b>	<b>\$ 20,889,307</b>	<b>\$ 5,602,892</b>	<b>\$ 840,434</b>	<b>\$ -</b>	<b>\$ 7,123,873</b>	<b>\$ -</b>	<b>\$ 75,000</b>
Albany	\$ 3,034,000	\$ -	\$ -	\$ -	\$ 910,200	\$ -	\$ -
<b>Total Uncommitted (Application)</b>	<b>\$ 3,034,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 910,200</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Grand Totals</b>	<b>\$ 45,771,795</b>	<b>\$ 5,602,892</b>	<b>\$ 840,434</b>	<b>\$ 2,069,608</b>	<b>\$ 16,037,953</b>	<b>\$ 600,000</b>	<b>\$ 225,000</b>
						<b>Total Additional Subsidy:</b>	<b>\$ 19,772,995</b>

Table 1 (Continued)							
Green Project Reserve and Additional Subsidization - 2023 IUP / 2022 Grant-							
IUP and/or Grant Targets	GPR: 5,491,100		Add Sub Minimum				\$ 14,276,860
			Add Sub Maximum				\$ 26,906,390
Recipient - Closing Date	Amount	Green	Green Subsidy	V.S.S.	Disadvantaged	Urgent Need	ER Preparedness
Arimak WSC - 3/6/2024	\$ 975,023	\$ 500,510	\$ 75,023	\$ 400,000	\$ -	\$ 500,000	\$ -
Bay City - 2/13/2024	15,000,000	-	-	-	-	500,000	-
Commodore Cove ID - 08/25/2023	314,696	-	-	314,696	-	-	-
Orange Co WCID #1 - 08/16/2023	910,000	-	-	-	-	500,000	-
Westbound WSC - 9/13/2023 *	5,366,157	-	-	-	3,681,157	-	75,000
<b>Total Closed</b>	<b>\$ 22,565,876</b>	<b>\$ 500,510</b>	<b>\$ 75,023</b>	<b>\$ 714,696</b>	<b>\$ 3,681,157</b>	<b>\$ 1,500,000</b>	<b>\$ 75,000</b>
Blanco	\$ 3,915,000	\$ 3,426,125	\$ 513,919	\$ -	\$ -	\$ -	\$ -
Liberty Hill	28,550,000	28,256,373	4,000,000	-	6,000,000	-	-
Silverton ^	15,190,000	-	-	-	-	800,000	-
<b>Total Unclosed (Committed)</b>	<b>\$ 47,655,000</b>	<b>\$ 31,682,498</b>	<b>\$ 4,513,919</b>	<b>\$ -</b>	<b>\$ 6,000,000</b>	<b>\$ 800,000</b>	<b>\$ -</b>
Corix Utilities	\$ 9,880,550	\$ 3,113,655	\$ -	\$ -	\$ 6,336,072	\$ 800,000	\$ -
<b>Total Uncommitted (Application)</b>	<b>\$ 9,880,550</b>	<b>\$ 3,113,655</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,336,072</b>	<b>\$ 800,000</b>	<b>\$ -</b>

<b>Grand Totals</b>	<b>\$ 80,101,426</b>	<b>\$ 35,296,663</b>	<b>\$ 4,588,942</b>	<b>\$ 714,696</b>	<b>\$ 16,017,229</b>	<b>\$ 3,100,000</b>	<b>\$ 75,000</b>
						<b>Total Additional Subsidy:</b>	<b>\$ 24,495,867</b>

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

^ Project is split between IJJA General and Annual Appropriations

\* Disadvantaged projects that closed during SFY 2024

Table 1 (Continued)					
Green Project Reserve and Additional Subsidization - 2024 IUP / 2023 Grant					
IUP and/or Grant Targets	GPR: \$ 3,936,900		Add Sub Minimum		\$ 10,235,940
			Add Sub Maximum		\$ 19,290,810
Recipient	Amount	Green	Green Subsidy	Disadvantaged	Urgent Need
Huntington	\$ 2,110,000	\$ -	\$ -	\$ 1,000,000	\$ 800,000
<b>Total Unclosed (Committed)</b>	<b>\$ 2,110,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 800,000</b>
Winters	\$ 3,753,441	\$ 1,785,318	\$ 267,798	\$ 2,420,643	\$ -
<b>Total Uncommitted (Application)</b>	<b>\$ 3,753,441</b>	<b>\$ 1,785,318</b>	<b>\$ 267,798</b>	<b>\$ 2,420,643</b>	<b>\$ -</b>
<b>Grand Totals</b>	<b>\$ 5,863,441</b>	<b>\$ 1,785,318</b>	<b>\$ 267,798</b>	<b>\$ 3,420,643</b>	<b>\$ 800,000</b>
				<b>Total Additional Subsidy:</b>	<b>\$ 4,488,441</b>

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

^ Project is split between IIJA General and Annual Appropriations

\* Disadvantaged projects that closed during SFY 2024



Table 1 (Continued)				
Additional Subsidization - 2023 IUP / 2022 Grant - IIJA General				
Grant Requirement	Add Sub Exact Amt Required	\$ 69,086,570		
Recipient - Closing Date	Amount	V.S.S.	Disadvantaged	
			Regular	Small / Rural
Barksdale WSC - 09/15/2023 *	\$ 960,000	\$ -	\$ -	\$ 960,000
Gladewater - 5/23/2024 *	2,791,380	-	1,941,380	-
Greenbelt MIWA - 08/23/2023	18,110,000	-	10,000,000	-
Menard - 1/11/2024 *	5,595,000	-	3,675,000	-
Sharyland WSC - 7/22/2024 *	36,140,000	-	10,000,000	-
<b>Total Closed</b>	<b>\$ 63,596,380</b>	<b>\$ -</b>	<b>\$ 25,616,380</b>	<b>\$ 960,000</b>
Gordon	\$ 2,135,784	\$ 400,000	\$ 1,205,784	\$ -
Silverton ^	15,190,000	400,000	8,800,000	-
<b>Total Unclosed (Committed)</b>	<b>\$ 17,325,784</b>	<b>\$ 800,000</b>	<b>\$ 10,005,784</b>	<b>\$ -</b>
La Joya	\$ 7,141,460	\$ -	\$ 4,877,600	\$ -
Grassland WSC	398,000	398,000	-	-
<b>Total Uncommitted (Application)</b>	<b>\$ 7,539,460</b>	<b>\$ 398,000</b>	<b>\$ 4,877,600</b>	<b>\$ -</b>

<b>Grand Totals</b>	<b>\$ 88,461,624</b>	<b>\$ 1,198,000</b>	<b>\$ 40,499,764</b>	<b>\$ 960,000</b>
			<b>Total Additional Subsidy:</b>	<b>\$ 42,657,764</b>

Table 1 (Continued)				
Additional Subsidization - 2024 IUP / 2023 Grant - IIJA General				
Grant Requirement	Add Sub Exact Amt Required	\$ 82,254,830		
Recipient	Amount	V.S.S.	Disadvantaged	
			Regular	Small / Rural
Loma Alta WSC	\$ 300,000	\$ 300,000	\$ -	\$ -
Pearsall	7,400,000	-	-	1,000,000
<b>Total Unclosed (Committed)</b>	<b>\$ 7,700,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>
Benjamin	\$ 640,000	\$ 400,000	\$ -	\$ 240,000
Crockett	4,250,000	-	-	1,000,000
Daingerfield	3,873,010	-	2,693,010	-
Dog Ridge WSC	1,990,000	-	-	1,000,000
East Rio Hondo WSC	18,985,000	-	10,000,000	-
East Rio Hondo WSC	14,012,500	-	9,747,500	-
Presidio County	4,763,485	-	3,313,485	-
Royal Oaks Apartments	665,000	400,000	-	265,000
Silver Creek Village WSC	2,250,000	400,000	-	-
South Texas WA	7,732,207	-	5,377,207	-
Victoria Co WCID #2	2,285,000	400,000	-	-
<b>Total Uncommitted (Application)</b>	<b>\$ 61,446,202</b>	<b>\$ 1,600,000</b>	<b>\$ 31,131,202</b>	<b>\$ 2,505,000</b>

<b>Grand Totals</b>	<b>\$ 69,146,202</b>	<b>\$ 1,900,000</b>	<b>\$ 31,131,202</b>	<b>\$ 3,505,000</b>
			<b>Total Additional Subsidy:</b>	<b>\$ 36,536,202</b>

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

\* Disadvantaged projects that closed in FY24

^ Project is split between IIJA General and Annual Appropriations

Table 2			
Green Project Reserve - 2020 IUP / 2019 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
Carbon	Green Infrastructure	\$ 285,384	The radio read meters and software installation is Categorically Eligible (CE) in accordance with Part B, Section 2.2-4 for retrofitting/adding AMR capabilities or leak equipment to existing meters. The Supervisory Control and Data Acquisition (SCADA) system is CE in accordance with 2.2-10 for its intended use as distribution system leak detection equipment.
Eagle Pass	Water Efficiency	3,997,286	The project consists of upgrading the metering system from AMR to AMI to quickly detect leaks and increase water conservation. Retrofitting or adding AMI capabilities is categorically eligible under Part B, Section 2.2-4.
Gordon	Water Efficiency	675,486	Water line replacement is business-case eligible under Part B, Section 2.5-2. AMR/AMI replacement is categorically eligible under Part B, Section 2.2-3.
North Alamo WSC	Energy Efficiency	4,271,261	Retrofit of reverse osmosis membranes and installation of a new nano-filtration train at the Corporation's Doolittle plant, are recommended as a result of energy assessment and pilot studies. Energy assessment shows specific energy savings of 50 percent. Preliminary pilot test results show up to 59 percent specific energy savings. The project is business case eligible under Part B, Section 3.5-1.
Rotan	Water Efficiency	5,090,553	The water line installation is business case eligible in accordance with Part B, Section 2.4-1 for water efficiency through water saving elements. A business case is provided in accordance with 2.5-2 for distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks.
<b>Total Closed</b>	<b>5</b>	<b>\$ 14,319,970</b>	

Green Project Reserve Requirement: \$ 8,704,000  
165%

Table 2 (Continued)			
Green Project Reserve - 2021 IUP / 2020 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
Arp	Water Efficiency	\$ 6,172,164	The City intends to replace approximately 41,000 linear feet of asbestos cement, cast iron, and galvanized iron pipes with high density polyethylene (HDPE) pipe and replace existing meters with an automatic meter reading (AMR) system. The project will also include the replacement of existing fire hydrants, valves, and valve boxes within the system.
Breckenridge	Water Efficiency	2,221,275	The City desires to install improvements/upgrades at the WTP and raw water intake structure. In addition, the City is planning to rehabilitate various portions of the distribution system in order to reduce the number of water line leaks/breaks that have resulted in numerous boil water notices.
Comanche	Water Efficiency	1,118,451	The City is proposing to make improvements to its water system by replacing lines and installing isolation valves on the main supply line. The improvements also include installing a new well and pump station as a secondary source of water supply.
North Alamo WSC	Energy Efficiency	4,271,261	The North Alamo Water Supply Corporation (Corporation) needs to develop new water supply sources to keep up with the population growth and water demand in the area. To this end, the Corporation conducted a feasibility study to evaluate cost-effective means to improving groundwater use by reducing energy requirements and the cost of groundwater desalination facilities, as well as to facilitate expansion of existing brackish groundwater treatment plants.
<b>Grand Total</b>	<b>4</b>	<b>\$ 13,783,151</b>	

Green Project Reserve Requirement: \$ 8,628,000  
160%

Table 2 (Continued)			
Green Project Reserve - 2022 IUP / 2021 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
De Kalb	Water Efficiency	\$ 5,602,892	The City's aging water distribution system consists primarily of cast iron and asbestos concrete pipes. The system has significant water loss due to leaks and regular breaks throughout the system.
<b>Grand Total</b>	<b>1</b>	<b>\$ 5,602,892</b>	

Green Project Reserve Requirement: \$ 8,620,200  
65%

Table 2 (Continued)			
Green Project Reserve - 2023 IUP / 2022 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
Arimak WSC	Water Efficiency; Energy Efficiency	\$ 500,510	The Corporation proposes to install a radium reduction system and variable frequency drive pumps at two well locations and replace the ground storage tanks with a new 20,000-gallon ground storage tank. The Corporation is also proposing installation of an emergency power generator as a part of this project. The purpose of the generator would be to supply electricity for the pumps and RRS to keep the supply and quality of water adequate during power outages.
Corix Utilities	Water Efficiency; Energy Efficiency	3,113,655	The green component of this project is the reduced energy consumption associated with installation of variable frequency drives and the replacement of a portion of the raw water transmission lines to reduce water loss. This is a business case for energy efficiency and water efficiency.
Liberty Hill	Water Efficiency	28,256,373	The project includes land acquisition for a reverse osmosis (RO) treatment system with an associated pilot study; construction of a reuse WTP; and a deep injection well for brine waste stream disposal. The project will utilize advanced treatment techniques to construct and operate one of the first Direct Potable Reuse systems in the U.S. The proposed project will conserve water through the treatment of treated effluent and place that treated effluent back into the water system instead of discharging it directly to the South Fork San Gabriel River.
Smyer	Water Efficiency	1,848,182	The City proposes to install the Reverse Osmosis (RO) treatment system to remove contaminants from their groundwater supply. The City will then blend the treated water with raw groundwater to obtain a stable product that meets drinking water standards. The project will also include a new automated chemical cleaning system, an RO concentrate evaporation pond(s) and appurtenances, raw water piping improvements for isolation, distribution piping improvements, an emergency generator, and construction of a new chlorination building and new high-service pump station.
<b>Grand Total</b>	<b>4</b>	<b>\$ 33,718,720</b>	

Green Project Reserve Requirement: \$ 5,491,100  
614%

Table 2 (Continued)			
Green Project Reserve - 2024 IUP / 2023 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
Winters	Water Efficiency	1,785,318	The green components associated with this project include water conservation savings due to replacement of old deteriorated leaking distribution lines as well as interconnecting the dead end mains to the distribution system so that excessive flushing is no longer required. In summary, the green component benefits of the project are increased water system efficiency and enhanced water conservation. The estimated water loss savings are 2.141 MG/yr for the proposed scope of work. This project is eligible for Business Case evaluation under Water Efficiency category.
<b>Grand Total</b>	<b>1</b>	<b>\$ 1,785,318</b>	

Green Project Reserve Requirement: \$ 3,936,900  
45%

Table 3 - Grant and Match Funds								
FFY	SFY/ IUP	Grant Award #	SRF Grant	Required State Match	State Match provided from State Appropriations/ Other Sources	State Match provided from Bonds	State Match Provided	In-Kind
1997	1997	FS-99679501	\$ 70,153,800	\$ 14,030,760	\$ -	\$ -	\$ -	\$ -
1998	1998	FS-99679502	54,014,400	10,802,880	13,166,911	-	13,166,911	-
1999	1999	FS-99679503	56,612,200	11,322,440	5,843,600	3,000,000	8,843,600	-
2000	2000	FS-99679504	58,836,500	11,767,300	3,750,000	-	3,750,000	-
2001	2001	FS-99679505	59,079,800	11,815,960	4,098,104	10,000,000	14,098,104	-
2002	2002	FS-99679506	62,023,700	12,404,740	4,098,104	14,500,000	18,598,104	-
2003	2003	FS-99679507	61,651,000	12,330,200	3,130,403	20,000,000	23,130,403	-
2004	2004	FS-99679508	63,953,900	12,790,780	3,130,403	10,000,000	13,130,403	-
2005	2005	FS-99679509	63,818,500	12,763,700	3,636,971	12,800,000	16,436,971	-
2006	2006	FS-99679510	67,799,550	13,563,165	3,636,971	9,000,000	12,636,971	-
2007	2007	FS-99679511	67,801,000	13,560,200	3,735,026	9,622,377	13,357,403	-
2008	2008	FS-99679512	42,112,000	13,422,400	5,183,323	8,242,332	13,425,655	54,887
2009	2009	FS-99679513	10,737,920	13,422,400	-	13,422,400	13,422,400	-
2009	ARRA	2F-96692301	160,656,000	-	-	-	-	-
	2010	No Grant Used	-	-	-	-	-	-
2010	2011	FS-99679514	67,628,080	17,250,800	4,936,171	12,314,629	17,250,800	-
2011	2012	FS-99679515	59,854,000	11,970,800	7,597,404	4,373,396	11,970,800	77,600
2012	2013	FS-99679516	57,041,000	11,408,200	949,408	10,458,792	11,408,200	-
2013	2014	FS-99679517	53,517,000	10,703,400	351,787	10,351,613	10,703,400	-
2014	2015	FS-99679518	63,953,000	12,790,600	2,336,171	10,454,429	12,790,600	-
2015	2016	FS-99679519	63,532,000	12,706,400	2,336,171	10,454,429	12,790,600	-
2016	2017	FS-99679520	60,104,000	12,020,800	2,336,171	9,600,429	11,936,600	-
2017	2018	FS-99679521	59,590,000	11,918,000	2,336,171	9,581,829	11,918,000	-
2018	2019	FS-99679522	87,040,000	17,408,000	2,336,171	15,071,829	17,408,000	-
2019	2020	FS-99679523	86,225,000	17,245,000	2,336,171	14,908,829	17,245,000	20,000
2020	2021	FS-99679524	86,280,000	17,256,000	-	17,256,000	17,256,000	-
2021	2022	FS-99679525	87,015,000	17,403,000	2,952,492	14,450,508	17,403,000	-
2022	2023	FS-99679526	54,911,000	10,982,200	616,322	10,365,878	10,982,200	-
2022	2023	4D-02F23901	140,993,000	14,099,300	73,918,671	15,624,056	89,542,727	-
2023	2024	FS-99679527	39,369,000	7,873,800	-	7,873,800	7,873,800	-
2023	2024	4D-02F54001	167,867,000	16,786,700	-	16,786,700	16,786,700	-
<b>Totals</b>			<b>\$ 2,134,169,350</b>	<b>\$ 383,819,925</b>	<b>\$ 158,749,097</b>	<b>\$ 300,514,255</b>	<b>\$ 459,263,352</b>	<b>\$ 152,487</b>

Cumulative Over/(Under) Match: 75,443,427

Notes: The TWDB performed a \$100 million transfer between the DWSRF and the CWSRF. The transferred funds were from the SFY 2008, 2009, and 2011 associated grants, as reflected above.

The amount listed as the state match for the FFY 2006 grant represents the amount listed on the capitalization grant agreement. The TWDB did not request an amendment from EPA to update the amount to an accurate 20% of the grant and instead overmatched to this amount.

The required state match for the base DWSRF capitalization grants is 20%. The required state match for the IJA general supplemental grants (Grant beginning with "4D-") for FFY 2022 is 10%.

Table 4 – Capitalization Grant Draws			
	Beginning Balance	Expended	Balance - 08/31/2024
<b>FS-99679525 FY 2021</b>			
Construction	\$ -	\$ -	\$ -
Administration	-	-	-
TCEQ 2% Set-Aside	507,250.68	507,250.68	-
TCEQ 10% Set-Aside	380,762.83	380,762.83	-
TCEQ 15% Set-Aside	-	\$ -	-
<b>Totals</b>	<b>\$ 888,013.51</b>	<b>\$ 888,013.51</b>	<b>\$ -</b>
<b>FS-99679526 FY 2022</b>			
Construction	\$ 38,288,748.90	\$ 38,288,748.90	\$ -
Administration	-	-	-
TCEQ 2% Set-Aside	1,098,220.00	580,505.37	517,714.63
TCEQ 10% Set-Aside	5,491,100.00	5,157,932.44	333,167.56
TCEQ 15% Set-Aside	933,470.93	933,470.93	-
<b>Totals</b>	<b>\$ 45,811,539.83</b>	<b>\$ 44,960,657.64</b>	<b>\$ 850,882.19</b>
<b>4D-02F23901 FY 2022</b>			
Construction	\$ 156,775.93	\$ 156,775.93	\$ -
Administration	3,816,252.78	3,816,252.78	-
TWDB 15% Set-Aside	5,000,000.00	-	5,000,000.00
<b>Totals</b>	<b>\$ 8,973,028.71</b>	<b>\$ 3,973,028.71</b>	<b>\$ 5,000,000.00</b>
<b>FS-99679527 FY 2023</b>			
Construction	\$ 28,969,960.00	\$ 27,673,529.69	\$ 1,296,430.31
Administration	1,574,760.00	1,534,793.31	39,966.69
TCEQ 2% Set-Aside	787,380.00	-	787,380.00
TCEQ 10% Set-Aside	3,936,900.00	-	3,936,900.00
TCEQ 15% Set-Aside	4,100,000.00	3,435,619.78	664,380.22
<b>Totals</b>	<b>\$ 39,369,000.00</b>	<b>\$ 32,643,942.78</b>	<b>\$ 6,725,057.22</b>
<b>4D-02F54001 FY 2023</b>			
Construction	\$ 111,864,240.00	\$ 2,432,849.32	\$ 109,431,390.68
Administration	6,714,680.00	450,943.23	6,263,736.77
TCEQ 10% Set-Aside	7,000,000.00	2,743,678.76	4,256,321.24
TWDB 15% Set-Aside	5,000,000.00	-	5,000,000.00
<b>Totals</b>	<b>\$ 130,578,920.00</b>	<b>\$ 5,627,471.31</b>	<b>\$ 124,951,448.69</b>
<b>Grand Totals</b>	<b>\$ 225,620,502.05</b>	<b>\$ 88,093,113.95</b>	<b>\$ 137,527,388.10</b>

Table 5 – Binding Commitments Summary											
IUP	Recipient	Project ID	Commitment #	Type	Commitment Date	Status	Closing Date	Amount	Required Binding Commitments	Total Commitments / Quarter	% of Required
(1997) - (2023)	Previous SFYs							\$ 3,722,066,670	\$ 1,862,817,448	\$ 3,722,066,670	199.81%
2022	Laguna Madre WD	62963	L1001691	Non-EQ	09/14/2023	Active	11/9/2023	12,980,000	1,847,824,579	3,749,150,670	202.90%
2022	Mertzon	62962	L1001684	EQ	09/14/2023	Active	01/09/2024	2,040,000			
2022	Mertzon	62962	L1001685	EQ	09/14/2023	Active	01/09/2024	45,000			
2022	Mertzon	62962	LF1001686	EQ	09/14/2023	Active	01/09/2024	2,204,000			
2023	Crystal Clear SUD	62742	L1001697	Non-EQ	10/05/2023	Active	12/20/2023	1,950,000			
2023	Menard	62518	L1001711	EQ	10/05/2023	Active	01/11/2024	1,920,000			
2023	Menard	62518	LF1001712	EQ	10/05/2023	Active	01/11/2024	3,675,000			
2022	Medina Highlands	62933	LF1001574	EQ	11/09/2023	Active	03/15/2024	300,000			
2023	Barton WSC	62792	L1001724	Non-EQ	11/09/2023	Active	02/21/2024	1,140,000			
2023	Gordon	62862	L1001727	Non-EQ	11/09/2023	Active	03/04/2024	830,000			
2023	Gladewater	62952	L1001688	EQ	12/07/2023	Active	05/23/2024	850,000	1,849,886,454	3,819,828,053	206.49%
2023	Gladewater	62952	LF1001689	EQ	12/07/2023	Active	05/23/2024	1,941,380			
2023	Liberty Hill	62939	L1001692	EQ	12/07/2023	Commitment		3,060,000			
2023	Liberty Hill	62939	L1001693	EQ	12/07/2023	Commitment		15,490,000			
2023	Liberty Hill	62939	LF1001694	EQ	12/07/2023	Commitment		10,000,000			
2022	Millersview-Doole WSC	62925	LF1001731	EQ	01/18/2024	Active	03/21/2024	2,450,980			
2023	Arimak WSC	62947	LF1001740	EQ	01/18/2024	Active	03/06/2024	975,023			
2023	Sharyland WSC	62955	L1001721	EQ	01/18/2024	Active	07/22/2024	25,910,000			
2023	Sharyland WSC	62955	LF1001722	EQ	01/18/2024	Active	07/22/2024	10,000,000	1,849,563,767	3,849,756,972	208.14%
2022	Leonard	62964	L1001707	EQ	03/05/2024	Active	06/13/2024	2,285,000			
2022	Leonard	62964	L1001708	EQ	03/05/2024	Active	06/13/2024	2,040,000			
2022	Leonard	62964	LF1001709	EQ	03/05/2024	Active	06/13/2024	4,155,000			
2023	Eastland	62769	L1001765	Non-EQ	04/11/2024	Commitment		1,250,000			
2023	Eastland	62769	L1001766	Non-EQ	04/11/2024	Commitment		315,000			
2023	Silverton	62943	L1001754	EQ	04/11/2024	Active	09/25/2024	4,990,000			
2023	Silverton	62943	LF1001755	EQ	04/11/2024	Active	09/25/2024	10,000,000			
2021	Stryker Lake WSC	62972	L1001752	EQ	04/11/2024	Active	07/10/2024	290,000			
2021	Stryker Lake WSC	62972	LF1001753	EQ	04/11/2024	Active	07/10/2024	700,000			
2023	Blanco	62938	L1001768	EQ	05/09/2024	Active	09/12/2024	3,390,000			
2023	Blanco	62938	LF1001769	EQ	05/09/2024	Active	09/12/2024	513,919	1,849,563,767	3,872,792,063	209.39%
2022	De Kalb	62958	L1001756	EQ	06/12/2024	Active	09/24/2024	2,040,000			
2022	De Kalb	62958	L1001788	EQ	06/12/2024	Active	09/24/2024	1,160,000			
2022	De Kalb	62958	LF1001757	EQ	06/12/2024	Active	09/24/2024	3,974,307			
2024	Huntington	62990	L1001792	EQ	06/12/2024	Active	09/26/2024	310,000			
2024	Huntington	62990	LF1001793	EQ	06/12/2024	Active	09/26/2024	1,800,000			
2024	Loma Alta WSC	62988	LF1001803	EQ	06/12/2024	Commitment		300,000			
2024	New Summerfield	63023	L1001804	EQ	06/12/2024	Commitment		3,915,000			
2023	Gordon	62951	L1001848	EQ	08/15/2024	Commitment		530,000			
2023	Gordon	62951	LF1001849	EQ	08/15/2024	Commitment		1,605,784			
2024	Pearsall	63013	L1001783	EQ	08/15/2024	Commitment		6,295,000			
2024	Pearsall	63013	L1001784	EQ	08/15/2024	Commitment		105,000			
2024	Pearsall	63013	LF1001785	EQ	08/15/2024	Commitment		1,000,000			
SFY Totals		42						\$ 150,725,393			

Table 6 - Federal Funds Drawn	
SFY	Amount
1997 - 2009 (incl. ARRA)	\$ 555,881,085
2010	111,652,167
2011	140,761,437
2012	105,178,704
2013	52,114,038
2014	84,209,872
2015	77,716,526
2016	148,192,086
2017	41,890,440
2018	63,039,936
2019	81,759,468
2020	87,741,408
2021	85,086,805
2022	84,776,165
2023	118,652,310
2024	88,093,114
<b>Grand Total</b>	<b>\$ 1,926,745,561</b>



**Table 7 – Grant Payments by Quarter**

	SFY 1997 - SFY 2023	SFY 2024			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>GRANT PAYMENTS</b>					
All Previous Grants (including ARRA)	\$ 1,971,834,653	\$ -	\$ -	\$ -	\$ -
FS-99679527 (Base)	-	-	39,369,000	-	-
FS-99679527 In-Kind	-	-	-	-	-
4D-02F54001 (IIJA-General)	-	37,288,080	51,002,760	37,288,080	42,288,080
<b>QUARTERLY TOTAL</b>	<b>\$ 1,971,834,653</b>	<b>\$ 37,288,080</b>	<b>\$ 90,371,760</b>	<b>\$ 37,288,080</b>	<b>\$ 42,288,080</b>
	SFY 1997 - SFY 2024	SFY 2025			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>REQUIRED BINDING COMMITMENTS</b>					
Cumulative EPA Payments	\$ 1,971,834,653	\$ 2,009,122,733	\$ 2,099,494,493	\$ 2,136,782,573	\$ 2,179,070,653
+ Regular/Base State Match	352,933,925	360,807,725	360,807,725	360,807,725	360,807,725
- Regular/Base Set-Asides	301,160,690	388,050,451	388,050,451	388,050,451	388,050,451
+ IIJA-General State Match	27,627,168	3,728,808	5,100,276	3,728,808	4,228,808
- IIJA-General Set Asides	640,786,991	85,954,401	85,954,401	85,954,401	85,954,401
<b>REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)</b>	<b>\$ 1,410,448,065</b>	<b>\$ 1,899,654,414</b>	<b>\$ 1,991,397,642</b>	<b>\$ 2,027,314,254</b>	<b>\$ 2,070,102,334</b>



Table 8 - Administrative Costs

SFY	Funds Received					Total Administration Expended
	Federal Funds (including ARRA Funds)				State Funds	
	4% Administration	Banked Administration	Other	Total Federal Funds		
1997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1998	2,806,152	-	-	2,806,152	-	951,001
1999	-	-	-	-	-	1,222,382
2000	2,160,576	-	-	2,160,576	-	830,921
2001	-	-	-	-	-	1,525,991
2002	2,264,488	-	-	2,264,488	-	432,220
2002	2,353,460	-	-	2,353,460	-	-
2003	-	-	-	-	-	1,853,449
2004	2,363,192	-	-	2,363,192	-	1,259,843
2005	2,480,948	-	-	2,480,948	-	2,487,202
2006	2,466,040	-	-	2,466,040	-	3,295,962
2007	2,711,982	-	-	2,711,982	-	3,851,198
2008	2,712,040	1,123,737	-	3,835,777	-	3,909,161
2009	2,684,480	1,722,671	-	4,407,151	-	4,084,522
2009	6,426,240	-	-	6,426,240	-	-
2010	2,684,480	-	-	2,684,480	-	6,439,595
2011	3,450,160	-	-	3,450,160	-	5,162,897
2012	2,394,160	-	-	2,394,160	-	3,268,839
2013	2,149,153	-	-	2,149,153	-	3,443,891
2014	2,140,680	-	-	2,140,680	-	3,075,565
2015	2,558,120	-	-	2,558,120	-	2,558,120
2016	2,541,280	-	-	2,541,280	-	2,541,280
2017	2,404,160	-	-	2,404,160	-	2,316,747
2018	2,383,600	-	-	2,383,600	-	2,471,013
2019	3,481,600	-	-	3,481,600	-	3,147,212
2020	3,449,000	-	-	3,449,000	-	3,642,372
2021	3,451,200	-	-	3,451,200	-	3,206,346
2022	3,480,600	-	-	3,480,600	-	3,634,022
2023	2,196,440	-	-	2,196,440	-	2,428,887
2024	1,574,760	-	-	1,574,760	-	1,534,793
Totals	\$ 71,768,991	\$ 2,846,408	\$ -	\$ 74,615,399	\$ -	\$ 74,575,432

IIJA Funds						
2023	\$ 5,639,720	\$ -	\$ -	5,639,720	\$ -	\$ 1,823,467
2024	\$ 6,714,680	\$ -	\$ -	6,714,680	\$ -	\$ 4,267,196
<b>Totals</b>	<b>\$ 12,354,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,354,400</b>	<b>\$ -</b>	<b>\$ 6,090,663</b>

Base	\$ 71,768,991	\$ 2,846,408	\$ -	\$ 74,615,399	\$ -	\$ 74,575,432
IIJA	\$ 12,354,400	\$ -	\$ -	\$ 12,354,400	\$ -	\$ 6,090,663
<b>Grand Totals</b>	<b>\$ 84,123,391</b>	<b>\$ 2,846,408</b>	<b>\$ -</b>	<b>\$ 86,969,799</b>	<b>\$ -</b>	<b>\$ 80,666,096</b>

Table 9 - DBE Utilization			
	Construction	Non-Construction	Total Dollar Value
M/WBE Participation	-	2,413,917	2,413,917
Total Procurements	24,372,763	24,445,054	48,817,817

Total M/WBE Participation	4.94%
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*M/WBE Participation = Combined minority- and women-owned business activity*

Table 10 - Multi-Year Funding					
Recipient	Project ID	Commitment #	Commitment Date	Anticipated Closing Date	Commitment Amount
Bay City	62902	LM251193	02/25/2021	05/31/2025	\$ 3,735,000
Riverbend Water Resources District	62883	LM231182	08/05/2020	07/31/2026	29,720,000
Riverbend Water Resources District	62883	LM231181	08/05/2020	07/31/2026	44,580,000
<b>Grand Totals</b>	<b>2</b>	<b>Unique projects</b>			<b>\$ 78,035,000</b>

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**Table 11 – Sources and Uses of Funds (Cash Basis)**

<b>Cash Available:</b>	<b>\$ 507,241,095</b>
<b>SOURCES:</b>	
Federal Grants Drawn	\$ 120,681,434
State Match Deposited	\$ 616,321
Principal Repayments	\$ 84,839,896
Interest Repayments	\$ 23,888,333
Investment Earnings on Funds	\$ 30,413,256
DWSRF Revenue Bond Proceeds	\$ -
<b>TOTAL SOURCES:</b>	<b>\$ 260,439,240</b>
<b>USES:</b>	
<b><u>Set-Asides Used</u></b>	
Administration Expenses - 4% Set-Aside	\$ 5,801,989
TCEQ Small Systems Technical Assistance Program - 2% Set-Aside	\$ 1,087,756
TCEQ Texas State Management Program - 10% Set-Aside	\$ 8,282,374
TCEQ Capacity Development - 15% Set-Aside	\$ 4,369,091
<b>Total Set-Asides:</b>	<b>\$ 19,541,210</b>
<b><u>Projects Funded</u></b>	
Funds Disbursed	\$ 106,358,926
<b>Total Projects Funded:</b>	<b>\$ 106,358,926</b>
<b><u>Debt Service</u></b>	
Revenue Bonds - Principal Paid	\$ 28,520,000
Match General Obligation Bonds - Principal Paid	\$ 8,353,406
Total Interest Paid	\$ 31,135,421
<b>Total Debt Service:</b>	<b>\$ 68,008,827</b>
<b>TOTAL USES:</b>	<b>\$ 193,908,963</b>
<b>NET SOURCES (USES):</b>	<b>\$ 66,530,277</b>
<b>Cash - Ending Balance (8/31/2024):</b>	<b>\$ 573,771,372</b>

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

*Revenue Bond Proceeds are net of cost of issuance and include proceeds issued for state match.*

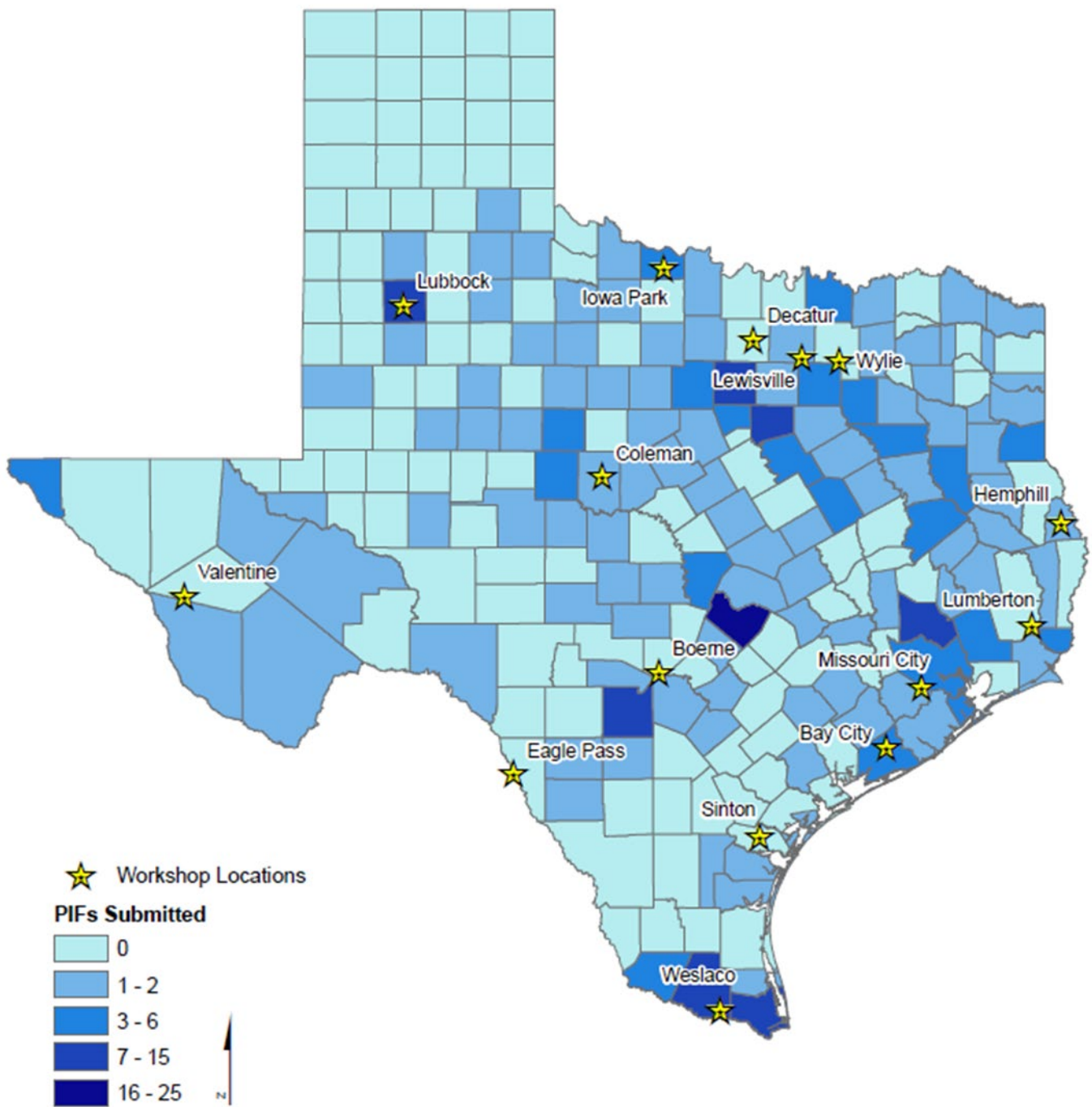
*Table includes DWSRF Emerging Contaminants and Lead Service Line Replacement Funds.*

**TEXAS WATER DEVELOPMENT BOARD  
DRINKING WATER STATE REVOLVING FUND  
PROJECTED ANNUAL CASH FLOW COVERAGE¹  
AS OF AUGUST 31, 2024**

Operational Minimum DSC: 1.10  
Lowest Total DSC: 1.64

Fiscal Year (2)	Pledged Loan Receipt Interest 7/1 - 6/30 (3)	Debt Service for Match (4)	Match Excess	Pledged Principal & Non-Pledged Loan Receipts 7/1 - 6/30 (5)	Revenue Bond Debt Service (6)	Revenue Bond Debt Service Coverage (7)	Total Debt Service	Total Debt Service Coverage (8)	Annual Excess Revenue
2025	\$22,715,198	\$20,756,436	\$1,958,763	\$87,074,685	\$46,115,725	1.93	\$66,872,161	1.64	\$42,917,723
2026	\$22,050,635	19,576,963	\$2,473,672	90,546,259	46,123,475	2.02	65,700,438	1.71	46,896,456
2027	21,319,351	18,487,459	2,831,892	91,535,342	46,121,475	2.05	64,608,934	1.75	48,245,759
2028	20,529,822	16,407,929	4,121,893	92,907,316	46,117,475	2.10	62,525,404	1.81	50,911,734
2029	19,715,226	14,004,792	5,710,433	91,100,354	46,118,725	2.10	60,123,517	1.84	50,692,062
2030	18,917,190	10,549,816	8,367,374	91,038,045	46,111,975	2.16	56,661,791	1.94	53,293,444
2031	18,060,864	6,815,421	11,245,443	89,749,035	46,114,475	2.19	52,929,896	2.04	54,880,003
2032	17,164,762	5,751,525	11,413,238	89,238,002	46,122,475	2.18	51,874,000	2.05	54,528,765
2033	16,212,033	5,149,955	11,062,078	90,363,983	46,117,225	2.20	51,267,180	2.08	55,308,836
2034	15,197,932	2,726,939	12,470,993	87,118,132	46,115,725	2.16	48,842,664	2.09	53,473,400
2035	14,212,268	2,044,200	12,168,068	84,960,495	46,121,425	2.11	48,165,625	2.06	51,007,138
2036	13,282,044	2,043,600	11,238,444	78,411,858	46,123,825	1.94	48,167,425	1.90	43,526,476
2037	12,377,165	-	12,377,165	74,459,116	46,117,225	1.88	46,117,225	1.88	40,719,056
2038	11,464,141	-	11,464,141	73,028,885	46,115,288	1.83	46,115,288	1.83	38,377,739
2039	10,563,932	-	10,563,932	70,105,848	42,699,500	1.89	42,699,500	1.89	37,970,279
2040	9,690,163	-	9,690,163	64,636,116	28,419,938	2.62	28,419,938	2.62	45,906,341
2041	8,817,383	-	8,817,383	62,558,595	22,288,856	3.20	22,288,856	3.20	49,087,121
2042	7,920,738	-	7,920,738	62,456,963	12,190,313	5.77	12,190,313	5.77	58,187,388
2043	7,003,297	-	7,003,297	62,213,478	12,190,625	5.68	12,190,625	5.68	57,026,151
2044	6,082,733	-	6,082,733	61,466,309	-	-	-	-	67,549,042
2045	5,168,964	-	5,168,964	60,510,812	-	-	-	-	65,679,775
2046	4,259,362	-	4,259,362	54,713,223	-	-	-	-	58,972,584
2047	3,459,386	-	3,459,386	50,037,020	-	-	-	-	53,496,407
2048	2,725,954	-	2,725,954	48,636,669	-	-	-	-	51,362,623
2049	2,049,333	-	2,049,333	42,800,718	-	-	-	-	44,850,051
2050	1,478,349	-	1,478,349	35,627,994	-	-	-	-	37,106,342
2051	1,000,320	-	1,000,320	27,787,965	-	-	-	-	28,788,285
2052	579,592	-	579,592	20,276,777	-	-	-	-	20,856,369
2053	235,413	-	235,413	11,461,564	-	-	-	-	11,696,977
2054	44,451	-	44,451	3,970,398	-	-	-	-	4,014,849
2055	2,953	-	2,953	1,766,171	-	-	-	-	1,769,124
2056	-	-	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-	-	-
2058	-	-	-	-	-	-	-	-	-
2059	-	-	-	-	-	-	-	-	-
	\$314,300,951	\$124,315,035	\$189,985,916	\$1,952,558,125	\$763,445,744		\$887,760,779		\$1,379,098,297

## Map of Workshops Conducted in SFY 2024



\*Project Information Form

# Appendix B:

## DWSRF SFY 2024 Projects

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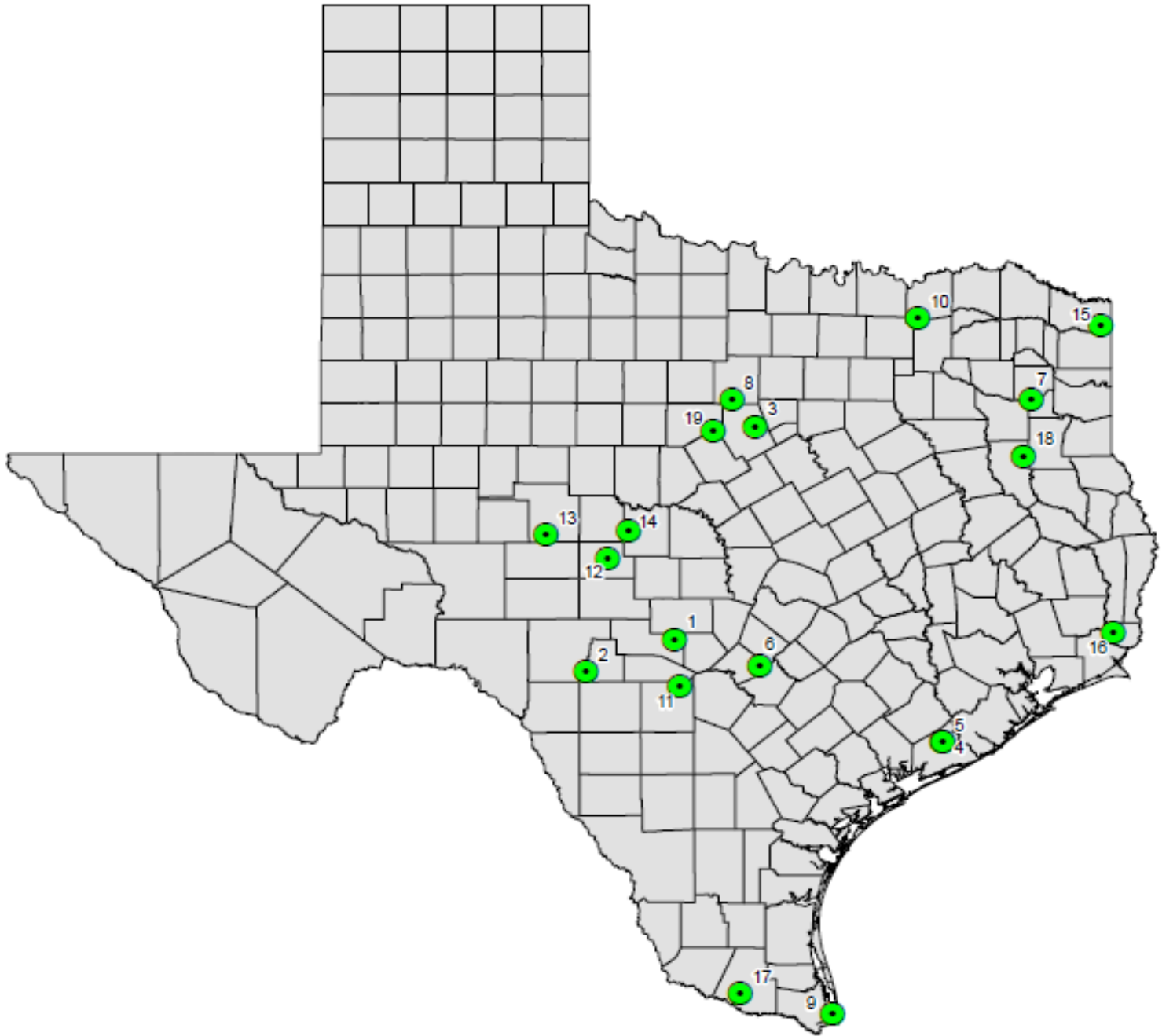
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Project Funding Considered Equivalency	B.12
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Project Completions	B.15
Project Benefits Reporting Statement	B.16



Commitments Closed											
Map ID	Entity	Commitment #	Loan Amount	Principal Forgiven	Total Closed	Equivalency	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community
1	Arimak WSC	LF1001740	\$ -	\$ 975,023	\$ 975,023	EQ				2023	Yes
2	Barksdale WSC	LF1001635		960,000	960,000	EQ				2023	Yes
3	Barton WSC	L1001724	1,140,000		1,140,000	Non-EQ	02/01/2026	02/01/2045	0.00%	2023	Yes
4	Bay City	LM241193	3,620,000		3,620,000	Non-EQ	09/01/2025	09/01/2049	2.17%	2020	
5	Bay City	L1001654	8,910,000		8,910,000	Non-EQ	09/01/2025	09/01/2049	2.41%	2023	
5	Bay City	L1001655	2,590,000		2,590,000	Non-EQ	09/01/2025	09/01/2049	0.00%	2023	
5	Bay City	LF1001656		500,000	500,000	Non-EQ				2023	
6	Crystal Clear SUD	L1001697	1,950,000		1,950,000	Non-EQ	12/01/2024	12/01/2043	3.07%	2023	
7	Gladewater	L1001688	850,000		850,000	EQ	08/15/2025	08/15/2054	2.47%	2023	Yes
7	Gladewater	LF1001689		1,941,380	1,941,380	EQ				2023	Yes
8	Gordon	L1001727	830,000		830,000	Non-EQ	03/01/2026	03/01/2055	4.52%	2023	Yes
9	Laguna Madre WD	L1001691	12,980,000		12,980,000	Non-EQ	03/01/2025	03/01/2053	3.24%	2022	
10	Leonard	L1001707	2,285,000		2,285,000	EQ	05/15/2025	05/15/2054	4.14%	2022	Yes
10	Leonard	L1001708	2,040,000		2,040,000	EQ	05/15/2025	05/15/2054	0.00%	2022	Yes
10	Leonard	LF1001709		4,155,000	4,155,000	EQ				2022	Yes
11	Medina Highlands	LF1001574		300,000	300,000	EQ				2022	Yes
12	Menard	L1001711	1,920,000		1,920,000	EQ	08/15/2024	08/15/2054	0.00%	2023	Yes
12	Menard	LF1001712		3,675,000	3,675,000	EQ				2023	Yes
13	Mertzson	L1001684	2,040,000		2,040,000	EQ	02/15/2026	02/15/2055	0.08%	2022	Yes
13	Mertzson	L1001685	45,000		45,000	EQ	02/15/2026	02/15/2055	0.08%	2022	Yes
13	Mertzson	LF1001686		2,204,000	2,204,000	EQ				2022	Yes
14	Millersview-Doole WSC	LF1001731		2,450,980	2,450,980	EQ				2022	Yes
15	Oak Grove WSC	LF1001665		300,000	300,000	EQ				2022	Yes
16	Orange Co WCID # 1	L1001625	5,260,000		5,260,000	Non-EQ	08/15/2024	08/15/2043	2.51%	2023	
17	Sharyland WSC	L1001721	25,910,000		25,910,000	EQ	08/01/2027	08/01/2054	3.99%	2023	
17	Sharyland WSC	LF1001722		10,000,000	10,000,000	EQ				2023	
18	Stryker Lake WSC	L1001752	290,000		290,000	EQ	09/01/2025	09/01/2054	0.00%	2021	Yes
18	Stryker Lake WSC	LF1001753		700,000	700,000	EQ				2021	Yes
19	Westbound WSC	L1001622	1,610,000		1,610,000	EQ	02/01/2025	02/01/2054	0.00%	2023	Yes
19	Westbound WSC	LF1001623		3,756,157	3,756,157	EQ				2023	Yes
<b>Totals</b>		<b>30</b>	<b>\$ 74,270,000</b>	<b>\$ 31,917,540</b>	<b>\$ 106,187,540</b>						

## Map of Project Locations



**\*Projects shown in this graphic are described in the following section, Descriptions of Closed Projects.**



## Descriptions of Closed Projects

<p style="text-align: center;"><b>Arimak WSC</b>  Arimak WSC Water System Improvements  Project # 62947</p>			
Commitment Amount	\$975,023	Closing Date	03/06/2024
Commitment Code(s)	LF1001740	Map Location	1
<p>In December 2020, due to the level of radionuclides in the Corporation's drinking water, the Texas Commission on Environmental Quality issued a proposed agreed order for violations discovered in June 2020. The Corporation's ground storage tanks have also reached the end of their useful life.</p> <p>The Corporation proposes to install a radium reduction system and variable frequency drive pumps at two well locations and replace the ground storage tanks with a new 20,000-gallon ground storage tank.</p>			
<p style="text-align: center;"><b>Barksdale WSC</b>  New Well  Project # 62937</p>			
Commitment Amount	\$960,000	Closing Date	09/15/2023
Commitment Code(s)	LF1001635	Map Location	2
<p>In February 2018, the Texas Commission on Environmental Quality (TCEQ) notified the Corporation that the water supply from its two alluvial wells are deemed to be Groundwater Under the Influence of Surface Water (GUI) and that enhanced treatment was required. Since a portion of the groundwater source's recharge is from surface water, the groundwater source is considered at risk of contamination from pathogens such as Giardia lamblia and viruses, which are not normally found in groundwater. In October 2019, TCEQ issued a violation for failure to provide enhanced treatment. In addition, the Corporation's water loss exceeds the threshold for apparent water loss. In October 2021, the Corporation received a Drinking Water State Revolving Fund commitment for enhanced filtration to its existing wells and to replace 89 existing manual meters. The Corporation recently received conditional approval of the plans and specifications for the filtration component of the project. The replacement of water meters has not yet occurred.</p> <p>The proposed project is to increase the Corporation's water supply reliability by constructing a 0.144 million gallons per day non-GUI water well, a 100 gallons per minute water pump, 1,000 linear feet of 6-inch water transmission and distribution lines and prepare an asset management plan.</p>			
<p style="text-align: center;"><b>Barton WSC</b>  Water System Improvements  Project # 62792</p>			
Commitment Amount	\$1,140,000	Closing Date	02/21/2024
Commitment Code(s)	L1001724	Map Location	3
<p>Barton Water Supply Corporation (Corporation) has had issues maintaining pressure and disinfection residuals within its distribution system. Aged electrical and control systems at existing pump stations have added to the difficulty in maintaining the distribution system. To help address pressure and capacity issues, the Corporation needs to reactivate Pump Station 5.</p>			

The Corporation is proposing to rehabilitate Pump Station No. 5, including replacing pumps, adding a 30,000-gallon storage tank, 3,000-gallon pressure tank, electrical upgrades, Supervisory Control and Data Acquisition (SCADA) improvements, and upgrades to the chloramine disinfection system to address the pressure, capacity, and disinfection residual issues in the area near the pump station.

#### Bay City

##### Design and Construction of Bay City Water System Improvements

##### Project # 62902

Commitment Amount	\$3,620,000	Closing Date	02/15/2024
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Commitment Code(s)	LM241193	Map Location	4
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The City does not have adequate water plant capacity and system pressure due to centrally located water plant facilities with increasing demand in the periphery. The City needs to expand the water system's capacity outside of the City core to meet current and projected need and provide adequate pressure to development in the north and northeast regions of the system in the City's extraterritorial jurisdiction. The current capacity of the City's six water treatment plants (WTP) is 9 million gallons-per-day (MGD).

The City proposes to expand and rehabilitate its water production, treatment, and distribution system by constructing two new WTPs with total average capacity of 0.855 MGD and a 1,000-gallons-per-minute well at each WTP. The project includes advanced metering infrastructure with new meters city-wide and 12-inch transmission lines to loop the system and reduce outages. The City proposes to improve three of its water treatment plants (6th Street & Avenue I WTP, Mockingbird WTP, and 4th Street and Avenue B WTP) including electrical, rework, and recoating, improvements at Whitson and Liberty Elevated Storage Tanks, installation of fire hydrants, and replacement of valves.

#### Bay City

##### City of Bay City Water System Improvements

##### Project # 62957

Commitment Amount	\$12,000,000	Closing Date	02/13/2024
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Commitment Code(s)	L1001654, L1001655, LF1001656	Map Location	5
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The City of Bay City's (City) largest groundwater well exceeds the maximum contaminant level (MCL) for arsenic set by the Texas Commission on Environmental Quality and is no longer in production. The City has five additional wells and is in the design stage for two new wells funded in 2021 through the Drinking Water State Revolving Fund.

The City has identified two potential approaches to reduce the arsenic in its water system. The first approach would be construction of a new well and adding storage and pumping capacity. The second approach would be adding iron adsorption media vessels. The first approach is the current preferred option. At the conclusion of the project planning the City will select one of these options.

#### Crystal Clear SUD

##### Crystal Clear (CCSUD) Water System Improvements

##### Project # 62742

Commitment Amount	\$1,950,000	Closing Date	12/20/2023
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Commitment Code(s)	L1001697	Map Location	6
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In 2014, 2015, and 2016, the Crystal Clear Special Utility District (District) received multiple enforcement actions from the Texas Commission on Environmental Quality due to aging infrastructure and system deficiencies. To address systemwide issues the District needed to combine pressure zones, develop

redundancy in the system, and upgrade transmission lines. In 2023, the bid amounts received for the remaining project work exceeded available funding due to an escalation in construction costs. Need (2017): Crystal Clear Special Utility District (District) has aging infrastructure and system inefficiencies and has received several enforcement actions from the Texas Commission on Environmental Quality (TCEQ) to address the condition of some of its facilities. The District needs to combine existing pressure zones, develop redundancy within the system, upgrade transmission lines to meet adequate system capacities, fix pressure deficiencies, and reduce overall operations and maintenance costs of the system.

The District's overall project includes work at multiple locations throughout the water system, including rehabilitation of several storage tanks, water treatment plant improvements, distribution system improvements, installation of new transfer pumps, construction of new storage tanks, and installation of relief valves to reduce pressure within the distribution system. The District is requesting additional funds to construct a 600,000-gallon ground storage tank at the Nelson booster station, three booster pumps, a detention pond, and approximately 6,500 linear feet of 12-inch water main along Watson Lane.

#### **Gladewater**

##### **Gladewater Phase 3 Drinking Water System Improvements**

**Project # 62952**

Commitment Amount	\$2,791,380	Closing Date	05/23/2024
Commitment Code(s)	L1001688, LF1001689	Map Location	7

City of Gladewater (City) operates an aging water system consisting of deteriorating and dead-end water mains adversely affecting water quality, causing high water loss, and excessive outages. The City operates outdated pumps, treatment, and electrical facilities at the treatment plant.

The City is requesting planning, design, and construction funds needed to replace deteriorating water mains. There are water quality issues in the system that are under evaluation in Phase 2. Phase 3 may require water treatment plant, storage tank, and pump station rehabilitations.

#### **Gordon**

##### **Water System Improvements**

**Project # 62862**

Commitment Amount	\$830,000	Closing Date	03/04/2024
Commitment Code(s)	L1001727	Map Location	8

The City's proposed project includes replacing approximately 5,300 linear feet of old deteriorated water distribution lines to reduce water loss; and replace manual-read water meters with radio-read meters to improve accuracy, reduce apparent water loss, better track water usage, and reduce costs. This project also includes installing and connecting existing and new water treatment plant microfilters and disinfection equipment to increase per connection treatment capacity to TCEQ standards; and installing backwash metering facilities and sampling lines.

The City of Gordon is currently under an enforcement action by the TCEQ for not maintaining a 0.6 gallons per minute per connection water treatment capacity. The City has also been cited for failing to maintain sufficient pressure throughout the water system and for not providing adequate metering and sampling of the backwash from the filters at the water treatment plant. In addition, the City's water system is experiencing significant water losses.

<b>Laguna Madre WD</b> Water System Improvements Project # 62963			
Commitment Amount	\$12,980,000	Closing Date	11/09/2023
Commitment Code(s)	L1001691	Map Location	9
<p>The Laguna Madre Water District (District) needs to construct significant water system improvements to ensure that peak summer water demands are met. Water Treatment Plant No. 1 (WTP 1), located in Port Isabel, is currently out of service due to low finished water quality. Water Treatment Plant No. 2 (WTP 2), located in Laguna Vista, does not have the firm capacity required to meet current or future peak water demands. The District has also identified the need for other improvements in its water treatment and storage systems.</p> <p>Project Description: The District proposes to construct various improvements at its water treatment plants and storage facilities including (1) construction of a new elevated storage tank (EST) and installation of a backup generator at WTP 1; (2) replacement of the raw water transfer pump station and upgrades to the high service pump station at WTP 2; and (3) decommissioning of two steel ground storage tanks (GST) and one EST on Port Road, northeast of WTP 1. The planning and design of these improvements will be funded with District funds.</p>			
<b>Leonard</b> DWSRF Water Distribution System Improvements Project # 62964			
Commitment Amount	\$8,480,000	Closing Date	06/13/2024
Commitment Code(s)	L1001707, L1001708, LF1001709	Map Location	10
<p>The City of Leonard's (City) water system is unable to maintain Texas Commission on Environmental Quality (TCEQ) minimum pressure requirements due to issues with the City's elevated storage tank and water loss within the distribution system. The elevated storage tank's height is insufficient to ensure proper pressure across the distribution system, leading to the need for repeated repairs. Moreover, the distribution system itself is undersized and aged, leading to regular leaks and substantial repairs.</p> <p>The proposed project will construct a new elevated storage tank and replace approximately 40,000 linear feet of 6-inch to 12" waterline.</p>			
<b>Medina Highlands</b> Medina Highlands Well Project # 62933			
Commitment Amount	\$300,000	Closing Date	03/15/2024
Commitment Code(s)	LF1001574	Map Location	11
<p>The Medina Highlands Water System (system) single existing water well has experienced production issues and has been unable to meet peak usage in the last few years due to additional connections being added. The winter weather event in 2021 caused additional issues at the well and ultimately a complete loss of production after the freeze fully split the column pipe.</p> <p>The system plans to address the need by constructing a replacement well to provide long-term water supply for the water system. In addition, the system will replace water meters that are over 10 years old to address their water loss issues and plans to develop and adopt an asset management plan.</p>			

<b>Menard</b> SWTP & Well Improvements Project # 62518			
Commitment Amount	\$5,595,000	Closing Date	01/11/2024
Commitment Code(s)	L1001711, LF1001712	Map Location	12
<p>The City of Menard (the City) was notified by the Texas Commission on Environmental Quality (TCEQ) that its water supply well field is classified as Groundwater Under the Direct Influence of Surface Water. The City is ordered by TCEQ to provide complete surface water treatment of its groundwater source. The City implemented measures for additional monitoring; however, these measures do not provide a fully compliant treatment system.</p>			
<p>The City proposes to construct water system improvements including a new filtration system, a new filtration building, chemical feed system modifications, improvements at its well field, rehabilitation of its existing elevated storage tank, facility piping modifications, and related site work. The project objective would provide the City with a new water treatment system.</p>			
<b>Mertzon</b> Mertzon Water System Improvements Project # 62962			
Commitment Amount	\$4,289,000	Closing Date	01/09/2024
Commitment Code(s)	L1001684, L1001685, LF1001686	Map Location	13
<p>The City of Mertzon (City) provides water service using six groundwater wells. Over the past several years, the City has observed a steady decrease in production from its wells due to drought conditions, thereby producing water with high levels of dissolved solids now exceeding secondary drinking water standards.</p>			
<p>The City proposes to plan, design, and construct improvements at its existing water treatment plant site to bring the system into compliance with Texas Commission on Environmental Quality's secondary drinking water requirements. The proposed improvements include a new treatment building, membrane water treatment system, piping, SCADA, secondary treatment, and ground storage tanks. The City also proposes to prepare an asset management plan as a part of this project.</p>			
<b>Millersview-Doole WSC</b> Water System & Well Water Blending Facilities Improvements Project # 62925			
Commitment Amount	\$2,450,980	Closing Date	03/21/2024
Commitment Code(s)	LF1001731	Map Location	14
<p>The Millersview-Doole Water Supply Corporation's (Corporation) groundwater supply exceeds the maximum contaminant levels (MCL) for radionuclides and its surface water supply exceeds the MCL for total trihalomethanes (TTHM) and haloacetic acids five (HAA5). Its water system was constructed primarily in the 1970's, and many water distribution lines are now at an undersized capacity due to growth. The Corporation's service area has experienced significant growth in Tom Green County, and pump stations serving this area are undersized and in need of rehabilitation.</p>			
<p>The Corporation proposes to plan, design, and construct a new treatment system to remove radionuclides from its groundwater, a chlorine dioxide system to mitigate TTHM and HAA5 formation, and, if funds are available, improvements at its pump station sites.</p>			

<p align="center"><b>Oak Grove WSC</b></p> <p align="center">Riverbend Regional Water System Capacity Buy In</p> <p align="center">Project # 62959</p>			
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Commitment Amount	\$300,000	Closing Date	11/27/2023
Commitment Code(s)	LF1001665	Map Location	15

Oak Grove Water Supply Corporation (Corporation) is a member of the Riverbend Water Resources District (District). The Corporation and other member entities purchase treated water on a wholesale basis from Texarkana Water Utility (TWU). TWU is currently in non-compliance with Texas Commission on Environmental Quality regulations due to production limitations and inability to provide the minimum statewide treatment plant capacity requirements of 0.6 gallons per minute per connection under normal rated design flow for surface water supplies. TWU's production limitation has resulted in the member entities being in non-compliance with minimum water supply capacity requirements. This has impacted the member entities' ability to meet growing water demands and expand their water service areas. As noted in the 2022 Region D Regional Water Plan, each of the District's member entities are projected to have a water supply shortage in 2020 due to the production limits of the aging TWU water treatment plant.

The Corporation is requesting financial assistance to fund its participation in the District's regional water system project. The regional project being constructed by the District consists of a new raw water intake on Wright Patman Lake, raw water pump station and transmission pipeline, a new 25 million gallon per day (MGD) water treatment plant, environmental mitigation efforts, and decommissioning of TWU's New Boston Road Water Treatment Plant and raw water conveyance system.

<p align="center"><b>Orange Co WCID # 1</b></p> <p align="center">Water Well Production and Treatment Project</p> <p align="center">Project # 62948</p>			
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Commitment Amount	\$5,260,000	Closing Date	09/20/2023
Commitment Code(s)	L1001625	Map Location	16

Need: Orange County Water Control and Improvement District No. 1 (District) needs a new water well due to recent production issues with the existing Water Well No 7. The District's Water Well No. 7 experienced an extended loss of service due to damage caused during cleaning. During the time the water well was out of service, the District had difficulty meeting water demands during peak hours.

The District is proposing to plan, design, and construct a new water well site including storage, pumping, and treatment facilities. The proposed project also includes the acquisition of land for the new proposed site. As a part of this project, up to three (3) test wells will be evaluated for capacity and total organic carbons. The proposed project is anticipated to provide water to the District and to act as a redundant water source.

<p align="center"><b>Sharyland WSC</b></p> <p align="center">Water System Improvements</p> <p align="center">Project # 62955</p>			
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Commitment Amount	\$35,910,000	Closing Date	07/22/2024
Commitment Code(s)	L1001721, LF1001722	Map Location	17

The proposed project will construct water distribution system improvements, including a new elevated storage tank, transmission lines, and distribution lines.



The Sharyland Water Supply Corporation's (Corporation) water system has been experiencing numerous challenges at its water treatment plants (WTP), including deficiencies in the chemical feed, raw water pump capacity, high service pump capacity, and redundancy systems. These issues have led to multiple notices of violation from the Texas Commission on Environmental Quality and the inability to sustain adequate distribution pressure throughout the system. In addition, on June 18, 2022, the Corporation received a Notice of Required Accommodation (NORA) from the Texas Department of Transportation (TXDOT) requiring the relocation of utility facilities due to road expansion and realignment conflicts.

The proposed project includes the relocation of approximately 26.5 miles of waterlines at segments Nos. 5, 6, 8, 10, 11, and 12. It also includes improvements to WTPs Nos. 1 and 2 to improve function, provide redundancies, and increase the two plants' total treatment capacity from 14 million gallons per day (MGD) to 19 MGD. Work at the WTPs will include site improvements to yard piping and access road, new rapid mix structure, capacity increase to the chemical system, replacement of high service backwash pumps, and improvements to the electrical system. The Corporation will fund the planning and design of the project.

### **Stryker Lake WSC**

#### **Water System Improvements**

**Project # 62972**

Commitment Amount	\$990,000	Closing Date	07/10/2024
Commitment Code(s)	L1001752, LF1001753	Map Location	18

The project is needed to address Texas Commission on Environmental Quality (TCEQ) compliance issues for both treatment and minimum capacity. Well No. 3 is offline and needs to be placed back into service to meet capacity requirements. The well also requires the construction of a separate ground storage tank and disinfection system to treat trihalomethanes and haloacetic acids.

The proposed project includes the construction of a 50,000-gallon ground water storage tank, aeration system, and disinfection system for Well No. 3. This will allow for the safe use of Well No. 3 by the Corporation and meet TCEQ capacity requirements

### **Westbound WSC**

#### **Westbound WSC Water System Improvements**

**Project # 62942**

Commitment Amount	\$5,366,157	Closing Date	09/13/2023
Commitment Code(s)	L1001622, LF1001623	Map Location	19

The Westbound Water Supply Corporation (Corporation) has substantial head loss throughout its water system and lacks adequate line pressures in certain pressure planes that can fall below the Texas Commission on Environmental Quality's (TCEQ) minimum pressure requirements. The water system has old and hydraulically undersized distribution lines, pumps, and pumping stations. The Corporation also has limited capability to control and monitor the distribution system remotely and limited emergency backup power.

The proposed project would replace undersized water lines with larger diameter water lines in order to reduce head loss and improve line pressures throughout the water system, construct one new pump station, rehabilitate one existing pump station, improve the capability of the existing SCADA system, and develop an emergency preparedness plan.

Project Funding Considered "Equivalency" - SFY 2021						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	FFATA Reporting Amount
Alice	62835	L1001421	\$ 3,934,000	09/01/2022	12/14/2022	\$ 3,934,000
Alice	62835	L1001555	1,020,000	09/01/2022	12/14/2022	1,020,000
Alice	62835	LF1001556	2,046,000	09/01/2022	12/14/2022	2,046,000
Arp	62905	L1001436	1,602,000	08/19/2021	12/14/2021	1,602,000
Arp	62905	LF1001437	5,765,173	08/19/2021	12/14/2021	5,765,173
Breckenridge	62913	L1001493	1,305,000	03/03/2022	07/13/2022	1,305,000
Breckenridge	62913	L1001494	1,020,000	03/03/2022	07/13/2022	1,020,000
Breckenridge	62913	LF1001495	1,312,809	03/03/2022	07/13/2022	1,312,809
Comanche	62906	L1001415	1,020,000	01/06/2022	05/17/2022	1,020,000
Comanche	62906	L1001470	486,000	01/06/2022	05/17/2022	486,000
Comanche	62906	LF1001471	793,908	01/06/2022	05/17/2022	793,908
Crockett	62912	L1001458	1,745,000	12/16/2021	04/21/2022	1,745,000
Crockett	62912	LF1001465	1,705,905	12/16/2021	04/21/2022	1,705,905
Daingerfield	62916	L100505	1,685,000	03/03/2022	06/09/2022	1,685,000
Daingerfield	62916	LF1001506	1,647,157	03/03/2022	06/09/2022	1,647,157
East Texas MUD of Smith County	62917	L1001538	476,000	07/07/2022	12/22/2022	476,000
East Texas MUD of Smith County	62917	L1001539	1,020,000	07/07/2022	12/22/2022	1,020,000
East Texas MUD of Smith County	62917	LF1001540	623,530	07/07/2022	12/22/2022	623,530
Ellinger Sewer & Water SC	62839	L1001420	628,000	12/16/2021	06/29/2022	628,000
Ellinger Sewer & Water SC	62839	LF1001449	500,000	12/16/2021	06/29/2022	500,000
Gladewater	62908	L1001489	1,020,000	10/05/2022	11/22/2022	1,020,000
Gladewater	62908	L1001490	841,000	10/05/2022	11/22/2022	841,000
Gladewater	62908	LF1001488	777,900	10/05/2022	11/22/2022	777,900
Lexington	62914	L1001459	1,020,000	12/15/2022	05/08/2023	1,020,000
Lexington	62914	L1001595	745,000	12/15/2022	05/08/2023	745,000
Lexington	62914	LF1001585	689,100	12/15/2022	05/08/2023	689,100
Meeker MWD	62911	L1001457	6,925,000	12/16/2021	04/26/2022	6,925,000
Melvin	62929	LF1001582	300,000	11/17/2022	02/16/2023	300,000
Rising Star	62928	LF1001568	300,000	11/17/2022	01/25/2023	300,000
Stryker Lake WSC	62972	L1001752	290,000	04/11/2024	07/10/2024	290,000
Stryker Lake WSC	62972	LF1001753	700,000	04/11/2024	07/10/2024	700,000
Tom Green Co. FWSD 32	62915	LF1001454	300,000	04/11/2022	08/26/2022	300,000
Tri-Try WSC	62930	LF1001590	300,000	02/09/2023	05/17/2023	300,000
<b>Totals</b>	<b>16</b>		<b>\$ 44,543,482</b>			<b>\$ 44,543,482</b>

"Equivalency" funding as defined in the SFY 2021 Intended Use Plan.

Amount of Grant (2020 Appropriations): \$ 86,280,000  
Administrative Exemption: \$ 3,451,200  
TCEQ 2% Exemption: \$ 1,725,600  
TCEQ 10% Exemption: \$ 8,628,000  
TCEQ 15% Exemption: \$ 1,800,000

Amount Required to Report to FFATA: \$ 70,675,200  
Amount Reported/To Be Reported to FFATA: \$ 44,543,482  
Amount Needed to Meet FFATA Requirement: \$ 26,131,718

Project Funding Considered "Equivalency" - SFY 2022						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	FFATA Reporting Amount
Daisetta	62931	L1001594	\$ 980,000	12/15/2022	04/12/2023	\$ 980,000
Daisetta	62931	LF1001593	1,310,280	12/15/2022	04/12/2023	1,310,280
De Kalb	62958	L1001756	2,040,000	06/12/2024	Not yet closed	2,040,000
De Kalb	62958	L1001788	1,160,000	06/12/2024	Not yet closed	1,160,000
De Kalb	62958	LF1001757	3,974,307	06/12/2024	Not yet closed	3,974,307
Leonard	62964	L1001707	2,285,000	03/05/2024	06/13/2024	2,285,000
Leonard	62964	L1001708	2,040,000	03/05/2024	06/13/2024	2,040,000
Leonard	62964	LF1001709	4,155,000	03/05/2024	06/13/2024	4,155,000
M & M Water Supply Corporation	62921	L1001507	889,000	05/11/2022	08/10/2022	889,000
M & M Water Supply Corporation	62921	LF1001508	380,700	05/11/2022	08/10/2022	380,700
Medina Highlands	62933	LF1001574	300,000	11/09/2023	03/15/2024	300,000
Mertzon	62962	L1001684	2,040,000	09/14/2023	01/09/2024	2,040,000
Mertzon	62962	L1001685	45,000	09/14/2023	01/09/2024	45,000
Mertzon	62962	LF1001686	2,204,000	09/14/2023	01/09/2024	2,204,000
Miles	62927	LF1001569	269,608	11/17/2022	01/19/2023	269,608
Millersview-Doole WSC	62925	LF1001731	2,450,980	01/18/2024	03/21/2024	-
Mullin ISD	62920	L1001559	398,000	10/05/2022	01/17/2023	398,000
Mullin ISD	62920	LF1001560	600,000	10/05/2022	01/17/2023	600,000
Oak Grove WSC	62959	LF1001665	300,000	07/25/2023	11/27/2023	300,000
Pflugerville	62919	L1001499	24,000,000	04/11/2022	08/25/2022	24,000,000
Riverside SUD	62923	L1001511	1,575,000	07/07/2022	11/18/2022	1,575,000
San Angelo	62856	L1001621	13,415,000	04/06/2023	06/06/2023	13,415,000
Strawn	62926	L1001523	773,000	05/11/2022	09/14/2022	773,000
Strawn	62926	LF1001524	1,228,900	05/11/2022	09/14/2022	1,228,900
<b>Totals</b>	<b>14</b>		<b>\$ 68,813,775</b>			<b>\$ 66,362,795</b>

"Equivalency" funding as defined in the SFY 2022 Intended Use Plan.

Amount of Grant (2021 Appropriations): \$ 87,015,000  
Administrative Exemption: \$ 3,480,600  
TCEQ 2% Exemption: \$ 1,740,300  
TCEQ 10% Exemption: \$ 8,701,500  
TCEQ 15% Exemption: \$ 4,100,000

Amount Required to Report to FFATA: \$ 68,992,600  
Amount Reported/To Be Reported to FFATA: \$ 66,362,795  
Amount Needed to Meet FFATA Requirement: \$ 2,629,805

Project Funding Considered "Equivalency" - SFY 2023 - Annual Appropriations						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	FFATA Reporting Amount
Blanco	62938	L1001768	3,390,000	05/09/2024	Not yet closed	3,390,000
Blanco	62938	LF1001769	513,919	05/09/2024	Not yet closed	513,919
Liberty Hill	62939	L1001692	3,060,000	12/07/2023	Not yet closed	3,060,000
Liberty Hill	62939	L1001693	15,490,000	12/07/2023	Not yet closed	15,490,000
Liberty Hill	62939	LF1001694	6,000,000	12/07/2023	Not yet closed	6,000,000
Westbound WSC	62942	L1001622	1,610,000	05/04/2023	09/13/2023	1,610,000
Westbound WSC	62942	LF1001623	3,681,157	05/04/2023	09/13/2023	3,681,157
<b>Totals</b>	<b>4</b>		<b>\$ 33,745,076</b>			<b>\$ 33,745,076</b>

"Equivalency" funding as defined in the SFY 2023 Intended Use Plan.

Amount of Grant (2022 Appropriations): \$ 54,911,000  
TCEQ 2% Exemption: \$ 1,098,220  
TCEQ 10% Exemption: \$ 5,491,100  
TCEQ 15% Exemption: \$ 4,100,000

Amount Required to Report to FFATA: \$ 44,221,680  
Amount Reported/To Be Reported to FFATA: \$ 33,745,076  
Amount Needed to Meet FFATA Requirement: \$ 10,476,604

Project Funding Considered "Equivalency" - SFY 2024 - Annual Appropriations						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	FFATA Reporting Amount
Huntington	62990	L1001792	\$ 310,000	06/12/2024	Not yet closed	\$ 310,000
Huntington	62990	LF1001793	1,000,000	06/12/2024	Not yet closed	1,000,000
<b>Totals</b>	<b>1</b>		<b>\$ 1,310,000</b>			<b>\$ 1,310,000</b>

"Equivalency" funding as defined in the SFY 2024 Intended Use Plan.

Amount of Grant (2023 Appropriations): \$ 39,369,000  
Administrative Exemption: \$ 1,574,760  
TCEQ 15% Exemption: \$ 8,824,280

Amount Required to Report to FFATA: \$ 28,969,960  
Amount Reported/To Be Reported to FFATA: \$ 1,310,000  
Amount Needed to Meet FFATA Requirement: \$ 27,659,960

Project Funding Considered "Equivalency" - SFY 2023 - IJA General Supplemental						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	FFATA Reporting Amount
Barksdale WSC	62937	LF1001635	\$ 960,000	06/06/2023	09/15/2023	\$ 960,000
Gladewater	62952	L1001688	850,000	12/07/2023	05/23/2024	850,000
Gladewater	62952	LF1001689	1,941,380	12/07/2023	05/23/2024	1,941,380
Gordon	62951	L1001848	530,000	08/15/2024	Not yet closed	530,000
Gordon	62951	LF1001849	1,605,784	08/15/2024	Not yet closed	1,605,784
Greenbelt MIWA	62935	L1001617	8,110,000	04/06/2023	08/23/2023	8,110,000
Greenbelt MIWA	62935	LF1001618	10,000,000	04/06/2023	08/23/2023	10,000,000
Menard	62518	L1001711	1,920,000	10/05/2023	01/11/2024	1,920,000
Menard	62518	LF1001712	3,675,000	10/05/2023	01/11/2024	3,675,000
Sharyland WSC	62955	L1001721	25,910,000	01/18/2024	07/22/2024	25,910,000
Sharyland WSC	62955	LF1001722	10,000,000	01/18/2024	07/22/2024	10,000,000
Silverton	62943	L1001754	4,990,000	04/11/2024	Not yet closed	4,990,000
Silverton	62943	LF1001755	10,000,000	04/11/2024	Not yet closed	10,000,000
<b>Totals</b>	<b>7</b>		<b>\$ 80,492,164</b>			<b>\$ 80,492,164</b>

"Equivalency" funding as defined in the SFY 2023 Intended Use Plan.

Amount of Grant (2022 Appropriations): \$ 140,993,000  
 Administrative Exemption: \$ 5,639,720  
 TCEQ 15% Exemption: \$ 5,000,000

Amount Required to Report to FFATA: \$ 130,353,280  
 Amount Reported/To Be Reported to FFATA: \$ 80,492,164  
 Amount Needed to Meet FFATA Requirement: \$ 49,861,116

Project Funding Considered "Equivalency" - SFY 2024 - IJA General Supplemental						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	FFATA Reporting Amount
Loma Alta WSC	62988	LF1001803	\$ 300,000	06/12/2024	Not yet closed	\$ 300,000
New Summerfield	63023	L1001804	3,915,000	06/12/2024	Not yet closed	3,915,000
Pearsall	63013	L1001783	6,295,000	08/15/2024	Not yet closed	6,295,000
Pearsall	63013	L1001784	105,000	08/15/2024	Not yet closed	105,000
Pearsall	63013	LF1001785	1,000,000	08/15/2024	Not yet closed	1,000,000
<b>Totals</b>	<b>3</b>		<b>\$ 11,615,000</b>			<b>\$ 11,615,000</b>

"Equivalency" funding as defined in the SFY 2024 Intended Use Plan.

Amount of Grant (2023 Appropriations): \$ 167,867,000  
 Administrative Exemption: \$ 6,714,680  
 TCEQ 15% Exemption: \$ 7,000,000  
 Other Set Asides Exemption: \$ 5,000,000

Amount Required to Report to FFATA: \$ 149,152,320  
 Amount Reported/To Be Reported to FFATA: \$ 11,615,000  
 Amount Needed to Meet FFATA Requirement: \$ 137,537,320

DWSRF Project Starts				
Entity	Tracking Numbers (Project # - Commitments)	Closing Date	Start Date	Net Amount
Barksdale WSC	62907 - LF1001433	12/15/2021	12/07/2023	\$ 124,300
Creedmoor Maha WSC	62805 - LM19876	05/10/2019	12/04/2023	4,667,500
Creedmoor Maha WSC	62805 - LM20876	10/28/2022	12/04/2023	4,667,500
Groveton	62826 - L1000911, LF1000953	06/25/2019	09/13/2023	2,164,161
Rockdale	62833 - L1001108, L1001109, LF1001107	07/14/2020	11/30/2023	16,215,000
<b>Totals</b>	<b>4</b>	<b>unique projects</b>		<b>\$ 27,838,461</b>

DWSRF Project Completions				
Entity	(Project # - Commitments)	Closing Date	Completion Date	Net Amount
Greater Texoma UA	62791 - L1000783	08/02/2018	09/06/2023	\$ 935,000
Paradise	62762 - LF1000711	03/21/2018	09/06/2023	300,000
<b>Totals</b>	<b>2</b>	<b>unique projects</b>		<b>\$ 1,235,000</b>

## SRF Data System and Public Health Benefits Reporting Statement

The Texas Water Development Board (TWDB) complied with the FFY 2023 Capitalization Grant requirement to report all use of funds into the SRF Data System. This reporting was completed either before the last day of the month following the month of closing on TWDB financial assistance or on a quarterly basis. All projects listed as “commitments closed” (see table on page B.5) were reported to the SRF Data System.

**Attachment A**

**Drinking Water State Revolving Fund**

**Emerging Contaminants Funding**

**SFY 2024**

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## EC Appendix A – DWSRF-Emerging Contaminants Fund SFY 2024 Tables

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# 1. Goals and Achievements

The primary goal of the Texas Drinking Water State Revolving Fund (DWSRF) program is to improve public health protection. In addition, the overall goals of the Texas DWSRF program are to identify and provide funding for maintaining and/or bringing Texas' Public Water Systems (PWS) into compliance with the Safe Drinking Water Act (SDWA); to support affordable drinking water and sustainability; and to maintain the long-term financial health of the DWSRF program fund.

The TWDB provides effective and efficient administration of the DWSRF program and offers affordable long-term financing to assist public water systems in providing enough quality and quantity of affordable potable water throughout Texas. The DWSRF program also uses set-aside funds to improve public health protection programs that support the goals of the SDWA. The following sections detail progress by the TWDB in meeting the short- and long-term goals specific to the Drinking Water State Revolving Fund - Emerging Contaminants (DWSRF-EC) program funding that were established in the Intended Use Plan (IUP).

## **Short-Term Goals of the Texas DWSRF Emerging Contaminants Program**

1. *Fund eligible project proposals to address emerging contaminants up to the amount of funding available.*

The TWDB has not yet closed on or committed any projects under the DWSRF-EC Program. Several DWSRF-EC projects are expected to receive funding commitments from the TWDB in the first quarter of State Fiscal Year (SFY) 2025, and several other projects are in the application review process.

2. *Prioritize proposals that have identified and will address perfluoroalkyl and polyfluoroalkyl substances (PFAS).*

As shown in the Rating Criteria section of the IUP for this program, projects that are seeking funding for projects that address PFAS contamination receive more points, and therefore higher priority than those requesting funding for projects that address other emerging contaminants.

3. *Prioritize project proposals that request construction funding.*

As shown in the Rating Criteria section of the IUP for this program, projects that are seeking funding for construction projects receive more points, and therefore higher priority than those that are requesting funding for pre-construction projects.

4. *Provide outreach to systems within Texas on the availability of this funding to address emerging contaminants.*

The TWDB hosted sixteen Financial Assistance workshops during the SFY. Staff from the agency's regional project development teams participated in various outreach opportunities throughout the state at conferences, regional planning meetings, and one-on-one meetings with individual entities/authorities. The topics discussed during the workshops and outreach opportunities covered all TWDB financial assistance programs, the IUP process, the project

information form submission, CWSRF federal requirements and program changes, specific project related questions and answers, and general outreach.

5. *The TWDB and TCEQ will collaborate on the deployment of these funds.*

At this point, the Texas Commission on Environmental Quality (TCEQ) has not requested set-aside funding from the DWSRF-EC grant, but has had the opportunity to review and comment on the IUP.

### **Long-Term Goals of the Texas DWSRF Emerging Contaminants Program**

1. *Use the emerging contaminants grant funds provided to Texas to fund project proposals to address identified emerging contaminants projects eligible for assistance with an ongoing priority for addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS).*

To date, no DWSRF-EC projects have received funding commitments or closings from the TWDB, although several projects are expected to receive commitments in the first quarter of SFY 2025. The first two Project Information Form (PIF) solicitations (SFY 2023 and SFY2024) received considerable interest in a total requested funding amount exceeding the amount of funding available.

2. *To the extent eligible project proposals are received, use all the emerging contaminants funds allotted to Texas to improve public health and enhance the objectives of SDWA.*

The TWDB, through the initial two DWSRF-EC PIF solicitations, has received project funding requests in excess of the amount of funding available. The agency is working closely with applicants to ensure the application review process stays on track and that only DWSRF-EC eligible project costs are part of the proposed funding agreements.

3. *The TWDB and TCEQ will collaborate on the deployment of these funds in a manner that will provide the most benefit to public health and ensure compliance with the requirements of SDWA.*

At this point, the TCEQ has not requested set-aside funding from the DWSRF-EC grant, but discussions are on-going regarding potential projects to utilize set-aside funding to provide benefits to public health and compliance with the requirements of SDWA.

## **2. Income from Program Fees**

Because the DWSRF-EC offers financial assistance in the form of 100% principal forgiveness, there are no loan origination fees, or other program fees assessed at the time of closing.

## **3. Method of Cash Draw**

A state match is not required for the 2022 DWSRF-EC fund. There have been no draws as of August 31, 2024. Details of the grant and match are shown in EC Appendix A, EC Table 2.

## 4. Timely and Expeditious Use of Funds

As of August 31, 2024, there have been no federal draws from DWSRF-EC funds. The TWDB has not yet closed on or committed any DWSRF-EC projects. All future applications will be reported on in future annual reports. As of August 31, 2024, \$1,077,040 has been transferred from CWSRF EC to the Drinking Water State Revolving Fund EC. The TWDB anticipates future transfers between these two programs.

## 5. Program Initiatives

### **Additional Subsidization**

The additional subsidization associated with the FFY 2022 and 2023 DWSRF-EC grants has not been allocated as of August 31, 2024. Projects receiving this financial assistance in subsequent years will be reported in future annual reports. Details of the additional subsidization are shown in EC Appendix A, EC Table 1.

### **Disadvantaged Communities Funding**

The disadvantage principal forgiveness associated with the FFY 2022 and 2023 DWSRF-EC grants has not been allocated as of August 31, 2024. Projects receiving this financial assistance in subsequent years will be reported in future annual reports. Details of the additional subsidization are shown in EC Appendix A, EC Table 1.

A disadvantaged community is a community that meets the DWSRF's Affordability Criteria based on income, unemployment rates, and population trends. For details on the DWSRF Affordability Criteria, please see the SFY 2024 IUP, Appendix D, Affordability Criteria to Determine Disadvantaged Community Eligibility.

## 6. Compliance Statements

### **Compliance with DWSRF Emerging Contaminants Grant Agreement Conditions**

The TWDB has complied with all administrative and programmatic conditions in the FFY 2022 and 2023 DWSRF-EC Capitalization Grant Assistance Agreements (Agreements). The Agreements were adhered to by the TWDB in an appropriate and expeditious manner in compliance with state and federal law. The TWDB understands the terms and conditions as set forth in the Agreements. Any proposed changes or necessary corrections were provided to EPA for appropriate Agreement Amendments.

## **State Statutes**

The TWDB has complied with all applicable state laws pertaining to the TWDB's DWSRF-EC program.

# EC Appendix A- DWSRF Emerging Contaminants SFY 2024 Tables

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EC Table 1		
Additional Subsidization - 2023 IUP / 2022 Grant - Emerging Contaminants		
Grant Requirement	Add Sub Exact Amt Required	\$ 60,279,040
Recipient	Amount	Disadvantaged
		Emerging Contaminants
No projects have closed as of the end of SFY 2024.		
Total Closed	\$ -	\$ -
No projects have been committed as of the end of SFY 2024.		
Total Unclosed (Committed)	\$ -	\$ -
Bronte	\$ 15,000,000	\$ 15,000,000
Daisetta	2,220,375	2,220,375
Parker Co. SUD	38,647,500	38,647,500
Total Uncommitted (Application)	\$ 55,867,875	\$ 55,867,875

<b>Grand Totals</b>	\$ 55,867,875	\$ 55,867,875
	<b>Total Add Sub:</b>	\$ 55,867,875

EC Table 1 (continued)		
IIJA Emerging Contaminants - Additional Subsidization - 2024 IUP / 2023 Grant		
Grant Requirement	Add Sub Exact Amt Required	\$ 61,322,000
Recipient	Amount	
		Small / Rural
No Add Sub has been assigned as of the end of SFY 2024.		

<b>Grand Totals</b>	\$ -	\$ -
	<b>Total Add Sub:</b>	\$ -

EC Table 2			
DWSRF Emerging Contaminants - Grant Funds			
FFY	SFY/ IUP	Grant Award #	SRF Grant
2022	2023	4E-02F48201	\$ 59,202,000
2023	2024	4E-02F48202	This grant was issued after SFY 2024.
<b>Totals</b>			<b>\$ 59,202,000</b>



EC Table 3			
DWSRF Emerging Contaminants - Capitalization Grant Draws			
	Beginning Balance	Expended	Balance - 08/31/2024
<b>4E-02F48201 FY 2022</b>			
Construction	\$ -	\$ -	\$ -
Administration	1,200,000.00	-	1,200,000.00
<b>Totals</b>	<b>\$ 1,200,000.00</b>	<b>\$ -</b>	<b>\$ 1,200,000.00</b>
<b>Grand Totals</b>	<b>\$ 1,200,000.00</b>	<b>\$ -</b>	<b>\$ 1,200,000.00</b>

EC Table 4					
DWSRF Emerging Contaminants – Grant Payments by Quarter					
	SFY 2023	SFY 2024			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>GRANT PAYMENTS</b>					
All Previous Grants	\$ -	\$ -	\$ -	\$ -	\$ -
4E-02F48201	-	300,000	300,000	300,000	300,000
4E-02F48201 In-Kind	-	-	-	-	-
<b>QUARTERLY TOTAL</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>
	SFY 2023 - SFY 2024	SFY 2025			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>REQUIRED BINDING COMMITMENTS</b>					
Cumulative EPA Payments	\$ -	\$ 300,000	\$ 600,000	\$ 900,000	\$ 1,200,000
+State Match	-	-	-	-	-
-Set-Asides	-	300,000	600,000	900,000	1,200,000
<b>REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

EC Table 5						
DWSRF Emerging Contaminants - Administrative Costs						
SFY	Funds Received					Total Administration Expended
	Federal Funds (including ARRA Funds)				State Funds	
	4% Administration	Banked Administration	Other	Total Federal Funds		
IIJA-EC Funds						
2024	\$ 1,200,000	\$ -	\$ -	1,200,000	\$ -	\$ -
Totals	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000	\$ -	\$ -

**Attachment B**

**Drinking Water State Revolving Fund**

**Lead Service Line Replacement Funding**

**SFY 2024**

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## LSLR Appendix A

LSLR Table 1	Additional Subsidization	LSLR.A.3
LSLR Table 2	Grant Funds	LSLR.A.4
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LSLR Table 4	Grant Payments by Quarter	LSLR.A.6
LSLR Table 5	Administrative Costs	LSLR.A.7

# 1. Goals and Achievements

The primary goal of the Texas Drinking Water State Revolving Fund (DWSRF) is to improve public health protection. In addition, the overall goals of the Texas DWSRF are to identify and provide funding for maintaining and/or bringing Texas' Public Water Systems (PWS) into compliance with the Safe Drinking Water Act (SDWA); to support affordable drinking water and sustainability; and to maintain the long-term financial health of the DWSRF fund.

The TWDB provides effective and efficient administration of the DWSRF and offers affordable long-term financing to assist public water systems in providing enough quality and quantity of affordable potable water throughout Texas. The DWSRF also uses set-aside funds to improve public health protection programs that support the goals of the SDWA. The following sections details the TWDB's progress in meeting the Lead Service Line Replacement (LSLR) funding short- and long-term goals that were established in the IUP.

## **Short-Term Goals of the Texas DWSRF Lead Service Line Replacement Program**

1. *Fund eligible project proposals to identify and replace lead service lines up to the amount of funding available.*

As of August 31, 2024, the TWDB has committed to three LSLR projects totaling \$16,918,366. In addition, the TWDB is processing an additional 49 applications for LSLR funding, totaling \$219,139,917. This is 98.64% of the FFY 2022 capitalization grant amount.

2. *Provide outreach to systems within Texas on the availability of this funding to identify and replace lead service lines.*

The TWDB hosted sixteen Financial Assistance workshops during the SFY. Staff from the agency's regional project development teams participated in various outreach opportunities throughout the state at conferences, regional planning meetings, and one-on-one meetings with individual entities/authorities. The topics discussed during the workshops and outreach opportunities covered all TWDB financial assistance programs, the IUP process, the project information form submission, CWSRF federal requirements and program changes, specific project related questions and answers, and general outreach.

3. *To improve public health throughout Texas by employing disadvantaged criteria that will maximize the number of systems able to identify and replace any lead service lines in Texas.*

The TWDB is utilizing disadvantaged community criteria that is different from the DWSRF General Activities program to maximize the number of systems that are eligible for LSLR funding. This criterion specifies that a project is eligible as a disadvantaged community if 51 percent of the proposed project beneficiary area, based on household connections, has an Annual Median Household Income (AMHI) that does not exceed 150 percent of the state's AMHI level. This has

resulted in a significantly higher number of Texas drinking water systems being eligible as disadvantaged communities, than the DWSRF General Activities disadvantaged community criteria.

4. *The TWDB and TCEQ will collaborate on the deployment of these funds in a manner that will provide the most beneficial assistance to entities conducting required service line inventories and replacing identified lead service lines.*

The Texas Commission on Environmental Quality (TCEQ) has had the opportunity to review and provide comments on the LSLR Intended Use Plans. The TWDB also receives communication from TCEQ regarding Texas drinking water systems that have a need for financial assistance to identify and replace lead service lines, which TWDB uses to direct outreach efforts to those communities.

### **Long-Term Goals of the Texas DWSRF Lead Service Line Replacement Program**

1. *Use the lead service line grant funds provided to Texas to fund project proposals to replace all identified lead service lines in Texas.*

Two projects with service line replacement components have received funding commitments totaling \$8,456,632 for line replacement activities. An additional 27 applications with a service line replacement component, totaling \$97,506,573, are being processed.

2. *To the extent eligible project proposals are received, use all the lead service line replacement funds allotted to Texas to improve public health and ensure compliance with the requirements of SDWA.*

TWDB, through the initial two DWSRF LSLR PIF solicitations, has received project funding requests more than the amount of funding available. Staff within the Water Supply and Infrastructure office of the TWDB, are working closely with applicants to ensure that the application review process stays on track and that only DWSRF LSLR eligible project costs are part of the proposed funding agreements.

3. *To enhance the timely identification and removal of any lead service lines in Texas, maximize the number of systems that receive the benefit of the subsidy available under the IJA appropriations.*

Utilizing the program specific disadvantaged community eligibility criteria, described above in the Short-Term Goals section, significantly more Texas drinking water systems are eligible as disadvantaged communities than if using the existing DWSRF General Activities disadvantaged community eligibility. The funding offered by TWDB, using the LSLR funds, is at a ratio of 51 percent principal forgiveness and 49 percent loan/bond for all projects.

4. *The TWDB and TCEQ will collaborate on the deployment of these funds in a manner that will provide the most benefit to public health and ensure compliance with the requirements of SDWA.*

The TWDB continues to collaborate and communicate with the TCEQ to ensure the LSLR program meets the needs of both agencies and most importantly, the needs of Texas drinking

water systems to identify and replace lead service lines, provide the greatest benefit to public health, and achieve compliance with SDWA.

5. *Employ these funds in a manner that will maintain the fiscal integrity of the DWSRF in perpetuity.*

The funding offered through the LSLR program is consistent with the grant requirements from the IIJA and will lead to funds being returned to the DWSRF with interest rates below market rates.

### 3. Income from Program Fees

The TWDB assesses fees to recover administrative costs associated with the DWSRF LSLR fund. These fees are placed in a separate account held outside of the program funds. The fees are an assessment of two percent of the portion of the DWSRF LSLR financial assistance that is to be repaid and is assessed in full at closing. No projects have closed on LSLR financing as of August 31, 2024; therefore, no fees have been collected to date. LSLR fees will be included in the DWSRF Annual Report narrative for future reports.

### 4. Method of Cash Draw

A state match is not required for the 2022 DWSRF LSLR fund. There have been no draws as of August 31, 2024. Details of the grants received to date are shown in LSLR Appendix A, LSLR Table 2.

### 5. Timely and Expeditious Use of Funds

As of August 31, 2024, the outstanding capitalization grant balance was \$2,000,000.00. There were no Federal draws for the SFY. Details of fund balances are shown in LSLR Appendix A, LSLR Table 3.

The TWDB has not yet closed on LSLR projects as of August 31, 2024. In addition, no projects have begun or ended. The TWDB has ensured that recipients of financial assistance make sufficient progress to reasonably ensure completion of their project within the project period.

### 6. Program Initiatives

#### **Additional Subsidization**

The additional subsidization associated with the FFY 2023 grants were not fully allocated as of August 31, 2024. The TWDB received applications for 52 projects requesting principal forgiveness totaling \$120,389,723. Three projects received a commitment totaling \$14,186,224 and the remaining applications are still under review.



While the TWDB did not meet the FFY 2023 capitalization grant requirements for additional subsidization during the SFY, there are several project applications still under review that will receive financial assistance in subsequent years and will be reported on in future annual reports.

The TWDB has not yet invited LSLR projects under the FFY 2023 grant for the SFY 2024 IUP.

Details of the additional subsidization are shown in LSLR Appendix A, LSLR Table 1.

### **Disadvantaged Communities Funding**

In SFY 2024, the TWDB received applications for 52 disadvantaged projects totaling \$120,389,723 in principal forgiveness. Should these applications receive a commitment, the funding will count toward the FFY 2022 grant's additional subsidization requirement. During the fiscal year, the TWDB provided funding (loan and/or principal forgiveness) to three disadvantaged communities totaling \$14,186,224. Details of the disadvantaged communities funding are shown in LSLR Appendix A, LSLR Table 1.

A disadvantaged community is a community that meets the DWSRF's Affordability Criteria based on income, unemployment rates, and population trends. For details on the DWSRF Affordability Criteria, please see the SFY 2024 IUP, Appendix D, Affordability Criteria to Determine Disadvantaged Community Eligibility.

## **7. Compliance Statements**

### **Compliance with DWSRF LSLR Grant Agreement Conditions**

The TWDB has complied with all administrative and programmatic conditions in the FFY 2022 DWSRF LSLR Capitalization Grant Assistance Agreements (Agreement). The Agreement was adhered to by the TWDB in an appropriate and expeditious manner in compliance with state and federal law. The TWDB 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.

### **State Statutes**

The TWDB has complied with all applicable state laws pertaining to the TWDB's DWSRF LSLR program.

# LSLR Appendix A- DWSRF Lead Service Line Replacement SFY 2024 Tables

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LSLR Table 4	Grant Payments by Quarter	LSLR.A.6
LSLR Table 5	Administrative Costs	LSLR.A.7

LSLR Table 1			
Lead Service Line Replacement - Additional Subsidization - 2023 IUP / 2022 Grant			
Grant Requirement	Add Sub Exact Amt Required		\$ 100,156,900
Recipient	Amount	Disadvantaged	
		Inventory	Line Replacement
No projects have closed as of the end of SFY 2024.			
Total Closed	\$ -	\$ -	\$ -
Devine	\$ 11,561,224	\$ 78,061	\$ 5,818,163
Mertzon	122,449	62,449	-
Brady	5,234,693	31,224	2,638,469
Total Unclosed (Committed)	\$ 16,918,366	\$ 171,734	\$ 8,456,632
Atlanta	\$ 1,622,449	\$ 57,245	\$ 770,204
Denison	10,000,000	2,196,122	2,903,878
Denver City	2,938,775	156,122	1,342,653
Eden	230,000	117,300	-
Glidden FWSD#1	387,755	52,041	145,714
Hamilton	7,540,816	67,653	3,778,163
Harlingen Water Works	1,714,286	874,286	-
Hawkins	2,510,204	15,612	1,264,592
Idalou	1,632,653	-	832,653
Jefferson	2,020,409	104,082	926,327
Lexington	2,336,735	-	1,191,735
Loraine	136,000	69,360	-
Marlin	239,000	121,890	-
Mart	215,000	109,650	-
Roma	673,469	343,469	-
Thorndale	184,000	93,840	-
Trent	139,000	70,890	-
Waco	27,345,657	-	13,946,285
Westwood Shores MUD	1,581,632	333,061	473,571
Alice	948,980	483,980	-
Alpine	1,350,000	196,350	492,150
Breckenridge	383,290	195,478	-
Coleman	5,989,796	161,327	2,893,469
Fort Worth	13,265,306	-	6,765,306
O'Donnell	122,449	62,449	-
River Acres WSC	4,316,326	260,204	1,941,122
Slaton	336,735	171,735	-
Stamford	286,000	145,860	-
Stephens Regional SUD	297,000	151,470	-
Sweetwater	482,000	245,820	-
Winters	275,510	140,510	-
Abilene	8,153,062	426,735	3,731,327
Albany	265,306	135,306	-
Big Spring	3,795,919	228,980	1,706,939
Cleburne	48,489,796	1,587,245	23,142,551
Del Rio	1,215,000	619,650	-
Dog Ridge WSC	336,735	171,735	-
Duncanville	21,181,293	303,960	10,498,499
Ennis	3,040,816	197,755	1,353,061
Eules	8,846,938	858,673	3,653,265
Marshall	7,538,310	-	3,844,538
Mason	306,122	156,122	-
Poteet	581,633	52,041	244,592
Snyder	704,082	359,082	-
Terrell	5,061,224	405,918	2,175,306
Tyler	2,000,000	-	1,020,000
Weatherford	14,979,592	1,446,735	6,192,857
White Oak	500,000	255,000	-
Wills Point	642,857	52,041	275,816
Total Uncommitted (Application)	\$ 219,139,917	\$ 14,254,784	\$ 97,506,573
Grand Totals	\$ 236,058,283	\$ 14,426,518	\$ 105,963,205
		Total Add Sub:	\$ 120,389,723

Add Sub = Additional Subsidization in the form of principal forgiveness

LSLR Table 2			
Lead Service Line Replacement - Grant Funds			
FFY	SFY/ IUP	Grant Award #	SRF Grant
2022	2023	4L-02F48101	\$ 222,155,000
2023	2024	4L-02F48102	This grant was issued after SFY 2024.
<b>Totals</b>			<b>\$ 222,155,000</b>

LSLR Table 3			
Lead Service Line Replacement - Capitalization Grant Draws			
	Beginning Balance	Expended	Balance - 08/31/2024
<b>4L-02F48101 FY 2022</b>			
Construction	\$ -	\$ -	\$ -
Administration	2,000,000.00	-	2,000,000.00
<b>Totals</b>	<b>\$ 2,000,000.00</b>	<b>\$ -</b>	<b>\$ 2,000,000.00</b>
<b>Grand Totals</b>	<b>\$ 2,000,000.00</b>	<b>\$ -</b>	<b>\$ 2,000,000.00</b>

LSLR Table 4					
Lead Service Line Replacement – Grant Payments by Quarter					
	SFY 2023	SFY 2024			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>GRANT PAYMENTS</b>					
All Previous Grants	\$ -	\$ -	\$ -	\$ -	\$ -
4L-02F48101	-	500,000	500,000	500,000	500,000
<b>QUARTERLY TOTAL</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>

	SFY 2023 - SFY 2024	SFY 2025			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>REQUIRED BINDING COMMITMENTS</b>					
Cumulative EPA Payments	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000
+State Match	-	-	-	-	-
-Set-Asides	-	500,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000
<b>REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

LSLR Table 5						
Lead Service Line Replacement - Administrative Costs						
SFY	Funds Received					Total Administration Expended
	Federal Funds (including ARRA Funds)				State Funds	
	4% Administration	Banked Administration	Other	Total Federal Funds		
IIJA-LSLR Funds						
2024	\$ 2,000,000	\$ -	\$ -	2,000,000	\$ -	\$ -
Totals	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -



# **Texas Water Development Board**

## **DRINKING WATER STATE REVOLVING FUND**

### **Annual Financial Report**

For the Year Ended  
August 31, 2024

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### Schedule 1 – Loans and Contracts

# General Purpose Financial Statements

**UNAUDITED**

**Drinking Water State Revolving Fund**

**Exhibit I - Combined Statement of Net Position - Enterprise Funds**

August 31, 2024

	<b>Total Enterprise Funds (Exhibit F-1)</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents:	
Cash in Bank (Note 3)	\$ 0.41
Cash Equivalents	322,203,937.45
Short Term Investments	313,608,157.99
Receivables from:	
Federal	4,245,219.80
Interest and Dividends	7,064,736.04
Loans and Contracts	86,558,596.00
<b>Total Current Assets</b>	<b>733,680,647.69</b>
Non-Current Assets:	
Loans and Contracts	1,814,408,133.96
Investments	-
<b>Total Non-Current Assets</b>	<b>1,814,408,133.96</b>
<b>Total Assets</b>	<b>2,548,088,781.65</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Payables from:	
Accounts Payable	26,906.43
Interest Payable	2,302,660.42
Interfund Payables	7,565,373.02
Due to Other Funds	769,622.70
Due to Other Agencies	3,675,551.76
Revenue Bonds Payable	36,713,431.24
<b>Total Current Liabilities</b>	<b>51,053,545.57</b>
Non-Current Liabilities:	
Interfund Payables	29,402,000.94
Revenue Bonds Payable	656,301,594.88
<b>Total Non-Current Liabilities</b>	<b>685,703,595.82</b>
<b>Total Liabilities</b>	<b>736,757,141.39</b>
<b>NET POSITION</b>	
Restricted for:	
Other	1,811,331,640.26
<b>Total Net Position</b>	<b>\$ 1,811,331,640.26</b>

*The accompanying notes to the financial statements are an integral part of this statement.*

**UNAUDITED**

**Drinking Water State Revolving Funds**  
**Exhibit II - Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position - Enterprise Funds**  
For the Fiscal Year Ended August 31, 2024

	<b>Total Enterprise Funds (Exhibit F-2)</b>
<b>OPERATING REVENUES:</b>	
Interest and Investment Income	\$ 57,941,846.08
Net Increase (Decrease) Fair Market Value	74,980.24
Other Operating Revenue	1,456,274.00
<b>Total Operating Revenues</b>	<b>59,473,100.32</b>
<b>OPERATING EXPENSES:</b>	
Salaries and Wages	7,748,189.06
Payroll Related Costs	2,100,659.64
Professional Fees and Services	1,342,072.70
Travel	168,362.13
Materials and Supplies	39,821.28
Communication and Utilities	5,200.83
Repairs and Maintenance	-
Rentals and Leases	18,881.08
Printing and Reproduction	-
Interest	24,341,371.87
Other Operating Expenses	8,947,308.68
<b>Total Operating Expenses</b>	<b>44,711,867.27</b>
<b>Operating Income (Loss)</b>	<b>14,761,233.05</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>	
Federal Revenue	121,402,631.35
Federal Grant Pass-Through Revenue (Expense)	(555,805.55)
Other Benefit Payments	-
Other Intergovernmental Payments	(31,788,925.85)
Other Nonoperating Revenue (Expenses)	-
<b>Total Nonoperating Revenue (Expenses)</b>	<b>89,057,899.95</b>
<b>Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers</b>	<b>103,819,133.00</b>
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:</b>	
Transfers In	616,321.00
<b>Total Other Revenue, Expenses, Gain/Losses and Transfers</b>	<b>616,321.00</b>
<b>Change in Net Position</b>	<b>104,435,454.00</b>
Total Net Position - Beginning	1,706,896,186.26
<b>Total Net Position, August 31, 2024</b>	<b>\$ 1,811,331,640.26</b>

*The accompanying notes to the financial statements are an integral part of this statement.*

**UNAUDITED**

**Drinking Water State Revolving Fund**

**Exhibit III - Combining Statement of Cash Flows - Enterprise Funds**

For the Fiscal Year Ended August 31, 2024

	<b>Total Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments to Suppliers for Goods and Services	(804,557.52)
Payments to Employees	(4,570,074.06)
<b>Net Cash Provided by Operating Activities</b>	<b>(5,374,631.58)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from Debt Issuance	-
Proceeds from State Appropriations	-
Proceeds from Transfers from Other Funds	392,226,362.21
Proceeds from Grant Receipts	120,681,433.95
Payments of Principal on Debt Issuance	(28,520,000.00)
Payments of Interest	(31,135,420.81)
Payments of Other Costs of Debt Issuance	(680,278.71)
Payments for Transfers to Other Funds	(392,037,398.95)
Payments for Grant Disbursements	(71,438,146.64)
Payments for Interfund Receivables	(8,353,406.31)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>(19,256,855.26)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Interest and Investment Income	65,355,889.16
Proceeds from Principal Payments on Non-Program Loans	84,839,896.00
Payments to Acquire Investments	(1,610,000.00)
Payments for Non-program Loans Provided	(47,050,000.00)
<b>Net Cash Provided by Investing Activities</b>	<b>101,535,785.16</b>
Net (Decrease) in Cash and Cash Equivalents	76,904,298.32
Cash and Cash Equivalents--September 1, 2023	245,299,639.54
<b>Cash and Cash Equivalents--August 31, 2024</b>	<b>\$ 322,203,937.86</b>

*The accompanying notes to the financial statements are an integral part of this statement.*

UNAUDITED

**Drinking Water State Revolving Fund**

**Exhibit III - Combining Statement of Cash Flows - Enterprise Funds (cont.)**

For the Fiscal Year Ended August 31, 2024

	<b>Total Enterprise Fund</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
<b>Operating Income (Loss)</b>	\$ 28,523,535.39
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income and Cash Flow Categories:	
Classification Differences	-
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(1,675,528.77)
(Increase) Decrease in Due From Other Funds	616,321.00
(Increase) Decrease in Loans & Contracts	10,269,896.00
Increase (Decrease) in Payables	(80,802,533.05)
Increase (Decrease) in Deposits	51,335,453.24
Increase (Decrease) in Due to Other Funds	(13,641,775.39)
<b>Total Adjustments</b>	<b>(33,898,166.97)</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (5,374,631.58)</b>
<b>Non-Cash Transactions</b>	
Net Increase (Decrease) in Fair Value of Investments	\$ 74,980.24

*The accompanying notes to the financial statements are an integral part of this statement.*

# Notes to the Financial Statements



## ***Notes to the Financial Statements***

<b>NOTE 1:    <i>Summary of Significant Accounting Policies</i></b>
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### **Entity**

The accompanying financial statements reflect the financial position of the Texas Water Development Board (TWDB). TWDB is an agency of the state of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements of State Agencies and Universities.

The TWDB was created as an agency of the state in 1957, when the voters of the state approved an amendment adding Section 49-c to Article 3 of the Texas Constitution. The TWDB is the state agency responsible for water supply and flood planning, financing, water science and research.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

### **Fund Structure**

TWDB uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. TWDB is granted appropriations based on appropriated funds. For operational and statutory reasons, TWDB reports several lower level funds that are presented as part of the indicated appropriated fund.

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

### **Proprietary Fund Type**

Proprietary funds focus on determining operating income, changes in financial position and cash flows. Generally accepted accounting principles like those used by private sector businesses are applied in accounting for these funds. Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. TWDB reports the following enterprise funds.

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- Local Funds (Appropriated Fund 9999) – local funds held outside the treasury for purposes of the following programs:
  - Drinking Water State Revolving Fund (Account 0951)

#### ***Basis of Accounting***

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The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

#### ***Net Position and Fund Balances***

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When both restricted and unrestricted resources are available for use, restricted resources are used first, then unrestricted resources are used as they are needed.

### **Assets, Liabilities, and Fund Balances / Net Position**

#### ***Assets***

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##### Cash and Cash Equivalents

Cash held in the state treasury and any short-term highly liquid investments with an original maturity of three months or less.

##### Investments

Amounts invested related to programs of the TWDB. Investments are reported at fair value. See Note 3 for more information on investments.

##### Interest and Dividends Receivable

Accrued interest receivable on loans and contracts as of the balance sheet date is included in the proprietary funds. For governmental funds, interest due as of the balance sheet date is only accrued if it is expected to be received within the next 60 days.

##### Notes / Loans and Contracts Receivable

Although collateralized by bonds of the receiving entity, loans made to political subdivisions are presented as Notes/Loans and Contracts Receivable at par. The portion due within the next year is shown separately as a current asset with the remainder as noncurrent. See Schedule 6 for a detailed listing of all outstanding loans and contracts receivable by program.

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#### Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

#### ***Liabilities***

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##### Accounts Payable

Accounts payable represent the liability for the value of assets or services received at the balance sheet date for which payment is pending.

##### Bonds Payable – Revenue Bonds

Revenue bonds are generally accounted for in proprietary funds. The bonds payable is reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on an accrual basis, with amortization of discount or premium. Bonds Payable are reported separately as either current – the amount due within the next year – or noncurrent in the statement of net position.

#### ***Fund Balance / Net Position***

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"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary, and fiduciary fund statements.

##### Fund Balance Components

Fund balances for governmental funds are classified as restricted, committed, or unassigned in the fund financial statements.

- Restricted fund balance includes those resources that have constraints placed on their use through external parties — such as creditors, grantors, contributors, laws or regulations of other governments — or by law through constitutional provisions or enabling legislation.

##### Net Position Components

The potential categories for net position include;

- Restricted net position – restricted assets reduced by liabilities and deferred inflows or resources related to those assets. Assets are restricted when constraints placed on net resources are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

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#### ***Interfund Activities and Balances***

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The agency has the following types of transactions among funds:

- (1) Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- (2) Reimbursements: repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- (3) Interfund receivables and payables: Interfund loans are reported as Interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current".

See Note 4 for details of the TWDB's interfund activity and transactions.

### **Statement of Cash Flows**

#### ***Cash Flows from Investing Activities***

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##### Non-program Loans

The loans that the TWDB makes to entities such as cities, counties, and other political subdivisions do not meet the criteria for inclusion as Cash Flows from Operating Activities on the Statement of Cash Flows. The loans made by the TWDB are referred to on the Statement of Cash Flows as "non-program" loans to distinguish them from loans made to individuals, and their cash flows are included as Cash Flows from Investing Activities.

##### Classification Differences

Although the primary operation of the TWDB's enterprise funds is the borrowing and lending of money for water related projects, the major components of the Operating Income or Loss on the Statement of Revenues, Expenses, and Changes in Fund Net Position are classified on the Statement of Cash Flows as either Cash Flows from Investing Activities (Interest and Investment Income) or Cash Flows from Noncapital Financing Activities (Interest Expense).

<b>NOTE 2:    <i>Deposits, Investments and Repurchase Agreements</i></b>
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The agency is authorized by statute to make investments and does so in accordance with Chapter 365 of the Texas Water Development Board rules. There were no violations of legal provisions during the period.

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**Deposits of Cash in Bank**

As of August 31, 2024, the carrying amount of deposits was \$0.41 as presented below.

<b>Governmental and Business-Type Activities</b>	<b>Amount</b>
Cash in Bank – Carrying Value	\$0.41
Cash in Bank per AFR	\$0.41
Governmental and Proprietary Funds Current Assets Cash in Bank	\$0.41
Cash in Bank per AFR	\$0.41

This amount consists of cash in local banks. This amount is included on the Combined Statement of Net Assets as part of the “Cash and Cash Equivalents” account.

As of August 31, 2024, the total bank balance was as follows:

Governmental and Business Type Activities	\$0.41	Fiduciary Funds	\$ - 0 -	Discrete Component Units	\$ - 0 -
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Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The agency has a policy requiring collateralization limited to obligations of the U.S. or U.S. government agencies held in the name of the agency. As of August 31, 2024, bank balances were not exposed to custodial credit risk.

**Investments**

As of August 31, 2024, the fair value of investments is as presented below.

<b>Government and Business-Type Activities</b>	<b>Total</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>INVESTMENTS AT FAIR VALUE</b>			
Commercial Paper (Texas Treasury Safekeeping Trust Co)	\$ 188,197,499.28	\$ -	\$ -
U.S. Government Agency Obligations (Texas Treas. Safekeeping Trust Co)	\$ 141,517,086.11		
Total Investment at Fair Value	\$ 329,714,585.39	\$ -	\$ -
<b>INVESTMENTS AT AMORTIZED COST</b>			
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)			\$306,097,510.05
Total Investment at Amortized Cost			\$306,097,510.05
<b>Total Investments-Gov't &amp; Business Type</b>			<b>\$ 635,812,095.44</b>

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or

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collateral security that are in the possession of an outside party. The agency will only make payment for and accept delivery of securities on a delivery versus payment basis, and securities are held in the name of the agency. As of August 31, 2024, investments were not exposed to custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As required by the agency's investment policy, obligations of states, agencies, counties, cities and other political subdivisions must be rated as to investment quality by a nationally recognized investment rating firm with a minimum of an 'A' rating, commercial paper must be rated not less than A-1 or P-1, and no-load money market mutual funds must be AAA-rated. The investment policy requires that repurchase agreements be collateralized by obligations of the U.S. Government or U.S. Government Agencies, but does not limit credit risk, nor does it limit credit risk for obligations of the United States or its agencies or instrumentalities, direct obligations of the State of Texas, or pooled funds of state agencies in the Texas State Treasury or the Texas Treasury Safekeeping Trust Company. Furthermore, the State Water Implementation Fund for Texas (SWIFT) funds are governed by a separate investment policy, managed by the Texas Treasury Safekeeping Trust Company in accordance with Texas Water Code, Chapter 15, Subchapter G. The following schedule lists S & P and/or Moody's credit rating by investment type as of August 31, 2024 for those investments subject to credit risk.

Fund Type	GAAP Fund	Investment Type	Amount	S&P
05	3050	Commercial Paper (Texas Treasury Safekeeping Trust Co)	\$ 188,197,499.28	A1, A+
05	3050	Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	\$ 306,097,510.05	Not Rate
05	3050	U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	\$ 141,517,086.11	AA+

**NOTE 3: Long-Term Liabilities**

**Changes in Long-Term Liabilities**

During the year ended August 31, 2024, the following changes occurred in long-term liabilities:

Business-Type Activities	Balance 9/1/2023	Additions	Reductions	Balance 8/31/2024	Amounts Due Within One Year	Amounts Due Thereafter
Notes & Loans Payable (Interfund)	\$45,320,780.27	\$0.00	\$8,353,406.31	\$36,967,373.96	\$7,565,373.02	\$29,402,000.94
Revenue Bonds Payable	\$728,138,457.38	\$1,590,000.00	\$36,713,431.26	\$693,015,026.12	\$36,713,431.24	\$656,301,594.88
<b>Total Business-Type Activities</b>	<b>\$773,459,237.65</b>	<b>\$1,590,000.00</b>	<b>\$45,066,837.57</b>	<b>\$729,982,400.08</b>	<b>\$44,278,804.26</b>	<b>\$685,703,595.82</b>

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**Pledged Future Revenues**

Pledged revenues are those specific revenues that are formally committed to directly secure the payment of bond debt service. The table below provides information on pledged revenue and pledged future revenue of the TWDB's revenue bonds.

Pledged Future Revenue	
Business-Type Activities	
	SRF Revenue Bonds
Pledged Revenue Required for Future Principal and Interest on Existing Bonds	\$2,048,491,706.42
Term of Commitment Year Ending Aug. 31	2044
Percentage of Revenue Pledged	100%
Current Year Pledged Revenue	\$348,950,775.66
Current Year Principal and Interest Paid	\$136,081,910.43

**NOTE 12: Interfund Activity and Transactions**

Interfund activity refers to financial interactions between funds and/or blended component units and is restricted to internal events. Interfund transactions refer to financial interactions between TWDB and another agency of the state of Texas.

*Interfund Activity*

Interfund transfers represent the flow of assets (cash or goods) without equivalent flow of assets in return or a requirement for repayment. In governmental funds, transfers are reported as other financing uses or sources. Transfers are reported in proprietary funds after nonoperating revenues and expenses in the statement of revenues, expenses and changes in fund net position. Amounts not transferred at fiscal year-end are accrued as due to/due from other funds.

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are interfund loans. Individual interfund receivables and payables balances as of August 31, 2024, were as follows:

FUND	Interfund Receivables	Interfund Payables	Current	Noncurrent	Purpose
Enterprise (05)	DFUND (FT05) Appd Fund 0371, D23 Fund 0371	DWSRF (FT05) Appd Fund 9999 D23 Fund 0951	\$7,565,373.02	\$29,402,000.94	State Match Loan
Total Interfund Receivable/Payable			\$7,565,373.02	\$29,402,000.94	

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Interfund Transactions

Federal and State Pass-Throughs are recorded for activity between TWDB and other state agencies related to federal or state grant awards. Amounts not transferred at fiscal year-end are accrued as due to/due from other agencies.

**NOTE 15: Contingencies and Commitments**

**Disclosure of Contingent Liabilities**

**Rebatable Arbitrage**

Rebatable arbitrage is defined by Internal Revenue Code Section 148 for tax-exempt bonds as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. This rebatable arbitrage must be paid to the federal government. The TWDB is entitled to invest its bond proceeds at an unrestricted yield for various temporary periods ranging from six months to three years. This unrestricted earnings period begins on the date of delivery of the bond issue. Earnings on any funds held by the TWDB after the unrestricted earnings period ends must be restricted to the yield of the TWDB's bond issue. The amount of rebate due to the federal government is determined and payable during each five-year installment period and upon final payment of the tax-exempt bonds.

Arbitrage funds have been established within various TWDB programs. Deposits into these funds are made according to the arbitrage services provider's final report typically received around January following the close of each fiscal year. The TWDB estimates that rebatable arbitrage, if any, will unlikely be material to the agency's financial condition.

**Federal Costs**

As a prime contractor with a federal granting agency, the TWDB is contingently liable to refund any disallowed costs to the granting agency. As of August 31, 2024, there were six federal contracts that closed during fiscal year 2024 and no disallowable costs.

**Outstanding Loan and Grant Commitments**

As of August 31, 2024, the TWDB had made commitments to provide political subdivisions and non-profit entities financing from the proceeds remaining from current or future bond issues, accumulated loan repayments, federal draw downs, appropriations or other lawful sources as follows:

Program	Loans	Grants	Totals
Drinking Water State Revolving Fund (DWSRF)	\$131,021,739.67	\$38,707,069.00	\$169,728,808.67
<b>Total Commitments</b>	<b>\$131,021,739.67</b>	<b>\$38,707,069.00</b>	<b>\$169,728,808.67</b>



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**NOTE 6: Bonded Indebtedness**

As discussed more fully in the sections that follow, the TWDB is authorized through various statutory and constitutional provisions to issue general obligation and revenue bonds and private activity bonds.

Miscellaneous Bond Information (Amounts in Thousands)							
					Maturities		
Description of Issue	Bonds Issued to Date	Date Issued	Range of Interest Rates		First Year	Last Year	First Call Date
STATE REVOLVING FUND							
State Revolving Fund Rev Bds New Ser '18	288,395,000	04/26/2018	4.000%	5.000%	2019	2038	08/01/2027
State Revolving Fund Rev Bds New Ser '19	221,005,000	04/24/2019	4.000%	5.000%	2020	2039	08/01/2029
State Revolving Fund Rev Bds New Ser '20	352,590,000	06/02/2020	3.000%	5.000%	2021	2040	08/01/2030
State Revolving Fund Rev Bds New Ser '21	386,155,000	11/04/2021	2.250%	5.000%	2022	2041	08/01/2031
State Revolving Fund Rev Bds New Ser '22	234,550,000	06/30/2022	3.750%	5.000%	2023	2043	08/01/2032
State Revolving Fund Rev Bds New Ser '23	192,325,000	05/25/2023	5.000%	5.000%	2024	2044	08/01/2033

**Revenue Bonds**

The Texas Constitution and Water Code authorize the TWDB to issue revenue bonds backed by pledged revenue sources and restricted funds. The TWDB had 21 revenue bond issues outstanding as of August 31, 2024.

The TWDB has authority to sell revenue bonds for the following purposes:

- (1) To finance the construction of water and wastewater projects of political subdivisions and non-profit water supply corporations;
- (2) To provide interim financing to political subdivisions that are also receiving long-term financing from the TWDB;
- (3) To provide the state matching funds for federal grants under the Federal Water Pollution Control and the Safe Drinking Water Acts.

***State Revolving Funds***

Subchapter J, Chapter 15 and Subchapter I, Chapter 17, Texas Water Code, as amended, authorize the TWDB to issue an unlimited amount of revenue bonds to fund certain eligible projects. TWDB's revenue bonds do not constitute a debt of the State and neither the full faith nor credit, nor the taxing authority of the State is in any manner pledged, given, or loaned for the payment of the revenue bonds. Further, the TWDB's revenue bonds issued pursuant to these provisions are not secured by or payable from

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money in DFUND II, but are secured by the repayments of political subdivision loans and certain assets in the State Water Pollution Control Revolving Fund and the Safe Drinking Water State Revolving Fund, commonly referred to as the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF), respectively.

**NOTE 7:    *Loans and Contracts***

The Board purchases bonds from political subdivisions (including private water supply corporations). As of August 31, 2024, the balance of these bonds owned by the Board was \$ 1,900,966,729.96. In general, the majority of these bonds pays interest semiannually and principal annually and allow for early redemption ten years after the original date of issuance. All bonds are secured by either pledged revenue or taxes. Interest rates on the bonds range from 0.00% to 5.79% maturing through the year 2055. It is the opinion of management that all bonds are fully collectible; therefore, no provision for uncollectible amounts is included in these financial statements.

**NOTE 8:    *Available Federal Funds***

As of August 31, 2024, there was \$140,727,388.10 balance of Federal Funds available through the Automated Standard Application for Payments that remained undrawn for the State Revolving Fund.

**NOTE 9:    *Status of Available Administrative Funding***

Cost-recovery loan origination and servicing charges are imposed to cover administrative costs of operating the State Revolving Fund, but an interest rate subsidy is offered to offset the charges. There was \$1,456,274.00 earned during the fiscal year ending August 31, 2024. The administrative account had expenses totaling \$663,893.44 in Fiscal Year 2024.

**NOTE 10:   *State Match Requirement***

Deferral of State match deposits was allowed by EPA for FY97 grant payments until September 30, 1999. Deposits of match funds have been made to the fund bringing the total match for federal reporting purposes to \$460,042,073.

# Combining Statements

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Drinking Water State Revolving Fund

Exhibit F-1 - Combining Statement of Net Position - Enterprise Funds

August 31, 2024

	Drinking Water Loan Program	Administration (Federal)	Administration (Fees)	Set Asides (Exhibit SA-2)	Totals (Exhibit I)
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents:					
Cash in Bank (Note 3)	\$ 0.41	\$ -	\$ -	\$ -	\$ 0.41
Cash Equivalents	314,364,005.60	-	7,839,931.85	-	322,203,937.45
Short Term Investments	251,245,827.82	-	62,362,330.17	-	313,608,157.99
Receivables from:					
Federal	-	569,668.04	-	3,675,551.76	4,245,219.80
Interest and Dividends	6,945,754.64	-	118,981.40	-	7,064,736.04
Loans and Contracts	86,558,596.00	-	-	-	86,558,596.00
<b>Total Current Assets</b>	<b>659,114,184.47</b>	<b>569,668.04</b>	<b>70,321,243.42</b>	<b>3,675,551.76</b>	<b>733,680,647.69</b>
Non-Current Assets:					
Loans and Contracts	1,814,408,133.96	-	-	-	1,814,408,133.96
Investments	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>1,814,408,133.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,814,408,133.96</b>
<b>Total Assets</b>	<b>2,473,522,318.43</b>	<b>569,668.04</b>	<b>70,321,243.42</b>	<b>3,675,551.76</b>	<b>2,548,088,781.65</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Payables from:					
Accounts Payable	26,906.43	-	-	-	26,906.43
Interest Payable	2,302,660.42	-	-	-	2,302,660.42
Interfund Payables	7,565,373.02	-	-	-	7,565,373.02
Due to Other Funds	769,622.70	-	-	-	769,622.70
Due to Other Agencies	(569,668.04)	569,668.04	-	3,675,551.76	3,675,551.76
Revenue Bonds Payable	36,713,431.24	-	-	-	36,713,431.24
<b>Total Current Liabilities</b>	<b>46,808,325.77</b>	<b>569,668.04</b>	<b>-</b>	<b>3,675,551.76</b>	<b>51,053,545.57</b>
Non-Current Liabilities:					
Interfund Payables	29,402,000.94	-	-	-	29,402,000.94
Revenue Bonds Payable	656,301,594.88	-	-	-	656,301,594.88
<b>Total Non-Current Liabilities</b>	<b>685,703,595.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>685,703,595.82</b>
<b>Total Liabilities</b>	<b>732,511,921.59</b>	<b>569,668.04</b>	<b>-</b>	<b>3,675,551.76</b>	<b>736,757,141.39</b>
<b>NET POSITION</b>					
Restricted for:					
Other	1,741,010,396.84	-	70,321,243.42	-	1,811,331,640.26
<b>Total Net Position</b>	<b>\$ 1,741,010,396.84</b>	<b>\$ -</b>	<b>\$ 70,321,243.42</b>	<b>\$ -</b>	<b>\$ 1,811,331,640.26</b>

The accompanying notes to the financial statements are an integral part of this statement.

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**Drinking Water State Revolving Funds**  
**Exhibit F-2 - Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position - Enterprise Funds**  
For the Fiscal Year Ended August 31, 2024

	Drinking Water Loan Program	Administration (Federal)	Administration (Fees)	Set Asides (Exhibit SA-2)	Totals (Exhibit II)
<b>OPERATING REVENUES:</b>					
Interest and Investment Income	\$ 54,704,540.27	\$ -	\$ 3,237,305.81	\$ -	\$ 57,941,846.08
Net Increase (Decrease) Fair Market Value	74,980.24	-	-	-	74,980.24
Other Operating Revenue	-	-	1,456,274.00	-	1,456,274.00
<b>Total Operating Revenues</b>	<b>54,779,520.51</b>	<b>-</b>	<b>4,693,579.81</b>	<b>-</b>	<b>59,473,100.32</b>
<b>OPERATING EXPENSES:</b>					
Salaries and Wages	-	4,358,987.63	-	3,389,201.43	7,748,189.06
Payroll Related Costs	-	781,243.52	-	1,319,416.12	2,100,659.64
Professional Fees and Services	-	678,179.26	663,893.44	-	1,342,072.70
Travel	-	30,449.25	-	137,912.88	168,362.13
Materials and Supplies	-	9.12	-	39,812.16	39,821.28
Communication and Utilities	-	5,200.83	-	-	5,200.83
Repairs and Maintenance	-	-	-	-	-
Rentals and Leases	0.00	18,881.08	-	-	18,881.08
Printing and Reproduction	-	-	-	-	-
Interest	24,341,371.87	-	-	-	24,341,371.87
Other Operating Expenses	-	71,348.93	-	8,875,959.75	8,947,308.68
<b>Total Operating Expenses</b>	<b>24,341,371.87</b>	<b>5,944,299.62</b>	<b>663,893.44</b>	<b>13,762,302.34</b>	<b>44,711,867.27</b>
<b>Operating Income (Loss)</b>	<b>30,438,148.64</b>	<b>(5,944,299.62)</b>	<b>4,029,686.37</b>	<b>(13,762,302.34)</b>	<b>14,761,233.05</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>					
Federal Revenue	101,696,029.39	5,944,299.62	-	13,762,302.34	121,402,631.35
Federal Grant Pass-Through Revenue (Expense)	(555,805.55)	-	-	-	(555,805.55)
Other Benefit Payments	-	-	-	-	-
Other Intergovernmental Payments	(31,788,925.85)	-	-	-	(31,788,925.85)
Other Nonoperating Revenue (Expenses)	-	-	-	-	-
<b>Total Nonoperating Revenue (Expenses)</b>	<b>69,351,297.99</b>	<b>5,944,299.62</b>	<b>-</b>	<b>13,762,302.34</b>	<b>89,057,899.95</b>
<b>Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers</b>	<b>99,789,446.63</b>	<b>-</b>	<b>4,029,686.37</b>	<b>-</b>	<b>103,819,133.00</b>
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:</b>					
Transfers In	616,321.00	-	-	-	616,321.00
<b>Total Other Revenue, Expenses, Gain/Losses and Transfers</b>	<b>616,321.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>616,321.00</b>
<b>Change in Net Position</b>	<b>100,405,767.63</b>	<b>-</b>	<b>4,029,686.37</b>	<b>-</b>	<b>104,435,454.00</b>
Total Net Position - Beginning	1,640,604,629.21	-	66,291,557.05	-	1,706,896,186.26
<b>Total Net Position, August 31, 2024</b>	<b>\$ 1,741,010,396.84</b>	<b>\$ -</b>	<b>\$ 70,321,243.42</b>	<b>\$ -</b>	<b>\$ 1,811,331,640.26</b>

The accompanying notes to the financial statements are an integral part of this statement.

## UNAUDITED

**Drinking Water State Revolving Fund**  
**Exhibit SA-2 - Combining Statement of Expenses - Set Aside Programs**  
For the Fiscal Year Ended August 31, 2024

	PWSS Program Administration	PWSS Enforcement	PWSS Homeland Security	Source Water Protection	Capacity Development	Inspection and Investigation	Technical Assistance	Laboratory Accreditation	Support Services	Totals (Exhibit F-2)
<b>OPERATING EXPENSES:</b>										
Salaries and Wages	\$ 752,600.23	\$ 109,570.44	\$ 34,385.29	\$ 59,365.52	\$ 662,165.49	\$ 1,641,739.56	\$ -	\$ 129,374.90	\$ -	\$ 3,389,201.43
Payroll Related Costs	\$ 292,987.25	42,655.77	13,386.20	23,111.01	257,781.03	639,129.23	-	50,365.63	-	1,319,416.12
Travel	\$ 53,497.80	-	3,969.34	-	26,977.32	48,369.02	-	3,306.21	1,793.19	137,912.88
Materials and Supplies	\$ 8,349.07	-	-	-	1,210.36	30,252.73	-	-	-	39,812.16
Contracts	\$ -	-	88,981.44	274,166.78	1,655,865.01	211,323.00	7,773.08	-	-	2,238,109.31
Other Operating Expenses	\$1,595,493.27	-	1,088,167.00	74,904.76	2,674,824.70	29,965.69	-	-	10,982.16	5,474,337.58
Indirect	\$ 258,367.66	37,615.53	11,804.48	20,380.18	227,321.39	563,609.21	-	44,414.41	-	1,163,512.86
Total Operating Expenses	<u>\$2,961,295.28</u>	<u>\$ 189,841.74</u>	<u>\$1,240,693.75</u>	<u>\$ 451,928.25</u>	<u>\$ 5,506,145.30</u>	<u>\$3,164,388.44</u>	<u>\$ 7,773.08</u>	<u>\$ 227,461.15</u>	<u>\$12,775.35</u>	<u>\$13,762,302.34</u>

# Schedules

# Texas Water Development Board

## Schedule 1 - Loans and Contracts

For the Fiscal Year Ended August 31, 2023

For purposes of transparency and ease understanding, the term "Loan" is used throughout this financial report and encompasses debt obligations, master agreements, and loan agreements evidencing financial assistance provided by the TWDB.

Recipient Name	Responsible Authority	Original Amount	Outstanding Balance	Date From	Date To
<b>Drinking Water State Revolving Fund</b>					
Abilene	Abilene	\$ 2,500,000.00	\$ 1,175,000.00	02/15/2014	02/15/2033
Agua SUD	Agua SUD	3,565,000.00	1,975,000.00	08/01/2015	08/01/2034
Alice	Alice	3,934,000.00	3,894,000.00	02/01/2023	02/01/2052
Alice	Alice	2,995,000.00	2,195,000.00	02/01/2020	02/01/2039
Alice	Alice	1,025,000.00	850,000.00	02/01/2020	02/01/2039
Alice	Alice	1,020,000.00	952,000.00	02/01/2023	02/01/2052
Alpine	Alpine	4,131,000.00	1,647,000.00	03/01/2007	03/01/2036
Altoga WSC	North Collin SUD	1,059,999.96	479,999.96	06/01/2013	06/01/2032
Alvord	Alvord	360,000.00	-	10/01/2004	10/01/2023
Alvord	Alvord	360,000.00	50,000.00	10/01/2006	10/01/2025
Amarillo	Amarillo	17,195,000.00	9,750,000.00	04/01/2016	04/01/2035
Amarillo	Amarillo	18,075,000.00	6,335,000.00	05/15/2012	05/15/2031
Anahuac	Anahuac	5,175,000.00	4,405,000.00	10/15/2018	10/15/2047
Anthony	Anthony	980,000.00	800,000.00	02/15/2018	02/15/2046
Anthony	Anthony	735,000.00	-	02/15/2015	02/15/2024
Arlington	Arlington	11,445,000.00	7,815,000.00	06/01/2019	06/01/2037
Arlington	Arlington	79,500,000.00	59,625,000.00	06/01/2020	06/01/2039
Arp	Arp	1,602,000.00	1,512,000.00	06/15/2023	06/15/2051
Athens	Athens	825,000.00	450,000.00	08/01/2020	08/01/2029
Austin	Austin	3,800,000.00	3,300,000.00	11/15/2020	11/15/2049
Austin	Austin	9,400,000.00	8,520,000.00	11/15/2021	11/15/2050
Austin	Austin	30,000,000.00	28,005,000.00	11/15/2022	11/15/2051
Austin	Austin	24,630,000.00	24,020,000.00	11/15/2023	11/15/2052
Ballinger	Ballinger	1,035,000.00	645,000.00	06/01/2021	06/01/2030
Ballinger	Ballinger	3,865,000.00	1,785,000.00	06/01/2009	06/01/2038
Ballinger	Ballinger	605,000.00	125,000.00	06/01/2017	06/01/2026
Bandera	Bandera	3,000,000.00	2,665,000.00	02/01/2021	02/01/2048
Bandera Co FWSD # 1	Bandera Co FWSD # 1	585,000.00	365,000.00	08/15/2016	08/15/2035
Bangs	Bangs	1,760,000.00	1,535,000.00	02/15/2020	02/15/2049
Barton WSC	Barton WSC	1,140,000.00	1,140,000.00	02/01/2026	02/01/2045
Bay City	Bay City	2,125,000.00	1,995,000.00	09/01/2022	09/01/2050
Bay City	Bay City	5,645,000.00	5,480,000.00	09/01/2023	09/01/2051
Bay City	Bay City	6,175,000.00	6,175,000.00	09/01/2024	09/01/2052
Bay City	Bay City	3,620,000.00	3,620,000.00	09/01/2025	09/01/2049
Bay City	Bay City	8,910,000.00	8,910,000.00	09/01/2025	09/01/2049
Bay City	Bay City	2,590,000.00	2,590,000.00	09/01/2025	09/01/2049
Beechwood WSC	Beechwood WSC	1,369,000.00	670,000.00	07/01/2009	07/01/2038
Beeville	Beeville	3,300,000.00	2,054,000.00	02/15/2017	02/15/2036
Bertram	Bertram	12,440,000.00	11,885,000.00	03/15/2023	03/15/2052
Bistone Municipal WSD	Bistone Municipal WSD	6,130,000.00	3,355,000.00	06/01/2015	06/01/2034
Blanco	Blanco	3,150,000.00	2,570,000.00	08/15/2019	08/15/2047
Blanco	Blanco	3,400,000.00	3,355,000.00	02/15/2022	02/15/2051
Blossom	Blossom	600,000.00	430,000.00	01/01/2011	01/01/2039
Bluff Dale WSC	Bluff Dale WSC	490,000.00	455,000.00	06/01/2022	06/01/2051
Bolivar Peninsula SUD	Bolivar Peninsula SUD	5,070,000.00	3,575,000.00	02/15/2010	02/15/2038
Bolivar Peninsula SUD	Bolivar Peninsula SUD	1,200,000.00	400,000.00	02/15/2010	02/15/2027
Bolivar Peninsula SUD	Bolivar Peninsula SUD	2,360,000.00	1,015,000.00	02/15/2010	02/15/2028
Bonham	Bonham	9,830,000.00	8,465,000.00	02/15/2020	02/15/2049
Bonham	Bonham	7,355,000.00	2,940,000.00	02/15/2007	02/15/2036
Booker	Booker	455,000.00	315,000.00	08/15/2018	08/15/2037
Borden County	Borden County	1,285,000.00	1,130,000.00	10/15/2020	10/15/2044
Boyd	Boyd	720,000.00	620,000.00	09/01/2019	09/01/2048
Boyd	Boyd	5,100,000.00	4,990,000.00	02/15/2022	02/15/2051
Brady	Brady	10,830,000.00	9,840,000.00	09/01/2021	09/01/2050
Brady	Brady	6,115,000.00	1,470,000.00	05/01/2002	05/01/2031
Brady	Brady	350,000.00	35,000.00	09/01/2015	09/01/2024
Brazosport WA	Brazosport WA	15,500,000.00	8,995,000.00	09/01/2015	09/01/2034
Breckenridge	Breckenridge	2,380,000.00	1,905,000.00	03/15/2016	03/15/2045
Breckenridge	Breckenridge	2,325,000.00	2,260,000.00	03/15/2024	03/15/2053
Breckenridge	Breckenridge	1,680,000.00	485,000.00	03/15/2015	03/15/2044
Brookshire MWD	Brookshire MWD	1,025,000.00	885,000.00	08/01/2020	08/01/2048
Brookshire MWD	Brookshire MWD	1,250,000.00	1,110,000.00	08/01/2021	08/01/2048
Brown Co WID # 1	Brown Co WID # 1	20,490,000.00	4,990,000.00	02/01/2009	02/01/2028
Burleson Co MUD # 1	Burleson Co MUD # 1	1,440,000.00	692,000.00	06/01/2005	06/01/2034
Burleson Co MUD # 1	Burleson Co MUD # 1	120,000.00	49,000.00	06/01/2006	06/01/2035



## Texas Water Development Board

### Schedule 1 - Loans and Contracts

For the Fiscal Year Ended August 31, 2023

For purposes of transparency and ease understanding, the term "Loan" is used throughout this financial report and encompasses debt obligations, master agreements, and loan agreements evidencing financial assistance provided by the TWDB.

Recipient Name	Responsible Authority	Original Amount	Outstanding Balance	Date From	Date To
Cameron	Cameron	9,305,000.00	6,660,000.00	03/01/2017	03/01/2042
Carbon	Carbon	95,000.00	63,000.00	02/15/2016	02/15/2035
Castroville	Castroville	3,500,000.00	2,065,000.00	08/01/2016	08/01/2035
Central Texas WSC	Central Texas WSC	22,340,000.00	6,457,550.00	03/15/2010	02/15/2030
Central Washington Co WSC	Central Washington Co WSC	2,815,000.00	2,505,000.00	10/01/2019	10/01/2046
Chandler	Chandler	750,000.00	625,000.00	10/15/2019	10/15/2042
Cisco	Cisco	2,200,000.00	1,050,000.00	02/15/2010	02/15/2038
Cisco	Cisco	4,565,000.00	3,790,000.00	02/15/2020	02/15/2049
Coleman	Coleman	5,025,000.00	2,475,000.00	04/01/2010	04/01/2039
Comanche	Comanche	1,020,000.00	1,020,000.00	09/01/2024	09/01/2053
Comanche	Comanche	486,000.00	486,000.00	09/01/2024	09/01/2053
Comanche	Comanche	705,000.00	505,000.00	09/01/2014	09/01/2043
Commerce	Commerce	2,274,000.00	1,302,000.00	02/15/2013	02/15/2040
Commerce	Commerce	466,000.00	272,000.00	02/15/2013	02/15/2040
Corpus Christi	Corpus Christi	51,215,000.00	38,455,000.00	07/15/2017	07/15/2045
Coryell City WSD	Coryell City WSD	2,000,000.00	1,535,000.00	10/01/2018	10/01/2037
Cottonwood Shores	Cottonwood Shores	1,395,000.00	1,010,000.00	05/01/2018	05/01/2037
Cotulla	Cotulla	2,380,000.00	2,060,000.00	02/01/2021	02/01/2050
Cotulla	Cotulla	3,920,000.00	3,270,000.00	02/01/2019	02/01/2047
Craft-Turney WSC	Craft-Turney WSC	1,625,000.00	1,325,000.00	02/15/2019	02/15/2042
Creedmoor Maha WSC	Creedmoor Maha WSC	4,667,500.00	3,835,500.00	06/01/2019	05/01/2049
Creedmoor Maha WSC	Creedmoor Maha WSC	4,667,500.00	4,394,500.00	12/01/2022	11/01/2052
Crockett	Crockett	1,745,000.00	1,655,000.00	08/15/2024	08/15/2043
Crystal Clear SUD	Crystal Clear SUD	15,000,000.00	11,930,000.00	12/01/2018	12/01/2042
Crystal Clear SUD	Crystal Clear SUD	1,950,000.00	1,950,000.00	12/01/2024	12/01/2043
Cypress Creek UD	Cypress Creek UD	2,035,000.00	1,775,000.00	09/01/2019	09/01/2047
D & M WSC	D & M WSC	1,900,000.00	1,330,000.00	08/15/2018	08/15/2037
Daingerfield	Daingerfield	1,685,000.00	1,575,000.00	02/15/2023	02/15/2052
Daisetta	Daisetta	980,000.00	945,000.00	02/01/2024	02/01/2053
Dallas	Dallas	44,000,000.00	37,465,000.00	10/01/2019	10/01/2047
Dallas	Dallas	44,000,000.00	38,440,000.00	10/01/2020	10/01/2048
Dallas	Dallas	44,000,000.00	39,530,000.00	10/01/2021	10/01/2049
Dallas	Dallas	44,000,000.00	40,970,000.00	10/01/2022	10/01/2050
Dallas	Dallas	44,000,000.00	42,665,000.00	10/01/2023	10/01/2051
Del Rio	Del Rio	3,000,000.00	2,505,000.00	06/01/2022	06/01/2038
Del Rio	Del Rio	3,000,000.00	2,780,000.00	06/01/2023	06/01/2050
DeLeon	DeLeon	520,000.00	375,000.00	02/15/2015	02/15/2043
Denton Co FWSD # 1A	Lewisville	3,260,000.00	1,115,000.00	12/15/2011	12/15/2030
Devine	Devine	2,755,000.00	2,325,000.00	02/01/2019	02/01/2048
Devine	Devine	6,645,000.00	6,140,000.00	02/01/2019	02/01/2048
Dickens	Dickens	460,000.00	400,000.00	08/15/2019	08/15/2048
Eagle Pass	Eagle Pass	17,090,000.00	14,015,000.00	12/01/2018	12/01/2046
Eagle Pass	Eagle Pass	11,900,000.00	10,535,000.00	12/01/2020	12/01/2047
Eagle Pass	Eagle Pass	15,075,000.00	13,565,000.00	12/01/2020	12/01/2048
Eagle Pass	Eagle Pass	11,545,000.00	4,230,000.00	12/01/2005	12/01/2034
Eagle Pass	Eagle Pass	5,400,000.00	3,250,000.00	12/01/2004	12/01/2033
Eagle Pass	Eagle Pass	5,795,000.00	2,735,000.00	12/01/2013	12/01/2042
Eagle Pass	Eagle Pass	3,640,000.00	3,280,000.00	12/01/2021	12/01/2050
East Rio Hondo WSC	East Rio Hondo WSC	1,379,000.00	820,900.00	10/01/2014	09/01/2034
East Texas MUD of Smith County	East Texas MUD of Smith County	1,020,000.00	994,000.00	08/15/2024	08/15/2052
East Texas MUD of Smith County	East Texas MUD of Smith County	476,000.00	466,000.00	08/15/2024	08/15/2052
Eastland	Eastland	695,000.00	535,000.00	02/15/2019	02/15/2038
Eastland	Eastland	2,385,000.00	1,190,000.00	12/01/2009	12/01/2036
Eastland Co WSD	Eastland Co WSD	3,495,000.00	2,760,000.00	01/01/2015	01/01/2044
Eastland Co WSD	Eastland Co WSD	805,000.00	685,000.00	01/01/2021	01/01/2050
Ector County UD	Ector County UD	45,275,000.00	38,365,000.00	08/01/2020	08/01/2049
Edgewood	Edgewood	835,000.00	520,000.00	05/01/2011	05/01/2039
Edinburg	Edinburg	5,405,000.00	3,315,000.00	03/01/2017	03/01/2036
Edinburg	Edinburg	10,425,000.00	5,575,000.00	03/01/2015	03/01/2034
El Campo	El Campo	375,000.00	-	02/01/2015	02/01/2024
El Paso Co Tornillo WID	El Paso Co Tornillo WID	130,000.00	60,000.00	08/01/2011	08/01/2038
Eldorado	Eldorado	560,000.00	340,000.00	08/01/2015	08/01/2036
Eldorado	Eldorado	1,200,000.00	880,000.00	08/01/2019	08/01/2038
Ellinger Sewer & Water SC	Ellinger Sewer & Water SC	628,000.00	586,000.00	03/15/2023	03/15/2052
Elmendorf	Elmendorf	10,770,000.00	9,565,000.00	08/01/2021	08/01/2048
Emory	Emory	720,000.00	371,000.00	07/01/2014	07/01/2033
Eules	Eules	4,685,000.00	2,700,000.00	07/15/2016	07/15/2035
Eules	Eules	9,275,000.00	7,925,000.00	07/15/2020	07/15/2049

## Texas Water Development Board

### Schedule 1 - Loans and Contracts

For the Fiscal Year Ended August 31, 2023

For purposes of transparency and ease understanding, the term "Loan" is used throughout this financial report and encompasses debt obligations, master agreements, and loan agreements evidencing financial assistance provided by the TWDB.

Recipient Name	Responsible Authority	Original Amount	Outstanding Balance	Date From	Date To
Everman	Everman	2,700,000.00	2,160,000.00	02/01/2021	02/01/2040
Fayetteville	Fayetteville	200,000.00	110,000.00	08/01/2016	08/01/2035
FHLM Regional WSC	FHLM Regional WSC	8,170,000.00	7,360,000.00	06/01/2022	06/01/2051
Flatonia	Flatonia	660,000.00	95,000.00	09/01/2007	09/01/2026
Fort Griffin SUD	Fort Griffin SUD	1,525,000.00	1,345,000.00	08/01/2021	08/01/2050
Fort Worth	Fort Worth	16,145,000.00	4,770,000.00	02/15/2011	02/15/2030
Garland	Garland	6,670,000.00	4,495,000.00	03/01/2020	03/01/2034
Gladewater	Gladewater	1,600,000.00	1,270,000.00	08/15/2018	08/15/2037
Gladewater	Gladewater	841,000.00	803,000.00	08/15/2023	08/15/2052
Gladewater	Gladewater	1,020,000.00	952,000.00	08/15/2023	08/15/2052
Gladewater	Gladewater	850,000.00	850,000.00	08/15/2025	08/15/2054
G-M WSC	G-M WSC	2,775,000.00	2,390,000.00	03/01/2019	03/01/2048
G-M WSC	G-M WSC	2,970,000.00	2,008,680.00	03/15/2010	02/15/2040
Goldthwaite	Goldthwaite	1,480,000.00	1,140,000.00	11/01/2015	11/01/2044
Goliad	Goliad	1,000,000.00	800,000.00	02/15/2021	02/15/2039
Gordon	Gordon	830,000.00	830,000.00	03/01/2026	03/01/2055
Gordon	Gordon	460,000.00	400,000.00	03/01/2019	03/01/2048
Gordon	Gordon	100,000.00	79,000.00	03/01/2022	03/01/2036
Gorman	Gorman	140,000.00	62,000.00	03/01/2016	03/01/2030
Gorman	Gorman	1,000,000.00	880,000.00	03/01/2019	03/01/2048
Granbury	Granbury	16,430,000.00	14,585,000.00	08/15/2017	08/15/2045
Granbury	Granbury	2,720,000.00	830,000.00	08/15/2018	08/15/2027
Granbury	Granbury	15,000,000.00	13,140,000.00	08/15/2018	08/15/2037
Granbury	Granbury	13,810,000.00	11,860,000.00	08/15/2020	08/15/2048
Grand Prairie	Grand Prairie	4,000,000.00	1,580,000.00	01/15/2015	01/15/2030
Greater Texoma UA	Greater Texoma UA	1,745,000.00	335,000.00	06/01/2008	06/01/2027
Greater Texoma UA	Greater Texoma UA	485,000.00	-	06/01/2015	06/01/2024
Greater Texoma UA	Greater Texoma UA	3,695,000.00	2,075,000.00	08/15/2015	08/15/2034
Greater Texoma UA	Greater Texoma UA	2,515,000.00	280,000.00	10/01/2016	10/01/2024
Greater Texoma UA	Greater Texoma UA	2,875,000.00	2,015,000.00	06/01/2016	06/01/2034
Greater Texoma UA	Greater Texoma UA	27,310,000.00	17,055,000.00	10/01/2016	10/01/2035
Greater Texoma UA	Greater Texoma UA	2,125,000.00	1,465,000.00	08/15/2017	08/15/2037
Greater Texoma UA	Greater Texoma UA	7,155,000.00	5,195,000.00	10/01/2018	10/01/2037
Greater Texoma UA	Greater Texoma UA	1,225,000.00	830,000.00	08/15/2018	08/15/2037
Greater Texoma UA	Greater Texoma UA	15,200,000.00	14,530,000.00	09/01/2019	09/01/2048
Greater Texoma UA	Greater Texoma UA	935,000.00	825,000.00	10/01/2019	10/01/2048
Greater Texoma UA	Greater Texoma UA	3,415,000.00	3,105,000.00	08/15/2019	08/15/2048
Greater Texoma UA	Greater Texoma UA	7,490,000.00	6,530,000.00	08/15/2020	08/15/2049
Greater Texoma UA	Greater Texoma UA	830,000.00	755,000.00	06/01/2022	06/01/2051
Greater Texoma UA	Greater Texoma UA	4,000,000.00	3,675,000.00	06/01/2022	06/01/2051
Greater Texoma UA	Greater Texoma UA	5,470,000.00	5,025,000.00	08/15/2022	08/15/2051
Greater Texoma UA	Greater Texoma UA	1,645,000.00	1,550,000.00	10/01/2020	10/01/2049
Greater Texoma UA	Greater Texoma UA	1,025,000.00	905,000.00	10/01/2020	10/01/2049
Greenbelt MIWA	Greenbelt MIWA	8,110,000.00	7,925,000.00	07/10/2024	07/10/2053
Greenville	Greenville	305,000.00	95,000.00	02/15/2011	02/15/2029
Groesbeck	Groesbeck	1,025,000.00	395,000.00	08/15/2007	08/15/2036
Groesbeck	Groesbeck	2,150,000.00	1,142,000.00	02/15/2011	02/15/2040
Groveton	Groveton	660,000.00	520,000.00	08/15/2021	08/15/2040
Hamlin	Hamlin	5,500,000.00	1,330,000.00	03/01/2002	03/01/2031
Harris Co MUD # 50	Harris Co MUD # 50	2,470,000.00	1,525,000.00	03/01/2017	03/01/2035
Harris Co WCID # 36	Harris Co WCID # 36	3,885,000.00	2,335,000.00	09/01/2015	09/01/2034
Hico	Hico	1,520,000.00	1,050,000.00	08/15/2014	08/15/2042
Hidalgo Co MUD # 1	Hidalgo Co MUD # 1	5,605,000.00	2,850,000.00	02/15/2010	02/15/2039
Hillsboro	Hillsboro	3,130,000.00	2,425,000.00	07/01/2020	07/01/2039
Hondo	Hondo	5,470,000.00	3,570,000.00	08/01/2017	08/01/2036
Honey Grove	Honey Grove	2,700,000.00	2,140,000.00	09/01/2017	09/01/2045
Houston	Houston	48,040,000.00	27,540,000.00	11/15/2015	11/15/2034
Houston Co WCID # 1	Houston Co WCID # 1	5,940,000.00	3,405,000.00	08/01/2009	08/01/2038
Hubbard	Hubbard	1,500,000.00	1,100,000.00	02/15/2014	02/15/2043
Jefferson	Jefferson	2,600,000.00	1,745,000.00	02/15/2018	02/15/2037
Johnson County SUD	Johnson County SUD	22,000,000.00	15,995,000.00	08/15/2019	08/15/2038
Jourdanton	Jourdanton	6,845,000.00	6,030,000.00	02/01/2021	02/01/2049
Kellyville-Berea WSC	Kellyville-Berea WSC	635,000.00	485,000.00	02/15/2019	02/15/2038
Kerrville	Kerrville	5,000,000.00	4,445,000.00	08/15/2020	08/15/2049
Kirbyville	Kirbyville	1,805,000.00	1,330,000.00	08/15/2019	08/15/2038
La Feria	La Feria	880,000.00	425,000.00	09/15/2013	09/15/2032
Ladonia	Ladonia	200,000.00	-	02/15/2015	02/15/2024
Ladonia	Ladonia	2,810,000.00	2,555,000.00	08/15/2019	08/15/2047

## Texas Water Development Board

### Schedule 1 - Loans and Contracts

For the Fiscal Year Ended August 31, 2023

For purposes of transparency and ease understanding, the term "Loan" is used throughout this financial report and encompasses debt obligations, master agreements, and loan agreements evidencing financial assistance provided by the TWDB.

Recipient Name	Responsible Authority	Original Amount	Outstanding Balance	Date From	Date To
Laguna Madre WD	Laguna Madre WD	12,980,000.00	12,980,000.00	03/01/2025	03/01/2053
Lake Livingston WSSSC	Lake Livingston WSSSC	3,130,000.00	2,145,000.00	12/01/2015	12/01/2034
Lake Livingston WSSSC	Lake Livingston WSSSC	17,500,000.00	11,380,000.00	12/01/2010	12/01/2039
Lake Palo Pinto Area WSC	Lake Palo Pinto Area WSC	130,000.00	-	04/01/2015	04/01/2024
Lake Palo Pinto Area WSC	Lake Palo Pinto Area WSC	1,480,000.00	1,078,000.00	04/01/2017	04/01/2036
Lamar Co WSD	Lamar Co WSD	1,380,000.00	930,000.00	07/10/2012	07/10/2039
Laredo	Laredo	5,500,000.00	4,080,000.00	03/01/2016	03/01/2045
Laredo	Laredo	4,600,000.00	3,370,000.00	03/01/2016	03/01/2045
Lawn	Lawn	885,000.00	775,000.00	03/01/2020	03/01/2049
Lee Co FWSD # 1	Lee Co FWSD # 1	525,000.00	405,000.00	03/01/2017	03/01/2046
Leonard	Leonard	2,285,000.00	2,285,000.00	05/15/2025	05/15/2054
Leonard	Leonard	2,040,000.00	2,040,000.00	05/15/2025	05/15/2054
Lexington	Lexington	1,020,000.00	985,000.00	08/15/2024	08/15/2053
Lexington	Lexington	745,000.00	725,000.00	08/15/2024	08/15/2053
Liberty	Liberty	915,000.00	190,000.00	03/01/2017	03/01/2026
Llano	Llano	890,000.00	695,000.00	09/15/2019	09/15/2038
Los Fresnos	Los Fresnos	3,625,000.00	3,490,000.00	02/01/2022	02/01/2040
Los Fresnos	Los Fresnos	1,000,000.00	135,000.00	02/01/2016	02/01/2025
Lower Neches Valley Authority	Lower Neches Valley Authority	18,495,000.00	12,705,000.00	08/01/2009	08/01/2035
Lubbock	Lubbock	10,445,000.00	8,870,000.00	02/15/2022	02/15/2041
M & M WSC	M & M WSC	889,000.00	819,000.00	03/15/2023	03/15/2047
Marlin	Marlin	10,380,000.00	5,550,000.00	07/01/2007	07/01/2036
Marlin	Marlin	1,680,000.00	1,290,000.00	07/01/2015	07/01/2042
Marlin	Marlin	2,330,000.00	2,110,000.00	07/01/2021	07/01/2050
Mason	Mason	990,000.00	815,000.00	03/01/2020	03/01/2049
McAllen	McAllen	12,000,000.00	11,875,000.00	02/01/2021	02/01/2048
Meeker MWD	Meeker MWD	6,925,000.00	6,825,000.00	09/01/2023	09/01/2052
Melvin	Melvin	539,902.00	150,000.00	09/01/2018	09/01/2047
Menard	Menard	1,920,000.00	1,915,000.00	08/15/2024	08/15/2054
Mertzson	Mertzson	2,085,000.00	2,085,000.00	02/15/2026	02/15/2055
Mexia	Mexia	2,780,000.00	1,280,000.00	08/15/2010	08/15/2038
Mexia	Mexia	960,000.00	435,000.00	08/15/2010	08/15/2038
Millersview-Doole WSC	Millersview-Doole WSC	15,816,000.00	9,275,000.00	12/01/2005	12/01/2034
Mission	Mission	7,780,000.00	2,265,000.00	02/15/2011	02/15/2030
Montgomery	Montgomery	1,730,000.00	1,170,000.00	03/01/2018	03/01/2037
Moran	Moran	180,000.00	130,000.00	02/15/2015	02/15/2044
Mount Calm	Mount Calm	331,000.00	-	03/01/2005	03/01/2024
Mount Pleasant	Mount Pleasant	24,785,000.00	14,475,000.00	03/15/2009	03/15/2033
Mountain Peak SUD	Mountain Peak SUD	995,000.00	295,000.00	12/01/2010	12/01/2029
Mullin ISD	Mullin ISD	398,000.00	320,000.00	08/01/2023	08/01/2032
Mustang SUD	Mustang SUD	3,555,000.00	2,960,000.00	09/01/2018	09/01/2047
Nevada SUD	Nevada SUD	1,490,000.00	1,100,000.00	05/15/2019	05/15/2038
New Braunfels	New Braunfels	40,000,000.00	39,250,000.00	07/01/2023	07/01/2052
New Deal	New Deal	935,000.00	785,000.00	03/01/2019	03/01/2048
Newton	Newton	2,195,000.00	1,785,000.00	03/01/2021	03/01/2040
North Alamo WSC	North Alamo WSC	4,390,000.00	3,594,000.00	08/01/2021	08/01/2041
North Alamo WSC	North Alamo WSC	7,903,000.00	7,481,000.00	11/01/2022	11/01/2052
North Alamo WSC	North Alamo WSC	2,527,000.00	2,448,000.00	11/01/2023	11/01/2043
North Central Texas MWA	North Central Texas MWA	5,500,000.00	3,465,000.00	07/10/2014	07/10/2043
North San Saba WSC	North San Saba WSC	335,000.00	265,500.00	01/01/2014	01/01/2044
Orange Co WCID # 1	Orange Co WCID # 1	410,000.00	390,000.00	08/15/2024	08/15/2043
Orange Co WCID # 1	Orange Co WCID # 1	5,260,000.00	5,050,000.00	08/15/2024	08/15/2043
Orange Co WCID # 2	Orange Co WCID # 2	3,980,000.00	3,785,000.00	03/01/2022	03/01/2046
Paducah	Paducah	1,715,000.00	1,508,000.00	02/15/2021	02/15/2050
Palo Pinto WSC	Palo Pinto WSC	615,000.00	525,000.00	02/01/2021	02/01/2050
Paris	Paris	2,900,000.00	1,260,000.00	06/15/2014	06/15/2032
Parker County SUD	Parker County SUD	15,080,000.00	13,700,000.00	12/01/2021	12/01/2050
Parker County SUD	Parker County SUD	13,000,000.00	13,000,000.00	12/01/2024	12/01/2053
Pearland	Pearland	10,225,000.00	4,155,000.00	09/01/2018	09/01/2027
Pearland	Pearland	12,025,000.00	9,980,000.00	09/01/2018	09/01/2047
Pearland	Pearland	8,650,000.00	7,205,000.00	09/01/2019	09/01/2048
Pearland	Pearland	21,000,000.00	18,200,000.00	09/01/2020	09/01/2049
Pearland	Pearland	107,600,000.00	96,835,000.00	09/01/2021	09/01/2050
Pflugerville	Pflugerville	24,000,000.00	23,995,000.00	08/01/2024	08/01/2052
Pharr	Pharr	13,310,000.00	4,120,000.00	09/01/2008	09/01/2027
Pharr	Pharr	13,880,000.00	13,240,000.00	09/01/2021	09/01/2049
Pharr	Pharr	8,725,000.00	6,165,000.00	09/01/2014	09/01/2042
Pleasant Springs WSC	Pleasant Springs WSC	150,000.00	125,000.00	08/01/2020	08/01/2049

## Texas Water Development Board

### Schedule 1 - Loans and Contracts

For the Fiscal Year Ended August 31, 2023

For purposes of transparency and ease understanding, the term "Loan" is used throughout this financial report and encompasses debt obligations, master agreements, and loan agreements evidencing financial assistance provided by the TWDB.

Recipient Name	Responsible Authority	Original Amount	Outstanding Balance	Date From	Date To
Port Arthur	Port Arthur	2,080,000.00	215,000.00	02/15/2016	02/15/2025
Port Mansfield PUD	Port Mansfield PUD	220,000.00	172,000.00	04/01/2017	04/01/2046
Port O'Connor ID	Port O'Connor ID	6,000,000.00	5,855,000.00	09/01/2023	09/01/2052
Porter SUD	Porter SUD	1,590,000.00	365,000.00	06/01/2009	06/01/2028
Possum Kingdom WSC	Possum Kingdom WSC	4,700,000.00	-	12/15/2004	12/15/2023
Quitaque	Quitaque	545,000.00	473,000.00	02/15/2021	02/15/2050
Ranger	Ranger	420,000.00	350,000.00	02/15/2020	02/15/2049
Ranger	Ranger	570,000.00	500,000.00	02/15/2020	02/15/2049
Raymondville	Raymondville	1,520,000.00	1,225,000.00	04/01/2021	04/01/2040
Raymondville	Raymondville	2,145,000.00	1,260,000.00	04/01/2014	04/01/2033
Red Creek MUD	Red Creek MUD	1,355,000.00	1,065,000.00	09/01/2019	09/01/2038
Red River Co WSC	Red River Co WSC	1,250,000.00	799,000.00	04/01/2014	04/01/2041
Reklaw	Reklaw	300,000.00	244,000.00	03/01/2018	03/01/2047
Reno	Reno	1,145,000.00	-	01/01/2005	01/01/2024
Reno	Reno	900,000.00	-	01/01/2006	01/01/2024
Riesel	Riesel	5,360,000.00	4,990,000.00	07/01/2023	07/01/2051
Rio Grande City	Rio Grande City	12,200,000.00	6,810,000.00	02/15/2011	02/15/2040
Rio Hondo	Rio Hondo	1,278,000.00	578,000.00	08/01/2014	08/01/2033
Rio Hondo	Rio Hondo	300,000.00	180,000.00	08/01/2017	08/01/2036
River Acres WSC	River Acres WSC	3,620,000.00	3,120,000.00	07/01/2019	07/01/2048
River Acres WSC	River Acres WSC	1,785,000.00	1,645,000.00	07/01/2022	07/01/2051
River Oaks	River Oaks	8,000,000.00	6,425,000.00	06/15/2018	06/15/2047
Riverbend Water Resources District	Riverbend Water Resources District	10,800,000.00	10,190,000.00	10/15/2022	10/15/2051
Riverbend Water Resources District	Riverbend Water Resources District	7,200,000.00	6,770,000.00	10/15/2022	10/15/2051
Riverbend Water Resources District	Riverbend Water Resources District	55,800,000.00	53,110,000.00	10/15/2022	10/15/2051
Riverbend Water Resources District	Riverbend Water Resources District	37,200,000.00	34,825,000.00	10/15/2022	10/15/2051
Riverbend Water Resources District	Riverbend Water Resources District	14,400,000.00	14,400,000.00	10/15/2024	10/15/2053
Riverside SUD	Riverside SUD	1,575,000.00	1,450,000.00	04/01/2023	04/01/2042
Roby	Roby	250,000.00	229,000.00	03/01/2022	03/01/2051
Rockdale	Rockdale	12,650,000.00	12,250,000.00	06/15/2021	06/15/2050
Rockdale	Rockdale	3,065,000.00	2,865,000.00	06/15/2021	06/15/2050
Rogers	Rogers	2,205,000.00	2,025,000.00	08/15/2019	08/15/2047
Roma	Roma	2,327,000.00	407,000.00	11/01/2000	11/01/2029
Ropesville	Ropesville	500,000.00	431,000.00	02/15/2020	02/15/2049
Roscoe	Roscoe	1,965,000.00	1,745,000.00	02/15/2021	02/15/2050
Rotan	Rotan	2,040,000.00	1,830,000.00	03/01/2022	03/01/2051
Rotan	Rotan	235,000.00	220,000.00	03/01/2022	03/01/2051
Rusk	Rusk	2,630,000.00	2,275,000.00	02/15/2022	02/15/2041
San Angelo	San Angelo	56,075,000.00	47,295,000.00	02/15/2021	02/15/2045
San Angelo	San Angelo	13,415,000.00	13,115,000.00	02/15/2024	02/15/2046
San Antonio Water System	San Antonio Water System	26,370,000.00	12,855,000.00	05/15/2014	05/15/2033
San Antonio Water System	San Antonio Water System	22,400,000.00	11,795,000.00	05/15/2015	05/15/2034
San Antonio Water System	San Antonio Water System	75,920,000.00	56,130,000.00	05/15/2016	05/15/2045
San Antonio Water System	San Antonio Water System	12,500,000.00	9,630,000.00	05/15/2017	05/15/2046
San Antonio Water System	San Antonio Water System	10,500,000.00	8,725,000.00	05/15/2019	05/15/2048
San Antonio Water System	San Antonio Water System	30,765,000.00	25,780,000.00	05/15/2020	05/15/2049
San Antonio Water System	San Antonio Water System	11,805,000.00	10,225,000.00	05/15/2021	05/15/2050
San Juan	San Juan	6,170,000.00	3,385,000.00	01/01/2015	01/01/2033
San Juan	San Juan	1,400,000.00	735,000.00	01/01/2015	01/01/2033
San Saba	San Saba	165,000.00	-	03/01/2015	03/01/2024
Seis Lagos UD	Seis Lagos UD	1,335,000.00	265,000.00	03/01/2008	03/01/2027
Seymour	Seymour	2,115,000.00	1,785,000.00	03/01/2019	03/01/2048
Shady Grove SUD	Shady Grove SUD	880,000.00	710,000.00	02/15/2021	02/15/2040
Shallowater	Shallowater	1,100,000.00	900,000.00	02/15/2020	02/15/2049
Sharyland WSC	Sharyland WSC	25,910,000.00	25,910,000.00	08/01/2027	08/01/2054
Skyline Ranch Estates WSC	Skyline Ranch Estates WSC	340,000.00	201,200.00	10/01/2014	09/01/2034
Smyer	Smyer	135,000.00	85,000.00	02/15/2015	02/15/2034
Sonora	Sonora	2,925,000.00	1,020,000.00	12/01/2010	12/01/2029
South Houston	South Houston	2,010,000.00	750,000.00	03/01/2011	03/01/2030
Southmost Regional WA	Southmost Regional WA	3,795,000.00	1,470,000.00	09/01/2010	09/01/2029
Southmost Regional WA	Southmost Regional WA	9,295,000.00	4,955,000.00	09/01/2010	09/01/2039
Springs Hill WSC	Springs Hill WSC	1,100,000.00	585,000.00	11/01/2013	11/01/2032
Springs Hill WSC	Springs Hill WSC	3,130,000.00	1,102,000.00	11/01/2011	11/01/2030
Stamford	Stamford	9,530,000.00	7,355,000.00	02/15/2017	02/15/2046
Stephens Regional SUD	Stephens Regional SUD	900,000.00	735,000.00	08/15/2019	08/15/2043
Strawn	Strawn	773,000.00	773,000.00	09/01/2024	09/01/2053
Stryker Lake WSC	Stryker Lake WSC	290,000.00	290,000.00	09/01/2025	09/01/2054
Surfside Beach	Surfside Beach	1,635,000.00	415,000.00	02/15/2009	02/15/2028

# Texas Water Development Board

## Schedule 1 - Loans and Contracts

For the Fiscal Year Ended August 31, 2023

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Recipient Name	Responsible Authority	Original Amount	Outstanding Balance	Date From	Date To
Sweetwater	Sweetwater	1,935,000.00	980,000.00	08/15/2015	08/15/2033
Sweetwater	Sweetwater	5,000,000.00	3,040,000.00	08/15/2017	08/15/2036
Sweetwater	Sweetwater	2,187,000.00	1,877,000.00	08/15/2022	08/15/2041
Terrell	Terrell	1,700,000.00	1,485,000.00	02/15/2020	02/15/2049
Terrell	Terrell	1,535,000.00	1,385,000.00	08/15/2022	08/15/2051
Terrell	Terrell	4,150,000.00	4,150,000.00	08/15/2025	08/15/2052
Tioga	Tioga	580,000.00	240,000.00	04/01/2002	04/01/2031
Tioga	Tioga	1,050,000.00	935,000.00	03/15/2019	03/15/2042
Trinidad	Trinidad	250,000.00	170,000.00	01/01/2009	01/01/2037
Troy	Troy	2,100,000.00	1,770,000.00	02/01/2019	02/01/2048
Tyler County SUD	Tyler County SUD	775,000.00	685,000.00	09/01/2011	09/01/2040
Union WSC	Union WSC	1,665,000.00	1,320,900.00	02/01/2014	02/01/2044
Upper Jasper Co WA	Upper Jasper Co WA	3,355,000.00	3,220,000.00	09/01/2020	09/01/2044
Upper Leon River MWD	Upper Leon River MWD	775,000.00	-	05/01/2015	05/01/2024
Upper Leon River MWD	Upper Leon River MWD	7,452,000.00	6,519,000.00	05/01/2018	05/01/2047
Upper Leon River MWD	Upper Leon River MWD	1,863,000.00	1,683,000.00	05/01/2018	05/01/2047
Valley MUD # 2	Valley MUD # 2	1,495,000.00	1,415,000.00	02/15/2021	02/15/2048
Victoria Co WCID # 1	Victoria Co WCID # 1	2,515,000.00	1,150,000.00	03/01/2010	03/01/2029
Wellman	Wellman	140,000.00	100,000.00	02/15/2017	02/15/2036
West Tawakoni	West Tawakoni	1,125,000.00	915,000.00	02/01/2018	02/01/2047
West Wise SUD	West Wise SUD	13,430,000.00	11,200,000.00	08/15/2019	08/15/2047
Westbound WSC	Westbound WSC	1,610,000.00	1,610,000.00	02/01/2025	02/01/2054
Westwood Shores MUD	Westwood Shores MUD	1,400,000.00	1,140,000.00	05/01/2021	05/01/2040
White River MWD	White River MWD	1,055,000.00	785,000.00	06/01/2014	06/01/2043
Whiteface	Whiteface	450,000.00	350,000.00	02/15/2020	02/15/2039
Whitewater Springs WSC	Whitewater Springs WSC	200,000.00	175,000.00	04/01/2019	04/01/2044
Willis	Willis	3,150,000.00	2,330,000.00	08/01/2014	08/01/2043
Willow Park	Willow Park	685,000.00	410,000.00	02/15/2016	02/15/2035
Willow Park	Willow Park	995,000.00	670,000.00	02/15/2018	02/15/2037
Willow Park	Willow Park	13,770,000.00	12,030,000.00	02/15/2021	02/15/2050
Wills Point	Wills Point	4,500,000.00	3,760,000.00	02/15/2020	02/15/2044
Winters	Winters	1,645,000.00	790,000.00	10/01/2009	10/01/2038
Winters	Winters	425,000.00	50,000.00	10/01/2015	10/01/2024
Winters	Winters	580,000.00	520,000.00	04/01/2019	04/01/2038
Wolfe City	Wolfe City	1,015,000.00	600,000.00	09/15/2012	09/15/2041
Wolfe City	Wolfe City	3,065,000.00	2,750,000.00	03/01/2022	03/01/2051
Wolfe City	Wolfe City	870,000.00	795,000.00	03/01/2022	03/01/2051
Woodbranch Village	Woodbranch Village	1,500,000.00	1,080,000.00	08/01/2019	08/01/2037
Wortham	Wortham	280,000.00	142,000.00	08/15/2014	08/15/2033
Zapata County	Zapata County	14,808,000.00	7,887,000.00	02/15/2011	02/15/2040
Zavala Co WCID # 1	Zavala Co WCID # 1	760,000.00	550,000.00	01/01/2014	01/01/2043
<b>Total - Drinking Water State Revolving Fund</b>		<b>\$ 2,460,547,901.96</b>	<b>\$ 1,900,966,729.96</b>		

**STATE FISCAL YEAR 2024  
DRINKING WATER STATE REVOLVING FUND  
SMALL SYSTEM TECHNICAL ASSISTANCE  
(2%) TWO PERCENT SET-ASIDE ACTIVITIES  
ANNUAL REPORT**

**EPA # FS-99679527  
[TCEQ Grant# 990224]**



**Texas Commission on Environmental Quality  
P.O. Box 13087, Austin, Texas 78711-3087**

**Source of Funding: Federal Fiscal Year 2023 DWSRF Two Percent Set-aside**

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## **INTRODUCTION**

The Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements. The objectives of the DWSRF Program include addressing public health priorities, achieving compliance with the Safe Drinking Water Act (SDWA), assisting systems to ensure affordable drinking water, and maintaining the long-term viability of the Fund. The SDWA authorizes states to use a portion of the federal DWSRF Capitalization Grant to support various drinking water Programs (Set-Asides). Through the use of Set-Asides, emphasis is also placed on the development of State Programs, including Source Water Protection (SWP), and Capacity Development. The SDWA allows as much as 2% of a State's Federal Capitalization Grant to be used for Small Systems Technical Assistance.

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The State Fiscal Year (SFY) 2024 Drinking Water State Revolving Fund 2% Small Systems Technical Assistance Annual Report details TCEQ's progress in meeting DWSRF grant Program goals, objectives, and funding expenditures for September 1, 2023, through August 31, 2024, using the 2% Set-Aside funds for SWP, Capacity Development and Public Water System Supervision Program (PWSSP) Administration in support of small Public Water Systems (PWS). The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms and Expenditures and Program Elements, Tasks and Deliverables.

## **SUMMARY**

TCEQ, through the 2% Small Systems Technical Assistance Work Plan, identified activities to be performed between September 1, 2023, and August 31, 2024, that supported small PWS through the State's PWSSP. These activities addressed Program requirements of the PWSSP outlined by the SDWA. Specifically, SWP activities, Capacity Development Strategy, and PWSSP Administration requirements of the SDWA were addressed.

TCEQ expended approximately \$853,154 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$453,289 was requested for reimbursement from TWDB through the Capitalization Grant during the period of



September 1, 2023, through August 31, 2024, and the remainder, or approximately \$399,865, has been or is expected to be requested during the months of September 2024 through November 2024. No match is required; the 2% DWSRF set-aside does not require a match.

The total requested for reimbursement from TWDB between September 2023 and August 2024 was approximately \$816,169. Of this amount, approximately \$362,880 was requested for reimbursement from TWDB between September 2023 and November 2023 under the SFY2024/FFY2023 DWSRF 2% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

## **EPA AND TCEQ GOALS AND OBJECTIVES**

Federal and State programmatic goals and objectives are shown in Table 1: EPA and TCEQ Goals and Objectives below.

**Table 1: EPA and TCEQ Goals and Objectives**

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
<p><b>EPA Goal 5: Ensure Clean and Safe Water for All Communities.</b> Provide clean and safe water for all communities and protect our nation’s waterbodies from degradation.</p> <p><b>EPA Objective 5.1: Ensure Safe Drinking Water and Reliable Water Infrastructure</b> Protect public health from the risk of exposure to regulated and emerging contaminants in drinking and source waters by improving the reliability, accessibility, and resilience of the nation’s water infrastructure to reduce the impacts of climate change, structural deterioration, and cyber threats.</p>	<p><b>TCEQ Goal 02: Drinking Water</b></p> <p>To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act by providing efficient regulation of the production, treatment, delivery, and protection of safe and adequate drinking water, and promoting regional water strategies.</p> <p><b>TCEQ Objective 2.1</b></p> <p>Supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act and to provide regulatory oversight of water and sewer utilities, and to promote regional water strategies.</p> <p><b>TCEQ Strategy 2.1.1: Safe Drinking Water</b></p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight</p>

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
	of drinking water sources consistent with the requirements of the Safe Drinking Water Act.

## **WORK PROGRAM ORGANIZATIONAL STRUCTURE**

Within TCEQ, the Water Supply Division (WSD) is responsible for completing all activities under the 2% DWSRF Set-Aside Grant. The WSD is in charge of the administration of the Source Water Protection Program (Program Element 1 and associated Tasks), the Capacity Development Program (Program Element 2 and associated Tasks) and PWSSP Administration outlined by the SDWA (Program Element 3 and associated Tasks).

## **EXPENDITURE BY PROGRAM ELEMENT**

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2024, and may not include final total expenditures for each Program Element and its associated Tasks. TCEQ expended approximately \$853,154 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$453,289 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$399,865 has been or is expected to be requested during the months of September 2024 through November 2024. No match is required; the 2% DWSRF Set-Aside does not require a match. Activities were performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2023 and August 2024 was approximately \$816,169. Of this amount, approximately \$362,880 was requested for reimbursement from TWDB between September 2023 and November 2023 under the SFY2024/FFY2023 DWSRF 2% Set-Aside Work Plan.

**Table 2: Expenditure Summary Table**

<b>Program Element/Task</b>	<b>Division</b>	<b>Requested Reimbursements from TWDB between September 2023 and August 2024 for the SFY24/FFY23 2% DWSRF Set-Aside Work Plan</b>	<b>Total Expended During Grant Period</b>	<b>Percent of Total</b>
<b>Program Element 1:</b> Source Water Protection Programs	Water Supply	\$21,209	\$117,876	14 %
<b>Program Element 2:</b> Capacity Development	Water Supply	\$278,421	\$518,355	61 %
<b>Program Element 3:</b> PWSSP Administration	Water Supply	\$153,659	\$216,922	25 %
<b>Total</b>		<b>\$453,289</b>	<b>\$853,154</b>	<b>100 %</b>

### **PROJECT SCHEDULE**

TCEQ conducted the activities in the DWSRF 2% Set-Aside Work Plans over a 12-month period, which began September 1, 2023, and ended August 31, 2024 (SFY 2024).

### **MEASURES OF SUCCESS**

The following tables [Table 3: TCEQ Outcome/Output Measures and Table 4: EPA National Program Guidance] provide the results of the activities implemented under the DWSRF 2% Work Plan. These measures were previously identified in the DWSRF 2% Work Plan under each Program Element and Task combination:

**Table 3: TCEQ Outcome/Output Measures**

<b>TCEQ Output/Outcome Measure</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
<b><u>2.1. oc 1 Outcome Measure:</u></b> Percent of Texas population served by drinking water systems meeting	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	98.52% of Texas population served by public water systems that meet drinking water standards.

<b>TCEQ Output/Outcome Measure</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
primary water standards.		
<b><u>2.1.1 op 1</u></b> <b><u>Output Measure:</u></b> Number of public drinking water systems that meet primary drinking water standards.	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	6,977 public drinking water systems that meet primary drinking water standards.

**Table 4: EPA National Program Guidance**

<b>EPA National Program Guidance</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
<b>Reduce the number of Community water systems in non-compliance with health-based standards:</b> Nationally from FFY Quarter 4 2017 of 3,508 to Quarter 4 2020 3,365 – Texas FFY Quarter 4 2017 - 459	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	<ul style="list-style-type: none"> <li>Q2 FFY 2024 – 408</li> <li>10.72% reduction since Q4 2017</li> </ul>
<b>Systems out of compliance due to Lead and Copper Rule violations:</b> (50% by 2022 – starting 2018) – Texas 2017 Q4 - 110	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	<ul style="list-style-type: none"> <li>Q2 FFY 2024 – 67</li> <li>39.1% reduction since Q4 2017</li> </ul>

## **PROGRAM ELEMENTS, TASKS, DELIVERABLES AND OUTPUTS**

The following describes the Work Plan Deliverables and Outputs provided for the Program Elements and Tasks identified in the 2% DWSRF Work Plan for SFY 2024.

### **Program Element 1: Source Water Protection (SWP) Programs**

This Program Element and associated Task implemented SWP (which includes both surface and wellhead protection) activities within the State in order to provide ongoing assistance to small PWS through evaluation of sources with respect to vulnerability to contamination. An estimated total of \$117,876 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024. Of the total estimated amount expended, \$21,209 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder or approximately \$96,667 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

#### **Task 1.1 Source Water Protection Programs – Source Water Protection Activities**

This Task provided for SWP activities (which included both surface and wellhead protection) within the state in order to provide ongoing assistance to small PWS through evaluation of sources with respect to vulnerability to contamination. TCEQ staff and/or contractors were used to support this Task.

The key deliverables were completed SWP reports provided to small PWS to assist in the implementation of Programs designed to provide SWP within the State.

<b>Work Plan Deliverable</b>	<b>Output Provided</b>
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for small PWS;	TCEQ completed 5 (five) SWP Assessments under this grant. TCEQ Staff provided support toward other assessments. A total of 5 (five) PWS were evaluated in one (1) county under this grant.
2. Implemented SWP Programs in various areas of the State for small PWS;	TCEQ completed 24 SWP Plans, 5 (five) were conducted under this grant. TCEQ Staff provided support toward other assessments.
3. Best management practices developed to implement SWP for small PWS;	TCEQ implemented best management practices for 5 (five) PWS under this grant. TCEQ Staff provided support toward other assessments.
4. Meetings and site visits in order to facilitate the creation of SWP Programs with small PWS;	SWP participants attended 15 meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans. Each of the 5 (five) SWP plans completed required water systems to attend an introduction meeting,

Work Plan Deliverable	Output Provided
	education outreach event, site inventory and close out meeting. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for small PWS;	TCEQ inventoried seventeen (17) SWP Areas under this grant.
6. Identification of populations protected by a SWP Program and served by vulnerable water sources for small PWS; and	Under this grant, TCEQ identified a population of 14,004 protected by a SWP Program and served by vulnerable water sources in 5 (five) small PWS. TCEQ Staff provided support toward other assessments.
7. Other activities in support of the SWP Program within the State of Texas.	Staff gave presentations on SWP and BMP at the 2024 Annual Texas Public Drinking Water (PDW) Conference and Texas Rural Water Utilities Association Annual School. TCEQ staff participated in Texas Rural Water Association Annual Symposium, Texas Forests and Drinking Water Partnership, Groundwater Protection Committee, Natural Resource Conservation Service Water Subcommittee and Association of State Drinking Water Administrators (ASDWA) committee meetings. Under this grant, TCEQ completed a contract with the University of Texas to update the source water assessment tool. This tool is used by small PWS to assist with implementation of best management practices to protect drinking water sources.

## Program Element 2: Capacity Development

This Program Element provided assistance to small PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of small PWS through the identification of small PWS that need assistance in developing, enhancing, and maintaining their FMT abilities, including asset management, to meet state and federal requirements. Additionally, the activities under this Program Element assisted small PWS to maintain or enhance their abilities to meet State requirements through developing, issuing and managing of assistance, including assistance from technical assistance contractors, in order to improve their FMT capability. The activities under this Program Element were performed by TCEQ staff and/or contractors.

An estimated total of \$518,355 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024. Of the total estimated amount expended \$278,421 was requested for reimbursement from

TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder or approximately \$239,934 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

### **Task 2.1: Capacity Development – Capacity Development Activities**

This Task implemented the Capacity Development Strategy under the PWSSP in Texas. The activities under this Task provided assistance to reduce the risk of both long-term and short-term health effects. This was accomplished through the implementation of: the Texas Optimization Program (TOP), portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, coordination, Intended Use Plan ranking and review and other specialized assistance to small PWS through the use of TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of the Texas population with drinking water (DW) that meets DW standards and increased the sustainability of small PWS.

<b>Work Plan Deliverable</b>	<b>Output Provided</b>
1. Developed presentations, training materials and other technical documents to support the technical capability and compliance of small PWS in Texas;	TCEQ provided presentations and training materials at the 2024 Annual Texas PDW Conference. Staff developed and conducted presentations, panel discussions and training to assist PWS at workshops, conferences, the Drinking Water Advisory Work Group (DWAAG), and Texas Water Infrastructure Coordination Committee (TWICC) meetings with topics like regionalization, resiliency, asset management, how drinking water facilities are reviewed and approved, and how to get assistance with operations and funding. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention, and disinfection by product formation.
2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of small PWS	During the grant period, TOP provided training and technical assistance to 61 Public Water Systems. Specifically, TOP: <ul style="list-style-type: none"> <li>• Executed 91 individual technical assistance assignments.</li> <li>• Assisted 36 systems with population of Less than 10K.</li> <li>• Assisted 25 systems with population Greater than 10K.</li> <li>• Delivered 24 Direct Assistance Modules (DAMs).</li> <li>• Developed/Piloted 1 new Directed Assistance</li> </ul>

Work Plan Deliverable	Output Provided
	<p>Module – DAM 13 Resiliency.</p> <ul style="list-style-type: none"> <li>• Conducted 1 Special Performance Evaluation (SPE).</li> <li>• Conducted 2 Mandatory Comprehensive Performance Evaluations (mCPE).</li> <li>• Conducted 3 Contact Time Studies.</li> <li>• Responded to 3 Emergency Events.</li> <li>• Assisted with 8 Chlorine conversions.</li> <li>• Conducted 7 Records Trainings.</li> <li>• Conducted 6 Membrane Plant Evaluations.</li> <li>• Assisted in 4 Disinfectant Byproduct cases.</li> <li>• Provided 8 Treatment Plant Operation trainings.</li> <li>• Presented at 6 TRWA meetings.</li> <li>• Presented at 5 TWUA meetings.</li> </ul> <p>TOP staff and contractors delivered technical training to 1,900 attendees of the 2024 Annual Texas PDW Conference including presentations, and targeted workshops on:</p> <ul style="list-style-type: none"> <li>• Chloramination Basics</li> <li>• Nitrification Basics</li> <li>• Nitrification Action Plans</li> <li>• Disinfectant Residual Monitoring</li> <li>• Free-Chlorine Conversions</li> <li>• What Texas Optimization Can Do For You</li> <li>• Jar Testing</li> <li>• Case Study on Navigating Changing</li> <li>• Starting a Cross Connection Program</li> <li>• Cross Connection Technical Topic</li> </ul>
<p>3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted by small PWS;</p>	<p>During the grant period, exceptions for small PWS were reviewed by TCEQ staff and contractors. TCEQ staff also conducted engineering plan reviews for small PWS improvements as well as submittals regarding corrosion control for small PWS with lead action level exceedances. Some examples of technical assistance for exception, plan and corrosion control submittals include phone calls with PWS representatives to explain what is needed for exception requests to the sanitary control easement requirements, pre-application meetings with PWS and their engineering representative prior to submittal of engineering plans and responding to PWS questions via phone or email regarding corrosion control options and requirements.</p>



Work Plan Deliverable	Output Provided
4. Purchase of supplies and equipment as necessary to support the Capacity Development Program in Texas;	Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.
5. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the Capacity Development Strategy;	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), Texas section of the American Water Works Association (TAWWA), TWDB, Southwest Environmental Finance Center, and other agencies and organizations. During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped to coordinate with entities looking for funding to enable them to attend the meetings. This year meetings were hosted by TCEQ, Communities Unlimited, TAWWA, TRWA, TWDB and USDA. TWICC guests included:</p> <ul style="list-style-type: none"> <li>• A small rural school district seeking assistance and funding to address a failing wastewater system.</li> <li>• A community organization trying to obtain first time service to homes in rural west Texas.</li> <li>• A town with less than 400 residents who is struggling to address serious water and wastewater compliance issues.</li> <li>• Developers of a large regional water project along the Texas-Mexico border.</li> <li>• An American Legion Post looking for funding assistance for their system.</li> <li>• A subdivision with a failed well looking for funding for an interconnect to a neighboring municipality.</li> </ul> <p>TWICC also hosted entities who made presentations about their programs, upcoming rules and regulations, and research and resources pertaining to water. This year those presenters included TAWWA and the TXWARN program who are looking for sources of funding for portable generators, and TCEQ Litigation Division's Supplemental Environmental Program (SEP) who are recruiting possible candidates to serve as third party administrators for SEP funding. In SFY 2024, TCEQ staff made presentations and assisted at workshops, conferences, and staff</p>

Work Plan Deliverable	Output Provided
	<p>training. There was a TWICC workshop at the 2024 Annual Texas PDW Conference and a panel discussion on funding. The workshop participants had opportunities to talk to agencies one-on-one about their projects and funding needs.</p>
<p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the Capacity Development Strategy; and</p>	<p>TCEQ staff participated in virtual and in-person trainings, conferences and other events designed to share and enhance knowledge, skills, and abilities in support of the Capacity Development Strategy. Staff participated in both ASDWA and EPA workgroups and committees focusing on the new technical assistance programs and capacity development topics including small and disadvantaged systems, regionalization, and consolidation, workforce development, cybersecurity, emergency planning, the DWSRF and partnerships.</p> <p>Through the FMT Assistance program, TRWA helped plan and execute an in-person drought and hurricane resiliency workshop tailored to the Rio Grande Valley. The purpose of this free workshop was to discuss the challenges facing water systems in the Rio Grande Valley and for systems to learn steps to improve water system resiliency. Water systems also had the opportunity to talk one-on-one with TCEQ officials, funding agencies, and local emergency responders. In total, 122 individuals attended the workshop, which was held in McAllen, TX.</p>
<p>7. Provision of other assistance and support services to small PWS in support of the PWSSP and approved Capacity Development Strategy for the State of Texas (e.g., technical assistance to PWS proposing to use innovative treatment, resiliency activities, consolidation assistance, assistance in support of compliance, asset management, promoting regionalization,</p>	<p>TCEQ staff and contractors participated in the 2024 Annual Texas PDW Conference. This conference had a robust workshop section where water systems received specialized training. The conference also provided a technical assistance room for TCEQ staff to provide one-on-one technical assistance to attendees.</p> <p>TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> <li>• Staff assessment and assistance to PWS experiencing operational, managerial, and financial problems.</li> <li>• Providing training to technical assistance providers and water systems directly.</li> </ul>

Work Plan Deliverable	Output Provided
and annual Public Drinking Water conference).	<ul style="list-style-type: none"><li>• Tracking and assisting nonviable “at-risk” PWS in restructuring.</li><li>• Providing free on-site assistance through the FMT contract.</li></ul>

## Task 2.2: Capacity Development– Small System FMT Assistance

This Task provided assistance to small PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task enhanced the FMT abilities of small PWS by providing assistance in developing, enhancing, and maintaining FMT abilities, and assisting small PWS to meet state and federal requirements through the use of TCEQ staff and/or a FMT contractor.

The key deliverable was the implementation of Programs designed to provide assistance visits in order to enhance the FMT abilities of small PWS to meet state and federal requirements.

Work Plan Deliverable	Output Provided
1. FMT training and assistance to small PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed;	Under this grant, TCEQ, through its FMT assistance contractor, completed 121 FMT Capacity Assessments, Consolidation Assessments, On-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for small PWS.
2. Assessment and reporting on DWSRF applicants; and	Under this grant, TCEQ's FMT Contractor conducted 8 FMT capacity assessments for PWS DWSRF applicants.
3. Provision of other assistance, training, and services to small PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	Under this grant, TCEQ's FMT Contractor completed one (1) consolidation assessment on a small PWS for the purpose of ensuring service to the community.

## Task 2.3 Capacity Development – Water Security

This Task provided assistance to small PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task provided assistance to small PWS during significant weather events, natural disasters, and other emergency events. Activities were conducted to enhance abilities of small PWS to respond to emergencies through the use of TCEQ staff and/or a contractor that provided assistance.

The key deliverable was the provision of water security assistance and training to small PWS in the state impacted by or who have the potential to be impacted by natural disasters including drought.

Work Plan Deliverable	Output Provided
<p>1. Review, evaluation, and technical assistance related to Emergency Preparedness Plans (EPP);</p>	<p>The WSD's Resiliency and Preparedness Team reviewed and approved EPPs, developed standard operating procedures, tracked the status of EPPs submitted, and developed training for affected utilities on how to complete EPPs. In SFY 2024, TCEQ has received 116 EPPs. Program staff have approved 3,365 of the total 4,035 EPPs submitted for review and approval since the program began in SFY 2022, including small systems. TCEQ's WSD sends out the PWS emergency contact update form to all PWS across the state on a biennial basis. In SFY 2023, the form was made available online so PWS could update their emergency contact information as needed. To date, WSD has received 281 requests to update emergency contact information electronically. At this year's PDW Conference, 1,216 forms were provided to attendees. Beginning in SFY 2025, all PWS will be sent a notification request to verify current emergency contact information and to submit updates, as needed.</p>
<p>2. Support for natural disaster (i.e., drought) initiatives and technical assistance to impacted systems;</p>	<p>Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of PWS size, type, and ownership. During this reporting period and in anticipation of drought, WSD issued 1,003 drought alert letters in April of 2024. The Emergency Drinking Water Taskforce met monthly. As of September 1, 2024, the taskforce is tracking 12 drought impacted systems on the 180-day list which includes systems that have estimated their remaining source water to be less than 180 days. TCEQ continued to provide support and assistance to the Texas Natural Disaster Operational Workgroup (NDOW) by providing training to staff on the implementation and use of Response Manager (RM), the software to conduct drinking water assessments in response to a disaster. In SFY 2024, TCEQ held six (6) in-person RM training courses across the state to update staff and created a video of the training. RM training was provided in the following TCEQ regions: Abilene, Central Office, Corpus Christi, Harlingen, Houston, and Tyler for 157 attendees. Attendees</p>

Work Plan Deliverable	Output Provided
	<p>included staff from multiple agencies: TCEQ, Texas General Land Office, Coast Guard, and Texas Parks and Wildlife.</p> <p>The WSD also provided support to the Texas NDOW by participating in the phone bank RM exercise which was conducted the week of May 23, 2024. The phone bank exercise is part of the annual Full-Scale Hurricane Exercise which was held in Houston, Texas. The phone bank consisted of eleven TCEQ staff in Austin completing mock drinking water assessments in RM. This training prepares TCEQ staff to support and document when PWS are impacted by disasters.</p> <p>Attendees to all RM trainings were taught the purpose of using RM, how to enter DW assessments in RM, taught the Drinking Water Operational and Damage Level Definitions, and utilized scenarios to test the attendee's understanding and function of RM. These trainings prepare TCEQ staff to support PWS impacted by disasters.</p>
<p>3. Travel and training both within Texas and nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of Program administration staff in support of the Water Security Program; and</p>	<p>In SFY 2024 trainings and conferences attended:</p> <ul style="list-style-type: none"> <li>• EPA How to Prepare Your Utility for Disasters Webinar</li> <li>• EPA Small Drinking Water Systems Webinar Risk, Crises and General Communication</li> <li>• EPA Increasing Resilience to Power Outages with Solar Powered Microgrids and Battery Energy Storage</li> <li>• EPA Cybersecurity Guidance for Drinking Water and Wastewater Systems Webinar</li> <li>• EPA Water system Restructuring Assessment Rule</li> <li>• EPA Florida Water Tracker Webinar</li> <li>• EPA Clean Water Access During Emergencies</li> <li>• TEEX 8 Hour Occupational Safety and Health Administration Refresher June 23, 2024.</li> <li>• 2024 Texas Division of Emergency Management (TDEM) Conference.</li> <li>• H2OSecCon 2024 Water Security Conference</li> <li>• Texas AWWA Cybersecurity Webcast</li> <li>• 2024 South Texas All Hazards Conference</li> <li>• 2024 Texas Hurricane Center Conference</li> <li>• TRWA - TCEQ Hurricane &amp; Drought Resiliency Workshop McAllen, TX</li> </ul>

Work Plan Deliverable	Output Provided
	<p>TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and maintains a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.</p>
<p>4. Provision of other assistance and support services to small PWS in support of the Water Security Program and the approved Capacity Development Strategy for Texas.</p>	<p>TCEQ's Security Education contractor, CDM Smith, conducted three (3) workshops for PWS across the state on generator maintenance. The workshops covered an overview of generator maintenance and safety, included a hands-on field demonstration with a generator, and had a total of 62 attendees. In addition, CDM Smith also conducted a cybersecurity workshop which was well received and had 22 attendees. TCEQ also promoted additional resiliency training for water utilities at the 2024 PDW Conference held in August. The resiliency training included presentations on: cybersecurity with 289 attendees, weather with 181 attendees, generator maintenance workshop with 50 attendees, and a cybersecurity tabletop exercise with 23 attendees.</p> <p>TCEQ continues to be available for assistance and support services to small PWS as needed through phone calls, TCEQ's Capacity Development program, TCEQ's Critical Infrastructure Division, the TXWARN website and the Texas Department of Emergency Management's (TDEM's) Public Works Response Team (PWRT).</p> <p>The PWRT supports local jurisdictions in their response to catastrophic events by providing critical public works services as needed to facilitate recovery. TCEQ's Capacity Development program coordinates with members of TWICC including TDEM, FEMA, Texas Department of Agriculture (TDA), USDA and GLO to assist systems affected by disasters to obtain funding.</p> <p>Another support service provided to small PWS is the Quarterly DWAAG meetings that are held for all PWS to attend in person or via webinar. These meetings inform PWS of Program activities, response activities, and security activities. The meeting is interactive and allows for web attendees to ask questions during the meeting. The website for these meetings had presentations,</p>

Work Plan Deliverable	Output Provided
	the information covered during each meeting and advertises any upcoming drinking water related trainings provided by TCEQ, EPA, and other providers.

### Program Element 3: PWSSP Administration

This Program Element implemented the PWSSP in Texas as described in the SDWA. The activities performed under this Program Element support the compliance, monitoring and enforcement of small PWS. An estimated total of \$216,922 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024. Of the total estimated amount expended \$153,659 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder or approximately \$63,263 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

#### Task 3.1: PWSSP Administration – PWSSP Activities

The activities under this task supported the Primacy Program of the State of Texas and included but was not limited to: inventory data entry and processing, compliance activities; technical and regulatory assistance; Safe Drinking Water Information System (SDWIS) data support; evaluating and analyzing data (chemical and otherwise); quality assurance and control (QA/QC) activities; and other activities in support of the PWSSP in Texas. These activities were carried out by TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of the Texas population with drinking water that meets drinking water standards.



Work Plan Deliverable	Output Provided
<p>1. Compliance, technical and regulatory assistance for small PWS;</p>	<p>TCEQ provided technical assistance to small PWS to facilitate compliance with the Revised Total Coliform Rule (RTCR), Lead and Copper Rule, Stage 2 Disinfection Byproducts Rule, regulations for inorganic, organic, and radionuclide chemical contaminants, the Surface Water Treatment Rules, Ground Water Rule, new National Primary Drinking Water Rule (NPDWR) for PFAS, Consumer Confidence Report Rule, and the Public Notification Rule. Additionally, compliance and technical/regulatory assistance was provided to small PWS throughout Texas on disinfectant residual levels, surface water treatment, microbial contaminants, inorganic contaminants, radionuclides, monitoring plans, Lead and Copper rule, and the Consumer Confidence Report.</p> <p>TCEQ provided assistance and training to systems and laboratories in on-going support of the Electronic Environmental (E2) Reporting System software and its maintenance.</p> <p>TCEQ implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy criteria.</p> <p>During SFY 2024, TCEQ's Drinking Water Quality Team (DWQT) within the Drinking Water Standards Section (DWSS) made significant efforts to assist small PWS successfully prepare for the NPDWR PFAS rule. These efforts included:</p> <ul style="list-style-type: none"> <li>• Giving presentations on NPDWR PFAS requirements at various conferences and events including: TCEQ Environmental Trade Fair, TCEQ PDW Conference, and TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings.</li> <li>• Coordinating with TCEQ's laboratory accreditation group to request Fields of Accreditation (FoA) be added for PFAS.</li> </ul> <p>During SFY 2024, TCEQ's Lead and Copper Monitoring Team (LCMT) within the DWSS made significant efforts to assist small PWS successfully prepare for the Lead and Copper</p>

Work Plan Deliverable	Output Provided
	<p>Rule Revisions (LCRR) and forthcoming Lead and Copper Rule Improvements (LCRI). As a part of these efforts they:</p> <ul style="list-style-type: none"> <li>• Developed a service line inventory portal to assist small PWS in completing their initial service line inventory.</li> <li>• Created instructional videos to assist systems with forms and LCRR requirements.</li> <li>• Maintained a Frequently Asked Questions (FAQ) page within TCEQ's LCRR webpage to address questions as they arise.</li> <li>• Gave presentations on LCRR requirements at various conferences and events including: TCEQ Environmental Trade Fair, TCEQ PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings, Texas Water Conference, Texas Chemical Council EH&amp;S Seminar, North Central Texas Council of Governments webinars, and TAWWA webinars.</li> </ul>
<p>2. Review of compliance data, monitoring information and other compliance Program related information;</p>	<p>TCEQ reviews treatment techniques, microbial and chemical compliance data to determine compliance with primary drinking water standards and monitoring and reporting requirements. On a daily basis, TCEQ ensures PWS are monitored on appropriate schedules based on system information and sample results.</p>
<p>3. SDWIS inventory and data maintenance;</p>	<p>Inventory data in SDWIS was updated from multiple data sources and reported to EPA on the following dates:          Quarter 1 on December 19, 2023          Quarter 2 on March 25, 2024          Quarter 3 on July 23, 2024          Quarter 4 by September 30, 2024.</p>

Work Plan Deliverable	Output Provided
<p>4. Data and responses to the EPA, small PWS, consulting engineers, TCEQ and other state agencies, as necessary;</p>	<p>TCEQ staff and contractors provided information on requests to TCEQ, EPA, PWS, consulting engineers through day-to-day assistance. TCEQ staff have sought new and innovative ways to share data across Programs and with the public, including small PWS, by continuing to modify Drinking Water Watch, discussing data initiatives through stakeholder meetings, and implementing SharePoint software for internal project management and coordination. TCEQ has worked with EPA to identify data discrepancies between state and federal databases and has actively sought to reduce these discrepancies.</p>
<p>5. Provision of other assistance and support services to small PWS in support of the PWSS Program for the State of Texas.</p>	<p>TCEQ staff and contractors hosted and participated in the 2024 Annual Texas PDW Conference. The general session included presentations on PWS: Adapting to Change, Case Studies on Navigating Change and Water Age in the Distribution System all with an emphasis on this year's theme "Navigating Change".</p> <p>Additional presentations were given by TCEQ staff and contractors on topics including Lead and Copper Rule Revisions, Lead Service Line Inventory, Proposed Lead and Copper Rule Improvements, Per- and Polyfluoroalkyl Substances Rule, Source Water Protection, Navigating Change: New Ways to Find, Train, Hire, and Keep Operators, and more.</p> <p>The conference included a technical assistance room for small PWS operators to receive one-on-one technical assistance. TCEQ referred PWS, including small PWS, to its FMT and Small Business Assistance functions to provide on-site, in-depth support services and assistance. This event had approximately 1,900 attendees over the two-day period.</p>

**STATE FISCAL YEAR 2024  
DRINKING WATER STATE REVOLVING FUND  
STATE MANAGEMENT PROGRAM  
(10%) TEN PERCENT SET-ASIDE ACTIVITIES  
ANNUAL REPORT**

**EPA # FS-99679527  
[TCEQ Grant# 991024]**



**Texas Commission on Environmental Quality  
P.O. Box 13087, Austin, Texas 78711-3087**

**Source of Funding: Federal Fiscal Year 2023 DWSRF Ten Percent Set-Aside**

**Submitted November 15, 2024**

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## **INTRODUCTION**

The Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements. The objectives of the DWSRF Program include addressing public health priorities, achieving compliance with the Safe Drinking Water Act (SDWA), assisting systems to ensure affordable drinking water, and maintaining the long-term viability of the Fund. The SDWA authorizes states to use a portion of the federal DWSRF Capitalization Grant to support various drinking water programs (Set-Asides). Through the use of Set-Asides, emphasis is also placed on the development of state programs, including Source Water Protection (SWP), and Capacity Development. The SDWA allows as much as 10% of a State's federal Capitalization Grant to be used for State Program Management.

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The State Fiscal Year (SFY) 2024 Drinking Water State Revolving Fund 10% State Program Management Annual Report details TCEQ's progress in meeting DWSRF Grant Program goals, objectives, and funding expenditures for September 1, 2023, through August 31, 2024, using the 10% Set-Aside funds for Public Water System Supervision Program (PWSSP) Administration and Capacity Development. The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms, Expenditures, Program Elements, Tasks and Deliverables.

## **SUMMARY**

TCEQ, through the 10% State Program Management Work Plan, identified activities to be performed between September 1, 2023, and August 31, 2024, that supported Public Water Systems (PWS) through the PWSSP. These activities addressed Program requirements of the PWSSP outlined by the SDWA. Specifically, the PWSSP Administration, and Capacity Development Strategy requirements of the SDWA were addressed.

TCEQ expended approximately \$4,413,632 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$4,195,596 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately

\$218,036, has been or is expected to be requested during the months of September 2024 through November 2024. Due to the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% DWSRF set-aside does not require a match.

The total requested for reimbursement from TWDB between September 2023 and August 2024 was approximately \$4,665,908. Of this amount, approximately \$470,312 was requested for reimbursement from TWDB between September 2023 and November 2023 under the SFY2024/FFY2023 DWSRF 10% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

## **EPA AND TCEQ GOALS AND OBJECTIVES**

Federal and State programmatic goals and objectives are shown in Table 1: EPA and TCEQ Goals and Objectives below.

**Table 1: EPA and TCEQ Goals and Objectives**

<b>EPA GOALS AND OBJECTIVES</b>	<b>TCEQ GOALS AND OBJECTIVES</b>
<p><b>EPA Goal 5: Ensure Clean and Safe Water for All Communities.</b>          Provide clean and safe water for all communities and protect our nation’s waterbodies from degradation.</p> <p><b>EPA Objective 5.1: Ensure Safe Drinking Water and Reliable Water Infrastructure</b>          Protect public health from the risk of exposure to regulated and emerging contaminants in drinking and source waters by improving the reliability, accessibility, and resilience of the nation’s water infrastructure to reduce the impacts of climate change, structural deterioration, and cyber threats.</p>	<p><b>TCEQ Goal 2: Drinking Water</b>          To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act by providing efficient regulation of the production, treatment, delivery, and protection of safe and adequate drinking water, and promoting regional water strategies.</p> <p><b>TCEQ Objective 2.1</b>          Supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act and to provide regulatory oversight of water and sewer utilities, and to promote regional water strategies.</p> <p><b>TCEQ Strategy 2.1.1: Safe Drinking Water</b>          Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p>



<p><b>EPA Goal 3: Enforce Environmental Laws and Ensure Compliance.</b> Improve compliance with the nation’s environmental laws and hold violators accountable.</p> <p><b>EPA Objective 3.1: Hold environmental Violators and Responsible Parties Accountable:</b> Use vigorous and targeted civil and criminal enforcement to ensure accountability for violations and to clean up contamination.</p> <p><b>EPA Objective 3.2: Detect Violations and Promote Compliance.</b> Ensure high levels of compliance with federal environmental laws and regulations through effective compliance tools – including inspections, other monitoring activities, and technical assistance supported by evidence and advanced technologies.</p>	<p><b>TCEQ Goal 3: Enforcement and Compliance Assistance</b></p> <p>Protect public health and the environment by administering enforcement and environmental assistance programs that promote compliance with environmental laws and regulations, voluntary efforts to prevent pollution, and offer incentives for demonstrated good environmental performance while providing strict, sure, and just enforcement when environmental laws are violated.</p> <p><b>TCEQ Objective 3.1:</b></p> <p>Maintain at least 95 percent of all regulated facilities into compliance with state environmental laws and regulations and to respond appropriately to citizen inquiries and complaints, and prevent pollution, conserve resources, and enhance compliance.</p> <p><b>TCEQ Strategy 3.1.1: Field Inspections and Complaint Response</b></p> <p>Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints.</p> <p><b>TCEQ Strategy 3.1.2: Enforcement and Compliance Support</b></p> <p>Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local governments; and assure compliance with environmental laws and regulations by taking swift, sure, and just enforcement actions to address violation situations.</p>
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## **WORK PROGRAM ORGANIZATIONAL STRUCTURE**

Within TCEQ, the Water Supply Division (WSD) is the lead and is responsible for the overall administrative activities under the 10% DWSRF Set-Aside Grant. The WSD and Office of Compliance and Enforcement (OCE) participate in the administration of the PWSSP as outlined by the SDWA (Program Element 1 and associated Tasks). The WSD and Water Availability Division (WAD) participate in the implementation of the Capacity Development Strategy requirement of the SDWA (Program Element 2 and associated Tasks).

## **EXPENDITURE BY PROGRAM ELEMENT**

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2024, and may not include final total expenditures for each Program Element and its associated Tasks. TCEQ expended approximately \$4,413,632 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$4,195,596 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$218,036, has been or is expected to be requested during the months of September 2024 through November 2024. Due to the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% DWSRF set-aside does not require a match. Activities were performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2023 and August 2024 was \$4,665,908. Of this amount, approximately \$470,312 was requested for reimbursement from TWDB between September 2023 and November 2023 under the SFY2024/FFY2023 DWSRF 10% Set-Aside Work Plan.

**Table 2: Expenditure Summary Table**

<b>Program Element/Task</b>	<b>Division</b>	<b>Requested Reimbursements from TWDB between September 2023 and August 2024 for the SFY24/FFY23 10% DWSRF Set-Aside Work Plan</b>	<b>Total Expended During Grant Period</b>	<b>Percent of Total</b>
<b>Program Element 1:</b> PWSSP Administration	Water Supply Division and Office of Compliance and Enforcement – Regional Areas	\$3,760,728	\$3,835,257	87 %
<b>Program Element 2:</b> Capacity Development	Water Supply Division and Water Availability Division	\$434,868	\$578,375	13 %
<b>Total</b>		<b>\$4,195,596</b>	<b>\$4,413,632</b>	<b>100%</b>

## **PROJECT SCHEDULE**

TCEQ conducted the activities in the DWSRF 10% Set-Aside Work Plans over a 12-month period, which began September 1, 2023, and ended August 31, 2024 (SFY 2024).

## **MEASURES OF SUCCESS**

The following tables [Table 3: TCEQ Outcome/Output Measures and Table 4: EPA National Program Guidance] provide the results of the activities implemented under the DWSRF 10% Work Plan. These measures were previously identified in the DWSRF 10% Work Plan under each Program Element and Task combination:

**Table 3: TCEQ Outcome/Output Measures**

<b>TCEQ Output/Outcome Measure</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
<b><u>2.1 oc 1 Outcome Measure</u></b>  Percent of Texas population served by drinking water systems meeting primary water standards.	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	98.52% of Texas population served by public drinking water systems that meet drinking water standards.
<b><u>2.1.1 op 1 Output Measure:</u></b>  Number of public drinking water systems that meet primary drinking water standards.	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	6,977 public drinking water systems that meet primary drinking water standards.
<b><u>2.1.1 op 3 Output Measure:</u></b>  Number of district applications processed.	<ul style="list-style-type: none"> <li><b>Program Element 2:</b> Task 2.1 Capacity Development – District Support</li> </ul>	628 district applications processed
<b><u>3.1 oc 2 Outcome Measure:</u></b>  Percent of investigated water sites and facilities in compliance.	<ul style="list-style-type: none"> <li><b>Program Element 1:</b> Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> </ul>	99% of inspected or investigated water sites and facilities were in compliance.  <i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of all water sites and facilities and is not specific to drinking water.</i>

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><b><u>3.1.2 op 1 Output Measure:</u></b></p> <p>Number of environmental laboratories accredited.</p>	<ul style="list-style-type: none"> <li><b>Program Element 1:</b> Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation</li> </ul>	<p>242 environmental laboratories were accredited.</p> <p><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of laboratories accredited is not specific to drinking water. There were 143 drinking water laboratories accredited at the end of State Fiscal Year 2024.</i></p>
<p><b><u>3.1.1 op 3 Output Measure:</u></b></p> <p>Number of investigations of water sites and facilities.</p>	<ul style="list-style-type: none"> <li><b>Program Element 1:</b> Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> </ul>	<p>12,551 investigations of water site and facilities were conducted.</p>
<p><b><u>3.1.2 ex 3 Explanatory Measure:</u></b></p> <p>Number of administrative enforcement orders issued (for public water systems).</p>	<ul style="list-style-type: none"> <li><b>Program Element 1:</b> Task 1.4 PWSSP Administration – Drinking Water Enforcement</li> </ul>	<p>264 of administrative enforcement orders issued.</p>

**Table 4: EPA National Program Guidance**

EPA National Program Guidance	Program Element/Task	Outcome/Output
<p><b>Reduce the number of Community water systems in non-compliance with health-based standards:</b>          Nationally from FFY Quarter 4 2017 of 3,508 to Quarter 4 2020 3,365 – Texas FFY Quarter 4 2017 - 459</p>	<ul style="list-style-type: none"> <li>• <b>Program Element 1:</b> All Tasks</li> <li>• <b>Program Element 2:</b> All Tasks</li> </ul>	<ul style="list-style-type: none"> <li>• Q2 FFY 2024 – 408</li> <li>• 10.72% reduction since Q4 2017</li> </ul>
<p><b>Systems out of compliance due to Lead and Copper Rule violations:</b>          (50% by 2022 – starting 2018) – Texas 2017 Q4 - 110</p>	<ul style="list-style-type: none"> <li>• <b>Program Element 1:</b> All Tasks</li> <li>• <b>Program Element 2:</b> All Tasks</li> </ul>	<ul style="list-style-type: none"> <li>• Q2 FFY 2024 – 67</li> <li>• 39.1% reduction over since Q4 2017</li> </ul>
<p><b>Drinking water sanitary surveys:</b></p>	<ul style="list-style-type: none"> <li>• <b>Program Element 1:</b> Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> </ul>	<ul style="list-style-type: none"> <li>• 626 sanitary surveys were conducted with DWSRF funds.</li> <li>• <i>Please note this does not include sanitary surveys conducted with state funds.</i></li> </ul>

## **PROGRAM ELEMENTS, TASKS, DELIVERABLES and OUTPUTS**

The following describes the Work Plan deliverables and outputs provided for the Program Elements and Tasks identified in the 10% DWSRF Work Plan for SFY 2024.

### **Program Element 1: PWSSP Administration**

This Program Element and its associated Tasks implemented the PWSSP in Texas as described in the SDWA. The activities performed under this Program Element supported the compliance, monitoring and enforcement of PWS. An estimated total of \$3,835,257 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024. Of the total estimated amount expended \$3,760,728 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder or approximately \$74,529 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

#### **Task 1.1 PWSSP Administration Activities**

The activities under this Task supported the Primacy Program of the State of Texas and included but were not limited to inventory data entry and processing, compliance activities; technical and regulatory assistance; Safe Drinking Water Information System (SDWIS) data support; evaluating and analyzing data (chemical and otherwise); quality assurance and control (QA/QC) activities; and other activities in support of the PWSSP in Texas. These activities were carried out by TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of Texas' population with drinking water that meets drinking water (DW) standards.

<b>Work Plan Deliverable</b>	<b>Output Provided</b>
1. Compliance, technical and regulatory assistance for PWS;	TCEQ provided technical assistance to PWS to facilitate compliance with the Revised Total Coliform Rule (RTCR), Lead and Copper Rule, Stage 2 Disinfection Byproducts Rule, regulations for inorganic, organic, and radionuclide chemical contaminants, the Surface Water Treatment Rule, Ground Water Rule, new National Primary Drinking Water Rule (NPDWR) for PFAS, Consumer Confidence Report Rule and the Public Notification Rule. Additionally, compliance and technical/regulatory assistance was provided to PWS throughout Texas on disinfectant residual levels, surface water treatment, microbial contaminants, inorganic

Work Plan Deliverable	Output Provided
	<p>contaminants, radionuclides, monitoring plans, Lead and Copper Rule and the Consumer Confidence Report.</p> <p>TCEQ provided assistance and training to systems and laboratories in on-going support of the Electronic Environmental (E2) Reporting System software and its maintenance.</p> <p>TCEQ also implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy criteria.</p> <p>During SFY 2024, TCEQ WSD:</p> <ul style="list-style-type: none"> <li>• Completed 8,022 Inventory requests.</li> <li>• Issued letters for Notice of Violation (NOV) to 3,465 PWS with a sum total of 14,277 violations.</li> <li>• Issued 2,838 Public Notification (PN) Rule violations to 995 PWS.</li> <li>• Referred 227 PWS with a Notice of Enforcement (NOE) on a sum total of 1,419 violations.</li> </ul> <p>During SFY 2024, TCEQ's Drinking Water Quality Team (DWQT) within the Drinking Water Standards Section (DWSS) made significant efforts to assist PWS successfully prepare for the NPDWR PFAS rule. These efforts included:</p> <ul style="list-style-type: none"> <li>• Giving presentations on NPDWR PFAS requirements at various conferences and events including: TCEQ Environmental Trade Fair, Annual TCEQ Public Drinking Water (PDW) Conference, and TCEQ quarterly Drinking Water Advisory Working Group (DWA WG) meetings.</li> <li>• Coordinating with TCEQ's laboratory accreditation group to request Fields of Accreditation (FoA) be added for PFAS.</li> </ul> <p>During SFY 2024, TCEQ's Lead and Copper Monitoring Team (LCMT) within the DWSS made significant efforts to assist PWS successfully prepare for the Lead and Copper Rule Revisions (LCRR) and forthcoming Lead and Copper Rule Improvements (LCRI). As a part of these efforts they:</p> <ul style="list-style-type: none"> <li>• Developed a service line inventory portal to assist PWS in completing their initial service line inventory.</li> </ul>



Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> <li>• Created instructional videos to assist systems with forms and LCRR requirements.</li> <li>• Maintained a Frequently Asked Questions (FAQ) page within TCEQ's LCRR webpage to address questions as they arise.</li> <li>• Gave presentations on LCRR requirements at various conferences and events including: TCEQ Environmental Trade Fair, TCEQ PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings, Texas Water Conference, Texas Chemical Council EH&amp;S Seminar, North Central Texas Council of Governments webinars, and Texas section of the American Water Works Association (TAWWA) webinars.</li> </ul>
2. Review of compliance data, monitoring information and other compliance Program related information;	TCEQ reviews treatment techniques, microbial and chemical compliance data to determine compliance with primary drinking water standards and monitoring and reporting requirements. On a daily basis, TCEQ ensures PWS are monitored on appropriate schedules based on system information and sample results.
3. SDWIS inventory and data maintenance;	Inventory data in SDWIS was updated from multiple data sources and reported to EPA on the following dates: Quarter 1 on December 19, 2023 Quarter 2 on March 25, 2024 Quarter 3 on July 22, 2024 Quarter 4 by September 30, 2024
4. Data and responses to the EPA, PWS, consulting engineers, TCEQ and other state agencies, as necessary;	TCEQ staff and contractors provided information on requests to TCEQ, EPA, PWS, consulting engineers through day-to-day assistance. TCEQ staff have sought new and innovative ways to share data across Programs and with the public, including PWS, by continuing to modify Drinking Water Watch, discussing data initiatives through stakeholder meetings, and implementing SharePoint software for internal project management and coordination. TCEQ has worked with EPA to identify data discrepancies between state and federal databases and has actively sought to reduce these discrepancies.
5. Purchase of supplies, equipment and other items	Supplies and equipment deemed necessary to support the PWSSP in Texas were purchased.

Work Plan Deliverable	Output Provided
necessary to support the PWSSP in Texas;	
6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP;	<p>TCEQ staff participated in virtual and in-person trainings, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP. Examples include:</p> <ul style="list-style-type: none"> <li>• ASDWA 2023 Annual Conference</li> <li>• 2024 Annual Texas PDW (PDW) Conference</li> <li>• ASDWA 2023 Data Management User's Conference</li> </ul>
7. Coordination of and participation in state and/or national organizations including, but not limited to the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the PWSSP; and	<p>TCEQ staff participated in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators, The Texas Chapter of the American Water Works Association (AWWA), and other organizations in support of the PWSSP. TCEQ staff participated on the ASDWA SDWIS Modernization Board in support of SDWIS, data concerns, and compliance determinations involved in the oversight of PWS and the future Lead and Copper Rule Revisions.</p>
8. Provision of other assistance and support services to PWS in support of the PWSSP for the State of Texas.	<p>TCEQ staff and contractors hosted and participated in the 2024 Annual Texas PDW Conference. The general session included presentations on PWS: Adapting to Change, Case Studies on Navigating Change and Water Age in the Distribution System all with an emphasis on this year's theme "Navigating Change".</p> <p>Additional presentations were given by TCEQ staff and contractors on topics including Lead and Copper Rule Revisions, Lead Service Line Inventory, Proposed Lead and Copper Rule Improvements, Per- and Polyfluoroalkyl Substances Rule, Source Water Protection, Navigating Change: New Ways to Find, Train, Hire, and Keep Operators, and more.</p> <p>The conference included a technical assistance room for PWS operators to receive one-on-one technical assistance. TCEQ referred PWS to its FMT and Small Business Assistance functions to provide on-site, in-depth support services and</p>

Work Plan Deliverable	Output Provided
	assistance. This event had approximately 1,900 attendees over the two-day period.

## Task 1.2 Drinking Water Inspection and Investigation

The activities under this Task supported the PWSSP in Texas by the conducting comprehensive compliance investigations (EPA termed sanitary surveys), complaint response and other inspection and investigative activities at PWS.

The key deliverables were comprehensive compliance investigations (EPA termed sanitary surveys) at PWS and timely response to complaints as appropriate.

Work Plan Deliverable	Output Provided
1. Completed comprehensive compliance investigations (EPA termed sanitary surveys) at PWS;	626 comprehensive compliance investigations (sanitary surveys) were funded by DWSRF. <i>Please note this does not include sanitary surveys conducted with state funds.</i>
2. Completed complaint investigations on PWS;	333 PWS Complaint Investigations were funded by DWSRF.
3. Purchase of supplies, equipment and other items necessary to support the PWSSP in Texas;	Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas.
4. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP;	TCEQ staff attended the Texas Water Utilities Association School Water classes, and several classes offered by TEEX and Texas Rural Water Association (TRWA). Additionally, staff attended the 2024 Annual Texas PDW Conference and FY24 Advanced PWS Investigator Training.
5. Coordination, assistance and support to EPA, PWS, TCEQ and other State agencies as it relates to inspections and investigations of PWS; and	TCEQ staff continued to provide outreach, training, complaint reviews, and technical assistance to support the regulated community, PWS customers, and TCEQ staff on a regular basis.
6. Provision of other assistance and support services to PWS in support of the PWSSP for the State of Texas	TCEQ staff took calls from PWS and provided guidance documents as needed. Staff assisted with training and monitoring PWS personnel during testing activity. TCEQ staff administered tests for PWS operator licensing requirements. TCEQ staff responded to emergency incidents

Work Plan Deliverable	Output Provided
	<p>within the State. These incidents included, but were not limited to, incidents requiring boil water notifications (BWNs) and “do not use” advisories. TCEQ staff provided guidance, collected water samples, worked with water systems and their operators, tracked the status of the incidents, and helped coordinate/facilitate State of Texas Assistance Requests (STAR) through the duration of the incidents.</p> <p>During major disasters, TCEQ contacted PWS to determine their status (e.g., active, under boil water notice, etc.) and provide assistance as needed until they returned to normal operations.</p>

### Task 1.3 Drinking Water Laboratory Certification and Accreditation

The activities under this Task supported the PWSSP by providing laboratory assessments associated with the National Environmental Laboratory Accreditation Program (NELAP) accreditation of drinking water laboratories.

The key deliverable was the assessment of PWS laboratories statewide as required and controlled by Title 30 Texas Administrative Code Chapter 25.

Work Plan Deliverable	Output Provided
1. Conduct and complete laboratory assessments of PWS laboratories;	TCEQ completed 47 PWS (drinking water) laboratory inspections.
2. Conduct review of applications against the provisions of the 2016 TNI NELAP standard to approve accreditation;	TCEQ conducted 12 PWS drinking water laboratory applications for amendments. TCEQ completed 136 PWS drinking water renewal applications.
3. Provide assistance and support to other areas at TCEQ related to the accreditation, certification, and auditing of PWS laboratories;	Assistance and support were provided on topics related to the accreditation, inspection and auditing of PWS laboratories upon request. Examples are answered questions regarding accreditation status and location of PWS laboratories, details of analytical methods used at PWS laboratories, and provided technical interpretation of results from PWS laboratories.

Work Plan Deliverable	Output Provided
4. Provide data and other information associated with the PWSSP upon request and the accreditation, certification, and auditing of PWS laboratories;	Data and other information associated with the PWSSP and the accreditation, inspection, and auditing of PWS laboratories was provided upon request. Examples are provided location of accredited PWS laboratories, provided information on collecting drinking water samples and selection of potential test methods, and referred callers to proper TCEQ Region for specific answers and assistance.
5. Purchase of supplies, equipment, and other items necessary to support the PWSSP in Texas;	Supplies, equipment, and other necessary items were purchased to support the PWSSP in Texas;
6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP; and	Two staff members attended EPA's drinking water certification training for microbiology in 2024 at Columbus, OH. Additional trainings were conducted virtually for drinking water assessors.
7. Provision of other assistance and support services to PWS in support of the PWSSP for the state of Texas.	Stakeholders were assisted with technical and/or administrative questions, which included but were not limited to, the following topics: laboratory accreditation, reference method interpretations, standards for accreditation (i.e., 2016 The NELAC Institute (TNI) Standard) concerns, laboratory assessments and subsequent corrective action responses, initial and amended applications for laboratory accreditation, proficiency testing issues, and technical manager designations.

### Task 1.4 Drinking Water Enforcement

The activities under this Task supported the Primacy Program of the State of Texas through the development of enforcement cases to address significant noncompliance and significant deficiencies at PWS.

The key deliverable was the addressing of significant noncompliance and significant deficiencies by developing enforcement cases for PWS.

Work Plan Deliverable	Output Provided
1. Enforcement cases developed that address significant noncompliance and significant deficiencies at PWS in accordance with Texas statutes, rules and TCEQ's policies and procedures;	To address the Task of calculating penalties and determining technical corrective requirements, the Enforcement Division under the DWSRF developed and mailed out or directly referred to the Litigation Division 58 PWS enforcement cases. To address the Task of negotiating agreed enforcement order cases to settlement or pursue other appropriate legal remedies, such as referral to the Litigation Division or the Office of Attorney General, the Enforcement Division under the DWSRF has negotiated or prepared referral packages for 76 PWS enforcement cases.
2. Coordination, assistance, and support to EPA, PWS, TCEQ and other State agencies as it relates to Enforcement Cases for PWS;	TCEQ Enforcement Division conducted and/or prepared for the following in conjunction with the EPA: the annual PWSSP review, the state end-of-year questionnaire, the EPA Region 6 five-states meeting, enforcement order update presentations at the TWICC meetings, and the RTRC implementation.
3. Purchase of supplies, equipment and other items necessary to support the PWSSP in Texas;	Supplies, equipment, and other necessary items were purchased to support the PWSSP in Texas.
4. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP; and	TCEQ Enforcement Division staff participated in various conference and training events virtually to share and enhance their skills and abilities. Examples include the 2024 Annual Texas PDW Conference, Texas A&M Engineering Extension Service Water System courses, and participation in the TWICC meetings.
5. Provision of other assistance and support services to PWS in support of the PWSSP for the state of Texas.	Participated in PWS meetings with WSD. Assisted the Texas Drinking Water Advisory Work Group (DWAAG) with answering PWS questions. Answered PWS questions on an individual basis, as needed. Coordinators reached out to PWS to assist with Compliance Issues.

## Program Element 2: Capacity Development

This Program Element provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of PWS through the identification of PWS that need assistance in developing, enhancing and maintaining their FMT abilities, including asset management, to meet state and federal requirements. This was accomplished through the implementation of: National Primary Drinking Water Regulations; the Texas Optimization Program (TOP); portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, review and approval of water district applications, review and approval of drought contingency plans, water security assistance and other specialized assistance to PWS and were performed by TCEQ staff and/or contractors.

An estimated total of \$578,375 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024, for this Program Element. Of the total estimated amount expended \$434,868 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$143,507 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

### Task 2.1 Capacity Development - Capacity Development Activities

This Task implemented the Capacity Development Strategy under the PWSSP in Texas. The activities under this Task provided assistance to reduce the risk of both long-term and short-term health effects. This was accomplished through the implementation of: the Texas Optimization Program (TOP), portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, coordination, and Intended Use Plan ranking and review and other specialized assistance to PWS through the use of TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of Texas' population with drinking water (DW) that meets DW standards and increases the sustainability of PWS.

Work Plan Deliverable	Output Provided
1. Development of presentations, training materials and other technical documents to support the technical capability and compliance of PWS in Texas;	TCEQ provided presentations and training materials at the 2024 Annual Texas PDW Conference. Staff developed and conducted presentations, panel discussions and training to assist PWS at workshops, conferences, the Drinking Water Advisory Work Group (DWAAG), and Texas Water Infrastructure Coordination Committee (TWICC) meetings with topics like

Work Plan Deliverable	Output Provided
	<p>regionalization, resiliency, asset management, how drinking water facilities are reviewed and approved, and how to get assistance with operations and funding. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention, and disinfection byproduct formation.</p>
<p>2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of PWS;</p>	<p>During the grant period, TOP provided training and technical assistance to 61 Public Water Systems. Specifically, TOP:</p> <ul style="list-style-type: none"> <li>• Executed 91 individual technical assistance assignments.</li> <li>• Assisted 36 systems with population of Less than 10K.</li> <li>• Assisted 25 systems with population Greater than 10K.</li> <li>• Delivered 24 Direct Assistance Modules (DAMs).</li> <li>• Developed/Piloted 1 new Directed Assistance Module – DAM 13 Resiliency.</li> <li>• Conducted 1 Special Performance Evaluation (SPE).</li> <li>• Conducted 2 Mandatory Comprehensive Performance Evaluations (mCPE).</li> <li>• Conducted 3 Contact Time Studies.</li> <li>• Responded to 3 Emergency Events.</li> <li>• Assisted with 8 Chlorine conversions.</li> <li>• Conducted 7 Records Trainings.</li> <li>• Conducted 6 Membrane Plant Evaluations.</li> <li>• Assisted in 4 Disinfectant Byproduct cases.</li> <li>• Provided 8 Treatment Plant Operation trainings.</li> <li>• Presented at 6 TRWA meetings.</li> <li>• Presented at 5 TWUA meetings.</li> </ul> <p>TOP staff and contractors delivered technical training to 1,900 attendees of the 2024 Annual Texas PDW Conference including presentations, and targeted workshops on:</p> <ul style="list-style-type: none"> <li>• Chloramination Basics</li> <li>• Nitrification Basics</li> <li>• Nitrification Action Plans</li> <li>• Disinfectant Residual Monitoring</li> <li>• Free-Chlorine Conversions</li> <li>• What Texas Optimization Can Do For You</li> <li>• Jar Testing</li> <li>• Case Study on Navigating Changing</li> </ul>



Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> <li>• Starting a Cross Connection Program</li> <li>• Cross Connection Technical Topic</li> </ul>
<p>3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted by PWS;</p>	<p>During the grant period, exceptions for PWS were reviewed by TCEQ staff and contractors. TCEQ staff also conducted engineering plan reviews for PWS improvements as well as submittals regarding corrosion control for PWS with lead action level exceedances. Some examples of technical assistance for exception, plan and corrosion control submittals include phone calls with PWS representatives to explain what is needed for exception requests to the sanitary control easement requirements, pre-application meetings with PWS and their engineering representative prior to submittal of engineering plans and responding to PWS questions via phone or email regarding corrosion control options and requirements.</p>
<p>4. Purchase of supplies and equipment as necessary to support the Capacity Development Program in Texas;</p>	<p>Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.</p>
<p>5. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA) and other organizations in support of the Capacity Development Strategy;</p>	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), Texas section of the American Water Works Association (TAWWA), TWDB, Southwest Environmental Finance Center, and other agencies and organizations. During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped to coordinate with entities looking for funding to enable them to attend the meetings. This year meetings were hosted by TCEQ, Communities Unlimited, TAWWA, TRWA, TWDB and USDA. TWICC guests included:</p> <ul style="list-style-type: none"> <li>• A small rural school district seeking assistance and funding to address a failing wastewater system.</li> <li>• A community organization trying to obtain first time service to homes in rural west Texas.</li> <li>• A town with less than 400 residents who is struggling to address serious water and wastewater compliance issues.</li> </ul>

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> <li>• Developers of a large regional water project along the Texas-Mexico border.</li> <li>• An American Legion Post looking for funding assistance for their system.</li> <li>• A subdivision with a failed well looking for funding for an interconnect to a neighboring municipality.</li> </ul> <p>TWICC also hosted entities who made presentations about their programs, upcoming rules and regulations, and research and resources pertaining to water. This year those presenters included TAWWA and the TXWARN program who are looking for sources of funding for portable generators, and TCEQ Litigation Division's Supplemental Environmental Program (SEP) who are recruiting possible candidates to serve as third party administrators for SEP funding.</p> <p>TCEQ staff made presentations and assisted at workshops, conferences, and staff trainings. There was a TWICC workshop at the 2024 Annual Texas PDW Conference and a panel discussion on funding. The workshop participants had opportunities to talk to agencies one-on-one about their projects and funding needs.</p>
<p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of state Program administration staff in support of the Capacity Development Strategy; and</p>	<p>TCEQ staff participated in virtual and in-person trainings, conferences and other events designed to share and enhance knowledge, skills, and abilities in support of the Capacity Development Strategy. Staff participated in both ASDWA and EPA workgroups and committees focusing on the new technical assistance programs and capacity development topics including small and disadvantaged systems, regionalization, and consolidation, workforce development, cybersecurity, emergency planning, the DWSRF and partnerships.</p> <p>Through the FMT Assistance program, TRWA helped plan and execute an in-person drought and hurricane resiliency workshop tailored to the Rio Grande Valley. The purpose of this free workshop was to discuss the challenges facing water systems in the Rio Grande Valley and for systems to learn steps to improve water system resiliency. Water systems also had the</p>

Work Plan Deliverable	Output Provided
	opportunity to talk one-on-one with TCEQ officials, funding agencies, and local emergency responders. In total, 122 individuals attended the workshop, which was held in McAllen, TX.
7. Provision of other assistance and support services to PWS in support of the PWSSP and approved Capacity Development Strategy for the State of Texas (e.g., technical assistance to PWS proposing to use innovative treatment, resiliency activities, consolidation assistance, assistance in support of compliance, asset management, promoting regionalization, and annual PDW conference).	<p>TCEQ staff and contractors participated in the 2024 Annual Texas PDW Conference. This conference had a robust workshop section where water systems received specialized training. The conference also provided a technical assistance room for TCEQ staff to provide one-on-one technical assistance to attendees.</p> <p>TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> <li>• Staff assessment and assistance to PWS experiencing operational, managerial, and financial problems.</li> <li>• Providing training to technical assistance providers and water systems directly.</li> <li>• Tracking and assisting nonviable “at-risk” PWS in restructuring.</li> <li>• Providing free on-site assistance through the FMT contract.</li> </ul>

## Task 2.2: Capacity Development - FMT Assistance

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task, enhanced the FMT abilities of PWS by providing assistance in developing, enhancing, and maintaining FMT abilities, and assisting PWS to meet state and federal requirements through the use of TCEQ staff and/or contractors.

The key deliverable is the implementation of Programs designed to provide assistance visits in order to enhance the FMT abilities of PWS to meet state and federal requirements.

Work Plan Deliverable	Output Provided
1. FMT training and assistance to PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed;	Under this grant, TCEQ, through its FMT assistance contractor, completed 129 FMT Capacity Assessments, Consolidation Assessments, On-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for PWS.

2. Assessment and reporting on DWSRF applicants; and	Under this grant, TCEQ's FMT Contractor conducted 11 FMT capacity assessments for PWS DWSRF applicants.
3. Provision of other assistance, training, and services to PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	Under this grant, TCEQ's FMT Contractor conducted one (1) Consolidation Assessment.

### **Task 2.3 Capacity Development – Water Security**

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task provided assistance to PWS during significant weather events, natural disasters, and other emergency events. Activities conducted enhanced abilities of PWS to respond to emergencies through the use of TCEQ staff and/or a contractor that provided assistance.

The key deliverable is the provision of water security assistance and training to PWS in the state impacted by or who have the potential to be impacted by natural disasters including drought.

<b>Work Plan Deliverable</b>	<b>Output Provided</b>
1. Review, evaluation and technical assistance related to Emergency Preparedness Plans (EPP);	<p>The WSD's Resiliency and Preparedness Team reviewed and approved EPPs, developed standard operating procedures, tracked the status of EPPs submitted, and developed training for affected utilities on how to complete EPPs. In SFY 2024, TCEQ has received 116 EPPs. Program staff have approved 3,365 of the total 4,035 EPPs submitted for review and approval since the program began in SFY 2022.</p> <p>TCEQ's WSD sends out the PWS emergency contact update form to all PWS across the state on a biennial basis. In SFY 2023, the form was made available online so PWS could update their emergency contact information as needed. To date, WSD has received 281 requests to update emergency contact information electronically. At this year's PDW Conference, 1,216 forms were provided to attendees. Beginning in SFY 2025, all PWS will be sent a notification request to verify current emergency contact information and to submit updates, as needed.</p>

Work Plan Deliverable	Output Provided
<p>2. Support for natural disaster (i.e., drought) initiatives and technical assistance to impacted systems;</p>	<p>Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of PWS size, type, and ownership.</p> <p>During this reporting period and in anticipation of drought, WSD issued 1,003 drought alert letters in April of 2024. The Emergency Drinking Water Taskforce met monthly. As of September 1, 2024, the taskforce is tracking 12 drought impacted systems on the 180-day list which includes systems that have estimated their remaining source water to be less than 180 days.</p> <p>TCEQ continued to provide support and assistance to the Texas Natural Disaster Operational Workgroup (NDOW) by providing training to staff on the implementation and use of Response Manager (RM), the software to conduct drinking water assessments in response to a disaster.</p> <p>TCEQ held six (6) in-person training courses across the state to update staff and created a video of the training. RM training was provided in the following TCEQ regions: Abilene, Central Office, Corpus Christi, Harlingen, Houston, and Tyler for 157 attendees. Attendees included staff from multiple agencies: TCEQ, Texas General Land Office, Coast Guard, and Texas Parks and Wildlife.</p> <p>The WSD also provided support to the Texas NDOW by participating in the phone bank RM exercise which was conducted the week of May 23, 2024. The phone bank exercise is part of the annual Full-Scale Hurricane Exercise which was held in Houston, Texas. The phone bank consisted of eleven TCEQ staff in Austin completing mock drinking water assessments in RM. This training prepares TCEQ staff to support and document when PWS are impacted by disasters.</p> <p>Attendees to all RM trainings were taught the purpose of using RM, how to enter DW assessments in RM, taught the Drinking Water Operational and Damage Level Definitions, and utilized scenarios to test the attendee's understanding and function of RM. These trainings prepare TCEQ staff to support PWS</p>

Work Plan Deliverable	Output Provided
<p>3. Travel and training both within Texas and nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of Program administration staff in support of the Water Security Program; and</p>	<p>impacted by disasters.</p> <p>In SFY 2024 trainings and conferences attended:</p> <ul style="list-style-type: none"> <li>• EPA How to Prepare Your Utility for Disasters Webinar</li> <li>• EPA Small Drinking Water Systems Webinar Risk, Crises and General Communication</li> <li>• EPA Increasing Resilience to Power Outages with Solar Powered Microgrids and Battery Energy Storage</li> <li>• EPA Cybersecurity Guidance for Drinking Water and Wastewater Systems Webinar</li> <li>• EPA Water system Restructuring Assessment Rule</li> <li>• EPA Florida Water Tracker Webinar</li> <li>• EPA Clean Water Access During Emergencies</li> <li>• TEEX 8 Hour Occupational Safety and Health Administration Refresher June 2024.</li> <li>• 2024 Texas Division of Emergency Management (TDEM) Conference.</li> <li>• H2OSecCon 2024 Water Security Conference</li> <li>• Texas AWWA Cybersecurity Webcast</li> <li>• 2024 South Texas All Hazards Conference</li> <li>• 2024 Texas Hurricane Center Conference</li> <li>• TRWA - TCEQ Hurricane &amp; Drought Resiliency Workshop McAllen, TX</li> </ul> <p>TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and maintains a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.</p>
<p>4. Provision of other assistance and support services to PWS in the support of the Water Security Program and the approved Capacity Development Strategy for the State of Texas.</p>	<p>TCEQ's Security Education contractor, CDM Smith, conducted three (3) workshops for PWS across the state on generator maintenance. The workshops covered an overview of generator maintenance and safety, included a hands-on field demonstration with a generator, and had a total of 62 attendees. In addition, CDM Smith also conducted a cybersecurity workshop which was well received and had 22 attendees. TCEQ also promoted additional resiliency training for water utilities at the 2024 PDW Conference held in August. The resiliency training included presentations on: cybersecurity with 289 attendees, weather with 181 attendees, generator maintenance workshop with 50</p>

Work Plan Deliverable	Output Provided
	<p>attendees, and a cybersecurity tabletop exercise with 23 attendees.</p> <p>TCEQ continues to be available for assistance and support services to PWS as needed through phone calls, TCEQ's Capacity Development program, TCEQ's Critical Infrastructure Division, the TXWARN website and the Texas Department of Emergency Management's (TDEM's) Public Works Response Team (PWRT).</p> <p>The PWRT supports local jurisdictions in their response to catastrophic events by providing critical public works services as needed to facilitate recovery. TCEQ's Capacity Development program coordinates with members of TWICC including TDEM, FEMA, Texas Department of Agriculture (TDA), USDA and GLO to assist systems affected by disasters to obtain funding.</p> <p>Another support service provided to PWS is the Quarterly DWAAG meetings that are held for all PWS to attend in person or via webinar. These meetings inform PWS of program activities, response activities, and security activities. The meeting is interactive and allows for web attendees to ask questions during the meeting. The website for these meetings had presentations, the information covered during each meeting, and advertises any upcoming drinking water related trainings provided by TCEQ, EPA, and other providers.</p>

## Task 2.4: Capacity Development – Source Water Protection (SWP)

This Task provided SWP activities (which included both surface and wellhead protection) within the state and provided ongoing assistance to PWS through evaluation of sources with respect to vulnerability to contamination. TCEQ staff and/or contractors were used to support this task.

The key deliverables were completed SWP reports provided to PWS to assist in the implementation of Programs designed to provide SWP within the state.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for PWS;	Due to the impact of Federal 'earmarking' and a loss of Set-aside funding, TCEQ completed zero SWP assessments using this grant. TCEQ Staff provided support toward other assessments.
2. Implemented SWP Programs in various areas of the State for PWS	TCEQ completed 24 SWP Plans in total through SWP activities, due to the impact of Federal 'earmarking' and a loss of Set-aside funding, none were completed using this grant. TCEQ Staff provided support toward other assessments.
3. Best management practices developed to implement SWP for PWS;	TCEQ implemented best management practices across the state. Due to the impact of Federal 'earmarking' and a loss of Set-aside funding, there were significantly decreased benefits to PWS under this grant. TCEQ Staff provided support toward other assessments.
4. Meetings and site visits in order to facilitate the creation of SWP Programs with PWS;	Due to the impact of Federal 'earmarking' and a loss of Set-aside funding, there were zero SWP participant meetings held under this grant. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for PWS;	Due to the impact of Federal 'earmarking' and a loss of Set-aside funding, TCEQ inventoried zero SWP Areas under this grant.
6. Identification of populations protected by a SWP Program and served by vulnerable water sources for PWS; and	Due to the impact of Federal 'earmarking' and a loss of Set-aside funding, TCEQ was unable to identify populations protected by a SWP Program using this grant. TCEQ Staff provided support toward other assessments.
7. Other activities in support of the SWP Program within the State of Texas.	Staff gave presentations on SWP and BMP at the 2024 Annual Texas PDW Conference and Texas Rural Water Utilities Association



Work Plan Deliverable	Output Provided
	<p>Annual School. TCEQ staff participated in Texas Rural Water Association Annual Symposium, Texas Forests and Drinking Water Partnership, Groundwater Protection Committee, Natural Resource Conservation Service Water Subcommittee and Association of State Drinking Water Administrators (ASDWA) Committee meetings.</p> <p>Under this grant, TCEQ completed a contract with the University of Texas to update the source water assessment tool. This tool is used by PWS to assist with implementation of best management practices to protect drinking water sources.</p>

### Task 2.5 Capacity Development - District Support

The activities under this Task assisted certain PWS on a statewide basis through the review of water district applications including the issuance of bonds as part of the Capacity Development Strategy of Texas (SDWA 1420). Administrative support and data-entry in support of the review of these water district applications was provided. TCEQ staff and/or contractors were used to support this task.

The key deliverable is the review of water district applications including data entry, administrative support, and other activities, and the implementation of Programs that support water districts financial and managerial capability.

Work Plan Deliverable	Output Provided
1. Provide data entry, administrative support and other activities in support of the review of water district applications;	TCEQ's Water Supply Division – Districts Section, processed 628 water district applications during SFY 2024. TCEQ contractors provided data entry and administrative support for the review of water district applications.
2. Review applications, engineering reports, plans and specifications in conjunction with the processing of water district applications;	A total of 179 minor applications were received by TCEQ contractors. During SFY 2024, 151 minor water district applications were completed. (This included several minor applications started in the previous fiscal year, but not completed.)

Work Plan Deliverable	Output Provided
3. Coordination, assistance and support to EPA, PWS, TCEQ and other State agencies as it relates to water district reviews for PWS;	Coordination, assistance and support was provided on request and through the normal day-to-day activities conducted under this Task.
4. Purchase of supplies, equipment and other items necessary to support the Capacity Development Strategy;	Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas.
5. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the Capacity Development Strategy; and	TCEQ staff participated in virtual training opportunities to maintain professional engineering certifications. Staff also participated in various professional development training opportunities.
6. Provision of other assistance and support services to PWS in support of the approved Capacity Development Strategy for the State of Texas.	Other assistance was provided by taking phone inquiries and helping customers with the application process and adhering to requirements.

### Task 2.6 Capacity Development - Drought Plan Review

The activities under this Task assisted PWS on a statewide basis in the development of water conservation and/or drought contingency programs to maintain or enhance abilities of PWS to meet state requirements as part of the Capacity Development Strategy of Texas (SDWA 1420).

The key deliverable is the implementation of Programs designed to provide assistance to PWS in the development of water conservation and/or drought contingency plans to maintain or enhance abilities of PWS to meet state requirements.

Work Plan Deliverable	Output Provided
<p>1. Participate in Programs to provide assistance to PWS in the development of water conservation and/or drought contingency plans to maintain or enhance abilities of PWS to meet state requirements;</p>	<p>As a member of the Water Conservation Advisory Council (WCAC), Staff participated in six (6) Council meetings during the Fiscal Year, as well as fourteen (14) meetings for WCAC workgroups. As a member of the Drought Preparedness Council, Staff attended nine (9) meetings during SFY 2024 and presented the results of the Drought Activities Update Report.</p>
<p>2. Review and evaluate of water conservation and/or drought contingency plans of retail PWS to meet state requirements; and</p>	<p>Staff completed approximately eight (8) conservation reviews for water rights applications that were associated with retail PWS entities. Staff reviewed approximately 250 updated water conservation plans, updated drought contingency plans, and water conservation implementation reports associated with retail PWS entities. These reviews ensured the plans met the Texas Water Code and Texas Administrative Code requirements.</p>
<p>3. Provision of other assistance and services to PWS in support of the approved Capacity Development Strategy for the State of Texas.</p>	<p>In SFY 2024, Staff prepared documents to assist entities, including retail PWS, for the upcoming five-year cycle deadline of May 1, 2024, for submittal of updated Water Conservation Plans, updated Drought Contingency Plans, and Water Conservation Implementation Reports. In addition, Staff made presentations at the 2024 TCEQ Environmental Trade Fair and the 2024 Annual Texas PDW Conference providing information and assistance to entities, including retail PWS, regarding submittal of updated Water Conservation Plans, updated Drought Contingency Plans, and Water Conservation Implementation Reports.</p>

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**EPA # 4D-02F54001  
[TCEQ Grant# 990024]**



**Texas Commission on Environmental Quality  
P.O. Box 13087, Austin, Texas 78711-3087**

**Source of Funding: Federal Fiscal Year 2023 BIL GS Ten Percent Set-Aside**

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## **INTRODUCTION**

The Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements. The objectives of the DWSRF Program include addressing public health priorities, achieving compliance with the Safe Drinking Water Act (SDWA), assisting systems to ensure affordable drinking water, and maintaining the long-term viability of the Fund. The SDWA authorizes states to use a portion of the federal DWSRF Capitalization Grant to support various drinking water programs (Set-Asides). Through the use of Set-Asides, emphasis is also placed on the development of state programs, including Source Water Protection (SWP), and Capacity Development. The SDWA allows as much as 10% of a State's federal Capitalization Grant to be used for State Program Management.

The Texas Commission on Environmental Quality (TCEQ) has been designated and has served as the state primacy agency under the Federal Safe Drinking Water Act (SDWA) (42 U.S.C. §§ 300f – 300j-26) since 1978. The Texas Water Development Board (TWDB) is the state agency with the authority to manage the Base Drinking Water State Revolving Fund (DWSRF) and the Bi-partisan Infrastructure Law (BIL) General Supplemental (GS) funding, administer the loan Programs and to apply for both the Base DWSRF and BIL GS funding capitalization grants.

Through the TWDB's implementation of the Federal Fiscal Year (FFY) 2023 BIL GS funding capitalization grants with EPA, TCEQ is eligible as the primacy agency to receive set-aside funds from the BIL GS funding. TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The State Fiscal Year (SFY) 2024 BIL GS 10% State Program Management Annual Report details TCEQ's progress in meeting BIL Grant Program goals, objectives, and funding expenditures for September 1, 2023, through August 31, 2024, using the 10% Set-Aside funds for Public Water System Supervision Program (PWSSP) Administration and Capacity Development. The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms, Expenditures, Program Elements, Tasks and Deliverables.

## **SUMMARY**

TCEQ, through the BIL GS 10% State Program Management Work Plan, identified activities to be performed between September 1, 2023, and August 31, 2024, that supported Public Water Systems (PWS) through the PWSSP. These activities addressed Program requirements of the PWSSP outlined by the SDWA. Specifically, the PWSSP Administration, and Capacity Development Strategy requirements of the SDWA were addressed.

TCEQ expended approximately \$6,170,890 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$5,301,379 was requested for

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reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$869,511, has been or is expected to be requested during the months of September 2024 through November 2024. Due to the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% BIL GS set-aside does not require a match.

## **EPA AND TCEQ GOALS AND OBJECTIVES**

Federal and State programmatic goals and objectives are shown in Table 1: EPA and TCEQ Goals and Objectives below.

**Table 1: EPA and TCEQ Goals and Objectives**

<b>EPA GOALS AND OBJECTIVES</b>	<b>TCEQ GOALS AND OBJECTIVES</b>
<p><b>EPA Goal 5: Ensure Clean and Safe Water for All Communities.</b>  Provide clean and safe water for all communities and protect our nation’s waterbodies from degradation.</p> <p><b>EPA Objective 5.1: Ensure Safe Drinking Water and Reliable Water Infrastructure</b>  Protect public health from the risk of exposure to regulated and emerging contaminants in drinking and source waters by improving the reliability, accessibility, and resilience of the nation’s water infrastructure to reduce the impacts of climate change, structural deterioration, and cyber threats.</p>	<p><b>TCEQ Goal 2: Drinking Water</b>  To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act by providing efficient regulation of the production, treatment, delivery, and protection of safe and adequate drinking water, and promoting regional water strategies.</p> <p><b>TCEQ Objective 2.1</b>  Supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act and to provide regulatory oversight of water and sewer utilities, and to promote regional water strategies.</p> <p><b>TCEQ Strategy 2.1.1: Safe Drinking Water</b>  Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p>



## **WORK PROGRAM ORGANIZATIONAL STRUCTURE**

Within TCEQ, the Water Supply Division (WSD) is the lead and is responsible for the overall administrative activities under the 10% BIL GS Set-Aside Grant and the administration of the PWSSP as outlined by the SDWA (Program Element 1 and associated Tasks). Additionally, the WSD oversees the implementation of the Capacity Development Strategy requirement of the SDWA (Program Element 2 and associated Tasks).

## **EXPENDITURE BY PROGRAM ELEMENT**

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2024, and may not include final total expenditures for each Program Element and its associated Tasks. TCEQ expended approximately \$6,170,890 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$5,301,379 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$869,511, has been or is expected to be requested during the months of September 2024 through November 2024. Due to the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% BIL GS set-aside does not require a match. Activities were performed as described in the Work Plan unless otherwise noted in this report.

**Table 2: Expenditure Summary Table**

<b>Program Element/Task</b>	<b>Division</b>	<b>Requested Reimbursements from TWDB between September 2023 and August 2024 for the SFY24/FFY23 10% BIL GS Set-Aside Work Plan</b>	<b>Total Expended During Grant Period</b>	<b>Percent of Total</b>
<b>Program Element 1:</b> PWSSP Administration	Water Supply Division	\$3,282,451	\$3,801,295	62%
<b>Program Element 2:</b> Capacity Development	Water Supply Division	\$2,018,928	\$2,369,595	38%
<b>Total</b>		<b>\$5,301,379</b>	<b>\$6,170,890</b>	<b>100%</b>

## **PROJECT SCHEDULE**

TCEQ conducted the activities in the DWSRF 10% Set-Aside Work Plans over a 12-month period, which began September 1, 2023, and ended August 31, 2024 (SFY 2024).

## **MEASURES OF SUCCESS**

The following tables [Table 3: TCEQ Outcome/Output Measures and Table 4: EPA National Program Guidance] provide the results of the activities implemented under the BIL GS 10% Work Plan. These measures were previously identified in the BIL GS 10% Work Plan under each Program Element and Task combination:

**Table 3: TCEQ Outcome/Output Measures**

<b>TCEQ Output/Outcome Measure</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
<b><u>2.1 oc 1 Outcome Measure</u></b>  Percent of Texas population served by drinking water systems meeting primary water standards.	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	98.52% of Texas population served by public drinking water systems that meet drinking water standards.
<b><u>2.1.1 op 1 Output Measure:</u></b>  Number of public drinking water systems that meet primary drinking water standards.	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	6,977 public drinking water systems that meet primary drinking water standards.

**Table 4: EPA National Water Program Core Measures**

<b>EPA National Program Guidance</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
<b>Reduce the number of Community water systems in non-compliance with health-based standards:</b> Nationally from FFY Quarter 4 2017 of 3,508 to Quarter 4 2020 3,365 – Texas FFY Quarter 4 2017 - 459	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	<ul style="list-style-type: none"> <li>Q2 FFY 2024 – 408</li> <li>10.72% reduction since Q4 2017</li> </ul>

EPA National Program Guidance	Program Element/Task	Outcome/Output
<b>Systems out of compliance due to Lead and Copper Rule violations:</b> (50% by 2022 – starting 2018) – Texas 2017 Q4 - 110	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	<ul style="list-style-type: none"> <li>Q2 FFY 2024 – 67</li> <li>39.1% reduction over since Q4 2017</li> </ul>
<b>Percent of community water systems in compliance with health-based standards</b>	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	<ul style="list-style-type: none"> <li>93.78% of community water systems in compliance with health-based standards</li> </ul>

### **PROGRAM ELEMENTS, TASKS, DELIVERABLES and OUTPUTS**

The following describes the Work Plan deliverables and outputs provided for the Program Elements and Tasks identified in the 10% BIL GS Work Plan for SFY 2024.

#### **Program Element 1: PWSSP Administration**

This Program Element and its associated Tasks implemented the PWSSP in Texas as described in the SDWA. The activities performed under this Program Element supported the compliance, monitoring and enforcement of PWS. An estimated total of \$3,801,295 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024. Of the total estimated amount expended \$3,282,451 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder or approximately \$518,844 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

#### **Task 1.1 PWSSP Administration Activities**

The activities under this Task supported the Primacy Program of the State of Texas and included but were not limited to inventory data entry and processing, compliance activities; technical and regulatory assistance; Safe Drinking Water Information System (SDWIS) data support; evaluating and analyzing data (chemical and otherwise); quality assurance and control (QA/QC) activities; BIL LSLR and EC activities; and other activities in support of the PWSSP in Texas. These activities were carried out by TCEQ staff and/or contractors.

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The key deliverable was the implementation of Programs designed to meet the goal of 95% of Texas' population with drinking water that meets drinking water (DW) standards.

Work Plan Deliverable	Output Provided
<p>1. Compliance, technical and regulatory assistance for PWS;</p>	<p>TCEQ provided technical assistance to PWS to facilitate compliance with the Revised Total Coliform Rule (RTCR), Lead and Copper Rule, Stage 2 Disinfection Byproducts Rule, regulations for inorganic, organic, and radionuclide chemical contaminants, the Surface Water Treatment Rule, Ground Water Rule, new National Primary Drinking Water Rule (NPDWR) for PFAS, Consumer Confidence Report Rule and the Public Notification Rule. Additionally, compliance and technical/regulatory assistance was provided to PWS throughout Texas on disinfectant residual levels, surface water treatment, microbial contaminants, inorganic contaminants, radionuclides, monitoring plans, Lead and Copper Rule and the Consumer Confidence Report.</p> <p>TCEQ provided assistance and training to systems and laboratories in on-going support of the Electronic Environmental (E2) Reporting System software and its maintenance.</p> <p>TCEQ also implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy criteria.</p> <p>During SFY 2024, TCEQ WSD:</p> <ul style="list-style-type: none"> <li>• Completed 8,022 Inventory requests.</li> <li>• Issued letters for Notice of Violation (NOV) to 3,465 PWS with a sum total of 14,277 violations.</li> <li>• Issued 2,838 Public Notification (PN) Rule violations to 995 PWS.</li> <li>• Referred 227 PWS with a Notice of Enforcement (NOE) on a sum total of 1,419 violations.</li> </ul> <p>During SFY 2024, TCEQ's Drinking Water Quality Team (DWQT) within the Drinking Water Standards Section (DWSS) made significant efforts to assist PWS successfully prepare for the NPDWR PFAS rule. These efforts include:</p> <ul style="list-style-type: none"> <li>• Giving presentations on NPDWR PFAS requirements at various conferences and events including: TCEQ Environmental Trade</li> </ul>

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Work Plan Deliverable	Output Provided
	<p>Fair, TCEQ Public Drinking Water (PDW) Conference, and TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings.</p> <ul style="list-style-type: none"> <li>• Coordinating with TCEQ’s laboratory accreditation group to request Fields of Accreditation (FoA) be added for PFAS.</li> </ul> <p>During SFY 2024, TCEQ’s Lead and Copper Monitoring Team (LCMT) within the DWSS made significant efforts to assist PWS successfully prepare for the Lead and Copper Rule Revisions (LCRR) and forthcoming Lead and Copper Rule Improvements (LCRI). As a part of these efforts they:</p> <ul style="list-style-type: none"> <li>• Developed a service line inventory portal to assist PWS in completing their initial service line inventory.</li> <li>• Created instructional videos to assist systems with forms and LCRR requirements.</li> <li>• Maintained a Frequently Asked Questions (FAQ) page within TCEQ’s LCRR webpage to address questions as they arise.</li> <li>• Gave presentations on LCRR requirements at various conferences and events including: TCEQ Environmental Trade Fair, Annual TCEQ PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings, TRWA Rural Water Conference, Texas Chemical Council EH&amp;S Seminar, North Central Texas Council of Governments webinars, and TAWWA webinars.</li> </ul>
<p>2. Review of compliance data, monitoring information and other compliance Program related information;</p>	<p>TCEQ reviews treatment techniques, microbial and chemical compliance data to determine compliance with primary drinking water standards and monitoring and reporting requirements. On a daily basis, TCEQ ensures PWS are monitored on appropriate schedules based on system information and sample results.</p>
<p>3. SDWIS inventory and data maintenance (including service line inventory data);</p>	<p>Inventory data in SDWIS was updated from multiple data sources and reported to EPA on the following dates:  Quarter 1 on December 19, 2023  Quarter 2 on March 25, 2024  Quarter 3 on July 23, 2024  Quarter 4 by September 30, 2023</p>

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4. Data and responses to the EPA, PWS, consulting engineers, TCEQ and other state agencies, as necessary;	TCEQ staff and contractors provided information on requests to TCEQ, EPA, PWS, consulting engineers through day-to-day assistance. TCEQ staff have sought new and innovative ways to share data across Programs and with the public, including PWS, by continuing to modify Drinking Water Watch, discussing data initiatives through stakeholder meetings, and implementing SharePoint software for internal project management and coordination. TCEQ has worked with EPA to identify data discrepancies between state and federal databases and has actively sought to reduce these discrepancies.
5. Purchase of supplies, equipment and other items necessary to support the PWSSP in Texas;	Supplies and equipment deemed necessary to support the PWSSP in Texas were purchased.
6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP;	TCEQ staff participated in virtual and in-person trainings, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP. Examples include: <ul style="list-style-type: none"> <li>• ASDWA 2023 Annual Conference</li> <li>• 2024 Annual Texas PDW (PDW) Conference</li> <li>• ASDWA 2023 Data Management User's Conference</li> </ul>
7. Coordination of and participation in state and/or national organizations including, but not limited to the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the PWSSP; and	TCEQ staff participated in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators, The Texas section of the American Water Works Association (TAWWA), and other organizations in support of the PWSSP. TCEQ staff participated on the ASDWA SDWIS Modernization Board in support of SDWIS, data concerns, and compliance determinations involved in the oversight of PWS and the future Lead and Copper Rule Revisions.
8. Provision of other assistance and support services to PWS in support of the PWSSP for the State of Texas.	TCEQ staff and contractors hosted and participated in the 2024 Annual Texas PDW Conference. The general session included presentations on PWS: Adapting to Change, Case Studies on Navigating Change and Water Age in the Distribution System all with an

Work Plan Deliverable	Output Provided
	<p>emphasis on this year's theme "Navigating Change".</p> <p>Additional presentations were given by TCEQ staff and contractors on topics including Lead and Copper Rule Revisions, Lead Service Line Inventory, Proposed Lead and Copper Rule Improvements, Per- and Polyfluoroalkyl Substances Rule, Source Water Protection, Navigating Change: New Ways to Find, Train, Hire, and Keep Operators, and more.</p> <p>The conference included a technical assistance room for PWS operators to receive one-on-one technical assistance. TCEQ referred PWS to its FMT and Small Business Assistance functions to provide on-site, in-depth support services and assistance. This event had approximately 1,900 attendees over the two-day period.</p>

### Task 1.2 Drinking Water Emerging Contaminants (EC) Activities

The activities under this Task supported the PWSSP in Texas by performing data aggregation and risk assessment of PWS, conducting the sampling and analysis of emerging contaminants at PWS, providing education and technical guidance to PWS regarding ECs, and reviewing plans and specifications of facilities and treatment associated to ECs.

The key deliverables are data and resources to support the ability for PWS to identify and address the presence of ECs.

Work Plan Deliverable	Output Provided
1. Development and implementation of monitoring projects to perform sample collection and analysis for emerging contaminants at PWS;	TCEQ staff oversaw activities related to a 3 <sup>rd</sup> party sampling contract solicited specifically for contaminants of emerging concern. From that contract, 873 Per- and Polyfluoroalkyl Substances (PFAS) samples were collected from 512 systems.

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<b>Work Plan Deliverable</b>	<b>Output Provided</b>
2. Evaluation of existing state-wide data to perform risk assessment and analysis of PWS for EC to inform monitoring plans and associated activities;	TCEQ staff and a contractor developed and finalized a contract workplan to perform EC risk assessment and analysis tasks, and schedule of deliverables. The workplan was approved on August 12, 2024, to perform Comprehensive Literature Review of Available Toxicity Information, and Calculation of Numeric Translators for Contaminants of Emerging Concern (CECs).
3. Development and distribution of educational presentations and guidance to inform PWS on EC;	TCEQ staff gave presentations on NPDWR PFAS requirements at various conferences and events including: TCEQ Environmental Trade Fair, TCEQ PDW Conference, and TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings.
4. Review of exception requests for innovative/alternate treatment;	Exceptions for PWS using innovative/alternate treatment were reviewed by TCEQ staff and contractors.
5. Review of plans and specifications for treatment systems to remove/reduce emerging contaminants from drinking water sources	TCEQ staff conducted engineering plan reviews for PWS improvements related to EC.
6. Purchase of supplies, equipment, and other items necessary to support the PWSS Program in Texas;	Supplies and equipment deemed necessary to support the PWSSP in Texas were purchased.
7. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSS Program;	TCEQ staff participated in virtual and in-person trainings, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP. Examples include: <ul style="list-style-type: none"> <li>• ASDWA 2023 Annual Conference</li> <li>• 2024 Annual Texas PDW (PDW) Conference</li> <li>ASDWA 2023 Data Management User's Conference</li> </ul>
8. Coordination, assistance, and support to EPA, PWS, TCEQ and other state agencies as it relates to inspections and investigations of PWS; and	TCEQ sent outreach letters to systems that were sampled for EC / PFAS (approximately 512 systems) and conducted confirmation sampling when results noted extremes over the MCL.



Work Plan Deliverable	Output Provided
9. Provision of other assistance and support services to PWS in support of the PWSSP for the State of Texas	<p>During SFY 2024, TCEQ's Drinking Water Quality Team (DWQT) within the Drinking Water Standards Section (DWSS) made significant efforts to assist PWS successfully prepare for the NPDWR PFAS rule. These efforts included:</p> <ul style="list-style-type: none"> <li>• Gave presentations on NPDWR PFAS requirements at various conferences and events including: TCEQ Environmental Trade Fair, Annual TCEQ PDW Conference, and TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings.</li> </ul> <p>Coordinated with TCEQ's laboratory accreditation group to request Fields of Accreditation (FoA) be added for PFAS.</p>

### Task 1.3 Drinking Water Lead Service Line Replacement (LSLR) Activities

The activities under this Task supported the PWSSP by developing tools and resources to support PWS implementation of the LCRR and its associated activities.

The key deliverable is the implementation of Programs designed to support the successful submission of service line inventories and implementation of LCRR requirements associated to monitoring, corrosion control, and lead service line replacement.

Work Plan Deliverable	Output Provided
1. Conduct and complete on-site and remote technical assistance in support of line service line inventory and lead service line replacement plan development;	TCEQ staff provided a virtual training aimed to train water systems on the new LSLI portal via GEC SWIFT Submittals. Additional training and outreach were provided during a workshop at the 2024 Annual TCEQ PDW Conference, a September TAWWA webinar, outreach email to systems inviting them to register for the LSLI portal, updates to TCEQ's LCRR website, and announcements during quarterly DWAAG meetings.
2. Development and distribution of educational presentations and guidance materials to inform PWS of LCRR requirements, including LSLR and LSLR plans;	TCEQ staff gave presentations on LCRR requirements at various conferences and events including: TCEQ Environmental Trade Fair, 2024 Annual PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings, Texas Chemical Council quarterly meetings, Texas Chemical Council EH&S Seminar, North Central Texas Council of Governments webinars, and TAWWA webinars.

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Work Plan Deliverable	Output Provided
3. Review of plans and specifications for modifications to public water distribution systems when those modifications are considered to be a significant change;	TCEQ staff conducted engineering plan reviews for PWS improvements, including modifications to distribution systems considered to be a significant change.
4. Purchase of supplies, equipment, and other items necessary to support the PWSSP in Texas;	Supplies and equipment deemed necessary to support the PWSSP in Texas were purchased.
5. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP; and	<p>TCEQ staff participated in virtual and in-person trainings, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP. Examples include:</p> <ul style="list-style-type: none"> <li>• ASDWA 2023 Annual Conference</li> <li>• 2024 Annual Texas PDW Conference</li> <li>• ASDWA 2023 Data Management User's Conference</li> <li>• Additionally, TCEQ staff traveled to McAllen, Tx, Galveston, TX, Pasadena, Tx, Fort Worth, Tx, and Greenville, SC to provide training and attend conferences designed to share and enhance knowledge.</li> </ul>

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Work Plan Deliverable	Output Provided
6. Provision of other assistance and support services to PWS in support of the PWSSP for the state of Texas.	<p>During SFY 2024, TCEQ's Lead and Copper Monitoring Team (LCMT) within the DWSS made significant efforts to assist PWS successfully prepare for the Lead and Copper Rule Revisions (LCRR) and forthcoming Lead and Copper Rule Improvements (LCRI). These efforts include:</p> <ul style="list-style-type: none"> <li>• Developed a service line inventory portal to assist PWS in completing their initial service line inventory.</li> <li>• Created instructional videos to assist systems with forms and LCRR requirements.</li> <li>• Maintained a Frequently Asked Questions (FAQ) page within TCEQ's LCRR webpage to address questions as they arise.</li> <li>• Gave presentations on LCRR requirements at various conferences and events including: TCEQ Environmental Trade Fair, Annual TCEQ PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings, Texas Water Conference, Texas Chemical Council EH&amp;S Seminar, North Central Texas Council of Governments webinars, and TAWWA webinars.</li> </ul>

## **Program Element 2: Capacity Development**

This Program Element provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of PWS through the identification of PWS that need assistance in developing, enhancing and maintaining their FMT abilities, including asset management, to meet state and federal requirements. This was accomplished through the implementation of: National Primary Drinking Water Regulations; the Texas Optimization Program (TOP); portions of the engineering exceptions program, engineering plan review, capital funding source identification, review and approval of drought contingency plans, receivership assistance, water security assistance and other specialized assistance to PWS and were performed by TCEQ staff and/or contractors.

An estimated total of \$2,369,595 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024, for this Program Element. Of the total estimated amount expended \$2,018,928 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$350,667 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

## Task 2.1 Capacity Development - Capacity Development Activities

This Task implemented the Capacity Development Strategy under the PWSSP in Texas. The activities under this Task provided assistance to reduce the risk of both long-term and short-term health effects. This was accomplished through the implementation of: the Texas Optimization Program (TOP), portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, coordination, and Intended Use Plan ranking and review and other specialized assistance to PWS through the use of TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of Texas' population with drinking water (DW) that meets DW standards and increases the sustainability of PWS.

Work Plan Deliverable	Output Provided
1. Development of presentations, training materials and other technical documents to support the technical capability and compliance of PWS in Texas;	TCEQ provided presentations and training materials at the 2024 Annual Texas PDW Conference. Staff developed and conducted presentations, panel discussions and training to assist PWS at workshops, conferences, the Drinking Water Advisory Work Group (DWAAG), and Texas Water Infrastructure Coordination Committee (TWICC) meetings with topics like regionalization, resiliency, asset management, how drinking water facilities are reviewed and approved, and how to get assistance with operations and funding. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention, and disinfection byproduct formation.
2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of PWS;	During the grant period, the TOP provided training and technical assistance to 61 Public Water Systems. Specifically, TOP: <ul style="list-style-type: none"> <li>• Executed 91 individual technical assistance assignments.</li> <li>• Assisted 36 systems with population of Less than 10K.</li> <li>• Assisted 25 systems with population Greater than 10K.</li> <li>• Delivered 24 Direct Assistance Modules (DAMs).</li> <li>• Developed/Piloted 1 new Directed Assistance Module – DAM 13 Resiliency.</li> <li>• Conducted 1 Special Performance Evaluation (SPE).</li> <li>• Conducted 2 Mandatory Comprehensive Performance Evaluations (mCPE).</li> </ul>

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Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> <li>• Conducted 3 Contact Time Studies.</li> <li>• Responded to 3 Emergency Events.</li> <li>• Assisted with 8 Chlorine conversions.</li> <li>• Conducted 7 Records Trainings.</li> <li>• Conducted 6 Membrane Plant Evaluations.</li> <li>• Assisted in 4 Disinfectant Biproduct cases.</li> <li>• Provided 8 Treatment Plant Operation trainings.</li> <li>• Presented at 6 TRWA meetings.</li> <li>• Presented at 5 TWUA meetings.</li> </ul> <p>TOP staff and contractors delivered technical training to 1,900 attendees of the 2024 Annual Texas PDW Conference including presentations, and targeted workshops on:</p> <ul style="list-style-type: none"> <li>• Chloramination Basics</li> <li>• Nitrification Basics</li> <li>• Nitrification Action Plans</li> <li>• Disinfectant Residual Monitoring</li> <li>• Free-Chlorine Conversions</li> <li>• What Texas Optimization Can Do For You</li> <li>• Jar Testing</li> <li>• Case Study on Navigating Changing</li> <li>• Starting a Cross Connection Program</li> <li>• Cross Connection Technical Topic</li> </ul>
3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted by PWS;	During the grant period, exceptions for PWS were reviewed by TCEQ staff and contractors. TCEQ staff also conducted engineering plan reviews for PWS improvements as well as submittals regarding corrosion control for PWS with lead action level exceedances. Some examples of technical assistance for exception, plan and corrosion control submittals include phone calls with PWS representatives to explain what is needed for exception requests to the sanitary control easement requirements, pre-application meetings with PWS and their engineering representative prior to submittal of engineering plans and responding to PWS questions via phone or email regarding corrosion control options and requirements.
4. Purchase of supplies and equipment as necessary to support the Capacity Development Program in Texas;	Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.

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Work Plan Deliverable	Output Provided
<p>5. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA) and other organizations in support of the Capacity Development Strategy;</p>	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), Texas section of the American Water Works Association (TAWWA), TWDB, Southwest Environmental Finance Center, and other agencies and organizations.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped to coordinate with entities looking for funding to enable them to attend the meetings. This year meetings were hosted by TCEQ, Communities Unlimited, TAWWA, TRWA, TWDB and USDA. TWICC guests included:</p> <ul style="list-style-type: none"> <li>• A small rural school district seeking assistance and funding to address a failing wastewater system.</li> <li>• A community organization trying to obtain first time service to homes in rural west Texas</li> <li>• A town with less than 400 residents who is struggling to address serious water and wastewater compliance issues.</li> <li>• Developers of a large regional water project along the Texas-Mexico border.</li> <li>• An American Legion Post looking for funding assistance for their system.</li> <li>• A subdivision with a failed well looking for funding for an interconnect to a neighboring municipality.</li> </ul> <p>TWICC also hosted entities who made presentations about their programs, upcoming rules and regulations, and research and resources pertaining to water. This year those presenters included TAWWA and the TXWARN program who are looking for sources of funding for portable generators, and TCEQ Litigation Division's Supplemental Environmental Program (SEP) who are recruiting possible candidates to serve as third party administrators for SEP funding.</p> <p>TCEQ staff made presentations and assisted at workshops, conferences, and staff trainings. There was a TWICC workshop at the 2024 Annual Texas PDW Conference and a panel discussion on funding. The workshop participants had</p>

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Work Plan Deliverable	Output Provided
<p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of state Program administration staff in support of the Capacity Development Strategy; and</p>	<p>opportunities to talk to agencies one-on-one about their projects and funding needs.</p> <p>TCEQ staff participated in virtual and in-person trainings, conferences and other events designed to share and enhance knowledge, skills, and abilities in support of the Capacity Development Strategy. Staff participated in both ASDWA and EPA workgroups and committees focusing on the new technical assistance programs and capacity development topics including small and disadvantaged systems, regionalization, and consolidation, workforce development, cybersecurity, emergency planning, the DWSRF and partnerships.</p> <p>Through the FMT Assistance program, TRWA helped plan and execute an in-person drought and hurricane resiliency workshop tailored to the Rio Grande Valley. The purpose of this free workshop was to discuss the challenges facing water systems in the Rio Grande Valley and for systems to learn steps to improve water system resiliency. Water systems also had the opportunity to talk one-on-one with TCEQ officials, funding agencies, and local emergency responders. In total, 122 individuals attended the workshop, which was held in McAllen, TX.</p>
<p>7. Provision of other assistance and support services to PWS in support of the PWSSP and approved Capacity Development Strategy for the State of Texas (e.g., technical assistance to PWS proposing to use innovative treatment, resiliency activities, consolidation assistance, assistance in support of compliance, asset management, promoting regionalization, and annual PDW conference).</p>	<p>TCEQ staff and contractors participated in the 2024 Annual Texas PDW Conference. This conference had a robust workshop section where water systems received specialized training. The conference also provided a technical assistance room for TCEQ staff to provide one-on-one technical assistance to attendees.</p> <p>TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> <li>• Staff assessment and assistance to PWS experiencing operational, managerial, and financial problems.</li> <li>• Providing training to technical assistance providers and water systems directly.</li> <li>• Tracking and assisting nonviable “at-risk” PWS in restructuring.</li> <li>• Providing free on-site assistance through the FMT contract.</li> </ul>

## Task 2.2: Capacity Development - FMT Assistance

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task, enhanced the FMT abilities of PWS by providing assistance in developing, enhancing, and maintaining FMT abilities, and assisted PWS to meet state and federal requirements through the use of TCEQ staff and/or contractors.

The key deliverable is the implementation of Programs designed to provide assistance visits in order to enhance the FMT abilities of PWS to meet state and federal requirements.

Work Plan Deliverable	Output Provided
1. FMT training and assistance to PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed;	Under this grant, TCEQ, through its FMT assistance contractor, completed 395 FMT Capacity Assessments, Consolidation Assessments, On-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for PWS.
2. Assessment and reporting on DWSRF applicants; and	Under this grant, TCEQ's FMT Contractor conducted 34 FMT Capacity Assessments for PWS DWSRF applicants.
3. Provision of other assistance, training, and services to PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	Under this grant, TCEQ's FMT Contractor conducted two (2) Consolidation Assessments.

## Task 2.3 Capacity Development – Water Security

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task provided assistance to PWS during significant weather events, natural disasters, and other emergency events. Activities conducted enhanced abilities of PWS to respond to emergencies through the use of TCEQ staff and/or a contractor that provided assistance.

The key deliverable is the provision of water security assistance and training to PWS in the state impacted by or who have the potential to be impacted by natural disasters including drought.



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Work Plan Deliverable	Output Provided
1. Review, evaluation and technical assistance related to Emergency Preparedness Plans (EPP);	<p>The WSD's Resiliency and Preparedness Team reviewed and approved EPPs, developed standard operating procedures, tracked the status of EPPs submitted, and developed training for affected utilities on how to complete EPPs. In SFY 2024, TCEQ has received 116 EPPs. Program staff have approved 3,365 of the total 4,035 EPPs submitted for review and approval since the program began in SFY 2022.</p> <p>TCEQ's WSD sends out the PWS emergency contact update form to all PWS across the state on a biennial basis. In SFY 2023, the form was made available online so PWS could update their emergency contact information as needed. To date, WSD has received 281 requests to update emergency contact information electronically. At this year's PDW Conference, 1,216 forms were provided to attendees. Beginning in SFY 2025, all PWS will be sent a notification request to verify current emergency contact information and to submit updates, as needed.</p>
2. SCADA and Cybersecurity Technical Assistance	<p>In SFY 2024, there were six (6) water utilities that were identified as being impacted by cybersecurity incidents, these incidents were reported to the Texas Department of Information Resources, the U.S. Cybersecurity &amp; Infrastructure Security Agency (CISA), EPA, and FBI.</p> <p>TCEQ assisted in developing a joint response to all water utilities, considering the increase in cybersecurity attacks on critical infrastructure across the state. The letter provided eight recommendations and guidance on cybersecurity measures to protect against and mitigate the impact of these threats and provided information on state and national resources for Texas water systems.</p> <p>In addition, TCEQ' updated the <i>Homeland Security and PWS: Disaster Recovery</i> webpage to include cybersecurity state and federal resources, state and federal reporting requirements, and assistance available to Texas water systems.</p>
3. Support for natural disaster (i.e., drought) initiatives and technical assistance to impacted systems;	<p>Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of PWS size, type, and ownership.</p>

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Work Plan Deliverable	Output Provided
	<p>During this reporting period and in anticipation of drought, WSD issued 1,003 drought alert letters in April of 2024. The Emergency Drinking Water Taskforce met monthly. As of September 1, 2024, the taskforce is tracking 12 drought impacted systems on the 180-day list which includes systems that have estimated their remaining source water to be less than 180 days. TCEQ continued to provide support and assistance to the Texas Natural Disaster Operational Workgroup (NDOW) by providing training to staff on the implementation and use of Response Manager (RM), the software to conduct drinking water assessments in response to a disaster.</p> <p>TCEQ held six (6) in-person training courses across the state to update staff and created a video of the training. RM training was provided in the following TCEQ regions: Abilene, Central Office, Corpus Christi, Harlingen, Houston, and Tyler for 157 attendees. Attendees included staff from multiple agencies: TCEQ, Texas General Land Office, Coast Guard, and Texas Parks and Wildlife.</p> <p>The WSD also provided support to the Texas NDOW by participating in the phone bank RM exercise which was conducted the week of May 23, 2024. The phone bank exercise is part of the annual Full-Scale Hurricane Exercise which was held in Houston, Texas. The phone bank consisted of eleven TCEQ staff in Austin completing mock drinking water assessments in RM. This training prepares TCEQ staff to support and document when PWS are impacted by disasters.</p> <p>Attendees to all RM trainings were taught the purpose of using RM, how to enter DW assessments in RM, taught the Drinking Water Operational and Damage Level Definitions, and utilized scenarios to test the attendee's understanding and function of RM. These trainings prepare TCEQ staff to support PWS impacted by disasters.</p>
4. Travel and training both within Texas and nationally to attend training,	<p>In SFY 2024 trainings and conferences attended:</p> <ul style="list-style-type: none"> <li>• EPA How to Prepare Your Utility for Disasters Webinar</li> </ul>

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Work Plan Deliverable	Output Provided
<p>conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of Program administration staff in support of the Water Security Program; and</p>	<ul style="list-style-type: none"> <li>• EPA Small Drinking Water Systems Webinar Risk, Crises and General Communication</li> <li>• EPA Increasing Resilience to Power Outages with Solar Powered Microgrids and Battery Energy Storage</li> <li>• EPA Cybersecurity Guidance for Drinking Water and Wastewater Systems Webinar</li> <li>• EPA Water system Restructuring Assessment Rule</li> <li>• EPA Florida Water Tracker Webinar</li> <li>• EPA Clean Water Access During Emergencies</li> <li>• TEEX 8 Hour Occupational Safety and Health Administration Refresher June 23, 2024.</li> <li>• 2024 Texas Division of Emergency Management (TDEM) Conference.</li> <li>• H2OSecCon 2024 Water Security Conference</li> <li>• Texas AWWA Cybersecurity Webcast</li> <li>• 2024 South Texas All Hazards Conference</li> <li>• 2024 Texas Hurricane Center Conference</li> <li>• TRWA - TCEQ Hurricane &amp; Drought Resiliency Workshop McAllen, TX</li> </ul> <p>TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and maintains a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.</p>
<p>5. Provision of other assistance and support services to PWS in the support of the Water Security Program and the approved Capacity Development Strategy for the State of Texas.</p>	<p>TCEQ's Security Education contractor, CDM Smith, conducted three (3) workshops for PWS across the state on generator maintenance. The workshops covered an overview of generator maintenance and safety, included a hands-on field demonstration with a generator, and had a total of 62 attendees. In addition, CDM Smith also conducted a cybersecurity workshop which was well received and had 22 attendees. TCEQ also promoted additional resiliency training for water utilities at the 2024 PDW Conference held in August. The resiliency training included presentations on: cybersecurity with 289 attendees, weather with 181 attendees, generator maintenance workshop with 50 attendees, and a cybersecurity tabletop exercise with 23 attendees.</p> <p>TCEQ continues to be available for assistance and support services to PWS as needed through phone</p>

Work Plan Deliverable	Output Provided
	<p>calls, TCEQ's Capacity Development program, TCEQ's Critical Infrastructure Division, the TXWARN website and the Texas Department of Emergency Management's (TDEM's) Public Works Response Team (PWRT).</p> <p>The PWRT supports local jurisdictions in their response to catastrophic events by providing critical public works services as needed to facilitate recovery. TCEQ's Capacity Development program coordinates with members of TWICC including TDEM, FEMA, Texas Department of Agriculture (TDA), USDA and GLO to assist systems affected by disasters to obtain funding.</p> <p>Another support service provided to PWS is the Quarterly DWAAG meetings that are held for all PWS to attend in person or via webinar. These meetings inform PWS of program activities, response activities, and security activities. The meeting is interactive and allows for web attendees to ask questions during the meeting. The website for these meetings had presentations, the information covered during each meeting and advertises any upcoming drinking water related trainings provided by TCEQ, EPA, and other providers.</p>

#### Task 2.4: Capacity Development – Source Water Protection (SWP)

This Task provided SWP activities (which included both surface and wellhead protection) within the state and provided ongoing assistance to PWS through evaluation of sources with respect to vulnerability to contamination. TCEQ staff and/or contractors were used to support this task.

The key deliverables were completed SWP reports provided to PWS to assist in the implementation of Programs designed to provide SWP within the state.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for PWS;	<p>TCEQ completed five (5) SWP assessments using this grant. TCEQ Staff provided support toward other assessments.</p> <p>A total of five (5) PWS were evaluated in one (1) county under this grant.</p>
2. Implemented SWP Programs in various areas of the State for PWS	<p>TCEQ completed 24 SWP Plans, five (5) SWP plans were completed using this grant. TCEQ Staff provided support toward</p>

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<b>Work Plan Deliverable</b>	<b>Output Provided</b>
	other assessments.
3. Best management practices developed to implement SWP for PWS;	TCEQ implemented best management practices for five (5) PWS under this grant. TCEQ Staff provided support toward other assessments.
4. Meetings and site visits in order to facilitate the creation of SWP Programs with PWS;	SWP participants attended 15 meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans. The completed SWP Plans required water systems to attend an introduction meeting, education outreach event, site inventory and close out meeting. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for PWS;	TCEQ inventoried nine (9) SWP Areas under this grant.
6. Identification of populations protected by a SWP Program and served by vulnerable water sources for PWS; and	Using this grant, TCEQ identified a population of 1,128 protected by a SWP Program and served by vulnerable water sources in five (5) PWS. TCEQ Staff provided support toward other assessments.
7. Other activities in support of the SWP Program within the State of Texas.	Staff gave presentations on SWP and BMP at the 2024 Annual Texas PDW Conference and Texas Rural Water Utilities Association Annual School. TCEQ staff participated in Texas Rural Water Association Annual Symposium, Texas Forests and Drinking Water Partnership, Groundwater Protection Committee, Natural Resource Conservation Service Water Subcommittee and Association of State Drinking Water Administrators (ASDWA) Committee meetings.

**STATE FISCAL YEAR 2024  
DRINKING WATER STATE REVOLVING FUND  
LOCAL ASSISTANCE  
(15%) FIFTEEN PERCENT SET-ASIDE ACTIVITIES  
ANNUAL REPORT**

**EPA # FS-99679527  
[TCEQ Grant# 991524]**



**Texas Commission on Environmental Quality  
P.O. Box 13087, Austin, Texas 78711-3087**

**Source of Funding: Federal Fiscal Year 2023 DWSRF Fifteen Percent Set-  
Aside**

**Submitted November 15, 2024**

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## **INTRODUCTION**

The Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements. The objectives of the DWSRF Program include addressing public health priorities, achieving compliance with the Safe Drinking Water Act (SDWA), assisting systems to ensure affordable drinking water, and maintaining the long-term viability of the Fund. The SDWA authorizes states to use a portion of the federal DWSRF Capitalization Grant to support various drinking water programs (Set-Asides). Through the use of Set-Asides, emphasis is also placed on the development of state programs, including Source Water Protection (SWP), and Capacity Development. The SDWA allows as much as 15% of a State's federal Capitalization Grant to be used for Local Assistance.

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The State Fiscal Year (SFY) 2024 Drinking Water State Revolving Fund 15% Local Assistance Annual Report details TCEQ's progress in meeting DWSRF Grant Program goals, objectives, and funding expenditures for September 1, 2023, through August 31, 2024, using the 15% Set-Aside funds for SWP and Capacity Development. The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms and Expenditures and Program Elements, Tasks and Deliverables.

## **SUMMARY**

TCEQ, through the 15% Local Assistance Work Plan identified activities to be performed between September 1, 2023, and August 31, 2024, that supported Public Water Systems (PWS) through the State's Public Water System Supervision Program (PWSSP). These activities addressed Program requirements of the PWSSP outlined by the SDWA. Specifically, local technical assistance through SWP activities and assistance to water systems on a local basis in developing and implementing the Capacity Development Strategy requirement of the SDWA were addressed.

TCEQ expended approximately \$4,100,000 during the grant Work Plan period for work performed during this period. It should be noted that \$3,812,038 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$287,962 has been or is expected to be requested during the



months of September 2024 through November 2024. No match is required; the 15% DWSRF Set-Aside does not require a match.

The total requested for reimbursement from TWDB between September 2023 and August 2024 was \$4,227,015. Of this amount, approximately \$414,976 was requested for reimbursement from TWDB between September 2023 and November 2023 under the SFY2024/FFY2023 DWSRF 15% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

## **EPA AND TCEQ GOALS AND OBJECTIVES**

Federal and State programmatic goals and objectives are shown in Table 1: EPA and TCEQ Goals and Objectives below.

**Table 1: EPA and TCEQ Goals and Objectives**

<b>EPA GOALS AND OBJECTIVES</b>	<b>TCEQ GOALS AND OBJECTIVES</b>
<p><b>EPA Goal 5: Ensure Clean and Safe Water for All Communities.</b> Provide clean and safe water for all communities and protect our nation's waterbodies from degradation.</p> <p><b>EPA Objective 5.1: Ensure Safe Drinking Water and Reliable Water Infrastructure</b>          Protect public health from the risk of exposure to regulated and emerging contaminants in drinking and source waters by improving the reliability, accessibility, and resilience of the nation's water infrastructure to reduce the impacts of climate change, structural deterioration, and cyber threats.</p>	<p><b>TCEQ Goal 02: Drinking Water</b></p> <p>To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act by providing efficient regulation of the production, treatment, delivery, and protection of safe and adequate drinking water, and promoting regional water strategies.</p> <p><b>TCEQ Objective 2.1</b></p> <p>Supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act and to provide regulatory oversight of water and sewer utilities, and to promote regional water strategies.</p> <p><b>TCEQ Strategy 2.1.1: Safe Drinking Water</b></p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p>

## **WORK PROGRAM ORGANIZATIONAL STRUCTURE**

Within TCEQ, the Water Supply Division (WSD) is responsible for the overall administrative activities under the 15% DWSRF Set-Aside Grant. The WSD is in charge of administration of the Source Water Protection Program (Program Element 1 and associated Tasks), and the Capacity Development Program (Program Element 2 and associated Tasks).

## **EXPENDITURE BY PROGRAM ELEMENT**

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2024, and may not include final total expenditures for each Program Element and its associated Tasks. TCEQ expended approximately \$4,100,000 during the grant Work Plan period for work performed during this period. It should be noted that \$3,812,038 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$287,962 has been or is expected to be requested during the months of September 2024 through November 2024. No match is required; the 15% DWSRF Set-Aside does not require a match. Activities were performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2023 and August 2024 was \$4,227,015. Of this amount, approximately \$414,976 was requested for reimbursement from TWDB between September 2023 and November 2023 under the SFY2024/FFY2023 DWSRF 15% Set-Aside Work Plan.

**Table 2: Expenditure Summary Table**

<b>Program Element/Task</b>	<b>Division</b>	<b>Requested Reimbursements from TWDB between September 2023 and August 2024 for the SFY24/FFY23 15% DWSRF Set-Aside Work Plan</b>	<b>Total Expended During Grant Period</b>	<b>Percent of Total</b>
<b>Program Element 1:</b> Source Water Protection Programs	Water Supply Division	\$200,000	\$200,000	5 %
<b>Program Element 2:</b> Capacity Development	Water Supply Division	\$3,612,038	\$3,900,000	95 %
<b>Total</b>		<b>\$3,812,038</b>	<b>\$4,100,000</b>	<b>100%</b>

### **PROJECT SCHEDULE**

TCEQ conducted the activities in the DWSRF 15% Set-Aside Work Plans over a 12-month period, which began September 1, 2023, and ended August 31, 2024 (SFY 2024).

### **MEASURES OF SUCCESS**

The following tables [Table 3: TCEQ Outcome/Output Measures and Table 4: EPA National Program Guidance] provide the results of the activities implemented under the DWSRF 15% Work Plan. These measures were previously identified in the DWSRF 15% Work Plan under each Program Element and Task combination:

**Table 3: TCEQ Outcome/Output Measures**

<b>TCEQ Outcome/Output Measure</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
<b><u>2.1 oc 1 Outcome Measure</u></b>  Percent of Texas population served by	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	98.52% of Texas population served by public drinking water systems that meet

<b>TCEQ Outcome/Output Measure</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
drinking water systems meeting primary water standards.		drinking water standards.
<b><u>2.1.1 op 1 Output Measure:</u></b>  Number of public drinking water systems that meet primary drinking water standards.	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	6,977 public drinking water systems that meet primary drinking water standards.

**Table 4: EPA National Program Guidance**

<b>EPA National Program Guidance</b>	<b>Program Element/Task</b>	<b>Outcome/Output</b>
<b>Reduce the number of Community water systems in non-compliance with health-based standards:</b> Nationally from FFY Quarter 4 2017 of 3,508 to Quarter 4 2020 3,365 – Texas FFY Quarter 4 2017 - 459	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	<ul style="list-style-type: none"> <li>Q4 FFY 2024 – 408</li> <li>10.72% reduction since Q4 2017</li> </ul>
<b>Systems out of compliance due to Lead and Copper Rule violations:</b> (50% by 2022 – starting 2018) – Texas 2017 Q4 - 110	<ul style="list-style-type: none"> <li>All Program Elements and Tasks</li> </ul>	<ul style="list-style-type: none"> <li>Q2 FFY 2024 – 67</li> <li>39.1% reduction over Since Q4 2017</li> </ul>

## **PROGRAM ELEMENTS, TASKS, DELIVERABLES AND OUTPUTS**

The following describes the Work Plan Deliverables and Outputs provided for the Program Elements and Tasks identified in the 15% DWSRF Work Plan for SFY 2024.

### **Program Element 1: Source Water Protection (SWP) Programs**

This Program Element and associated Task implemented SWP (which includes both surface and wellhead protection) activities within the State in order to provide ongoing direct local assistance to PWS through evaluation of sources with respect to vulnerability to contamination. An estimated total of \$200,000 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024. Of the total estimated amount expended, \$200,000 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$0 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

#### **Task 1.1 Source Water Protection Activities**

This Task provided for SWP activities (which included both surface and wellhead protection) within the state in order to provide ongoing direct local assistance to PWS through evaluation of sources with respect to vulnerability to contamination. TCEQ staff and/or contractors were used to support this Task.

The key deliverables were completed SWP reports provided to PWS in order to assist in the implementation of Programs designed to provide SWP within the State.

<b>Work Plan Deliverable</b>	<b>Output Provided</b>
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for PWS;	TCEQ completed twelve (12) SWP assessments under this grant. TCEQ Staff provided support toward other assessments. A total of twelve (12) PWS were evaluated in three (3) counties under this grant.
2. Implemented SWP Programs in various areas of the State for PWS;	TCEQ completed 24 SWP Plans, twelve (12) were conducted under this grant. TCEQ Staff provided support toward other assessments.
3. Best management practices developed to implement SWP for PWS;	TCEQ implemented best management practices for twelve (12) PWS under this grant. TCEQ Staff provided support toward other assessments.
4. Meetings and site visits in order to facilitate the creation of SWP Programs with PWS;	SWP participants attended 36 meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans. Each of the twelve (12) SWP Plans completed required water systems to attend an introduction meeting, education outreach event, site inventory

Work Plan Deliverable	Output Provided
	and close out meeting. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for PWS;	TCEQ inventoried 44 SWP Areas under this grant.
6. Identification of populations protected by a SWP Program and served by vulnerable water sources for PWS; and	Under this grant, TCEQ identified a population of 150,796 protected by a SWP Program and served by vulnerable water sources in ten (10) PWS. TCEQ Staff provided support toward other assessments.
7. Other activities in support of the SWP Program within the State of Texas.	Staff gave presentations on SWP and BMP at the 2024 Annual Texas Public Drinking Water (PDW) Conference and Texas Rural Water Utilities Association Annual School. TCEQ staff participated in Texas Rural Water Association Annual Symposium, Texas Forests and Drinking Water Partnership, Groundwater Protection Committee, Natural Resource Conservation Service Water Subcommittee and Association of State Drinking Water (ASDWA) Administrators Committee meetings.

## Program Element 2: Capacity Development

This Program Element provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of PWS through the identification of PWS that needed assistance in developing, enhancing, and maintaining their FMT abilities, including asset management, to meet state and federal requirements. Additionally, the activities under this Program Element assisted PWS to maintain or enhance their abilities to meet State requirements through developing, issuing and managing of assistance, including assistance from technical assistance contractors, improving their FMT capability. The activities under this Program Element were performed by TCEQ staff and/or contractors.

An estimated total of \$3,900,000 was expended for activities conducted during the Work Plan period of September 1, 2023, through August 31, 2024. Of the total estimated amount expended \$3,612,038 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2023, through August 31, 2024, and the remainder, or approximately \$287,962 has been or is expected to be requested during the months of September 2024 through November 2024. All work was performed during the designated Work Plan period of September 1, 2023, through August 31, 2024.

### Task 2.1: Capacity Development – Capacity Development Activities

This Task implemented the Capacity Development Strategy under the PWSSP in Texas. The activities under this Task provided local assistance to reduce the risk of both long-term and short-term health effects. This was accomplished through the implementation of: the Texas Optimization Program (TOP); portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, coordination, Intended Use Plan ranking and review and other specialized assistance to PWS through the use of TCEQ staff and/or contractors.

The key deliverable is the implementation of Programs designed to meet the goal of 95% of the Texas population with drinking water (DW) that meets DW standards and increased sustainability of PWS by providing local assistance.

Work Plan Deliverable	Output Provided
1. Development of presentations, training materials and other technical documents to support the technical capability and compliance of PWS in Texas;	TCEQ provided presentations and workshop and training materials at the 2024 Annual Texas PDW Conference. Staff developed and conducted presentations, panel discussions and training to assist PWS at workshops, conferences, the Drinking Water Advisory Work Group (DWAAG), and Texas Water Infrastructure Coordination Committee (TWICC) meetings with topics including regionalization, resiliency, asset

Work Plan Deliverable	Output Provided
	<p>management, how drinking water facilities are reviewed and approved, and how to get assistance with operations and funding. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention and disinfection byproduct formation.</p>
<p>2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of PWS;</p>	<p>During the grant period, TOP provided training and technical assistance to 61 Public Water Systems. Specifically, TOP:</p> <ul style="list-style-type: none"> <li>• Executed 91 individual technical assistance assignments.</li> <li>• Assisted 36 systems with population of Less than 10K.</li> <li>• Assisted 25 systems with population Greater than 10K.</li> <li>• Delivered 24 Direct Assistance Modules (DAMs).</li> <li>• Developed/Piloted 1 new Directed Assistance Module – DAM 13 Resiliency.</li> <li>• Conducted 1 Special Performance Evaluation (SPE).</li> <li>• Conducted 2 Mandatory Comprehensive Performance Evaluations (mCPE).</li> <li>• Conducted 3 Contact Time Studies.</li> <li>• Responded to 3 Emergency Events.</li> <li>• Assisted with 8 Chlorine conversions.</li> <li>• Conducted 7 Records Trainings.</li> <li>• Conducted 6 Membrane Plant Evaluations.</li> <li>• Assisted in 4 Disinfectant Biproduct cases.</li> <li>• Provided 8 Treatment Plant Operation trainings.</li> <li>• Presented at 6 TRWA meetings.</li> <li>• Presented at 5 TWUA meetings.</li> </ul> <p>TOP staff and contractors delivered technical training to 1,900 attendees of the 2024 Annual Texas PDW Conference including presentations, and targeted workshops on:</p> <ul style="list-style-type: none"> <li>• Chloramination Basics</li> <li>• Nitrification Basics</li> <li>• Nitrification Action Plans</li> <li>• Disinfectant Residual Monitoring</li> <li>• Free-Chlorine Conversions</li> <li>• What Texas Optimization Can Do For You</li> <li>• Jar Testing</li> <li>• Case Study on Navigating Changing</li> <li>• Starting a Cross Connection Program</li> </ul>



Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> <li>• Cross Connection Technical Topic</li> </ul>
<p>3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted by PWS;</p>	<p>During the grant period, exceptions for PWS were reviewed by TCEQ staff and contractors. TCEQ staff also conducted engineering plan reviews for PWS improvements as well as submittals regarding corrosion control for PWS with lead action level exceedances. Some examples of technical assistance for exception, plan and corrosion control submittals include phone calls with PWS representatives to explain what is needed for exception requests to the sanitary control easement requirements, pre-application meetings with PWS and their engineering representative prior to submittal of engineering plans and responding to PWS questions via phone or email regarding corrosion control options and requirements.</p>
<p>4. Purchase of supplies and equipment necessary to support the Capacity Development Program in Texas;</p>	<p>Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.</p>
<p>5. Coordination of and participation in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the Capacity Development Strategy.</p>	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), Texas section of the American Water Works Association (TAWWA), TWDB, Southwest Environmental Finance Center, and other agencies and organizations. During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped to coordinate with entities looking for funding to enable them to attend the meetings. This year meetings were hosted by TCEQ, Communities Unlimited, TAWWA, TRWA, TWDB and USDA. TWICC guests included:</p> <ul style="list-style-type: none"> <li>• A small rural school district seeking assistance and funding to address a failing wastewater system.</li> <li>• A community organization trying to obtain first time service to homes in rural west Texas.</li> <li>• A town with less than 400 residents who is struggling to address serious water and wastewater compliance issues.</li> <li>• Developers of a large regional water project along the Texas-Mexico border.</li> </ul>

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> <li>• An American Legion Post looking for funding assistance for their system.</li> <li>• A subdivision with a failed well looking for funding for an interconnect to a neighboring municipality.</li> </ul> <p>TWICC also hosted entities who made presentations about their programs, upcoming rules and regulations, and research and resources pertaining to water. This year those presenters included TAWWA and the TXWARN program who are looking for sources of funding for portable generators, and TCEQ Litigation Division's Supplemental Environmental Program (SEP) who are recruiting possible candidates to serve as third party administrators for SEP funding. TCEQ staff made presentations and assisted at workshops, conferences, and staff trainings. There was a TWICC workshop at the 2024 Annual Texas PDW Conference and a panel discussion on funding. The workshop participants had opportunities to talk to agencies one-on-one about their projects and funding needs.</p>
<p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the Capacity Development Strategy; and</p>	<p>TCEQ staff participated in virtual and in-person trainings, conferences and other events designed to share and enhance knowledge, skills, and abilities in support of the Capacity Development Strategy. Staff participated in both ASDWA and EPA workgroups and committees focusing on the new technical assistance programs and capacity development topics including small and disadvantaged systems, regionalization, and consolidation, workforce development, cybersecurity, emergency planning, the DWSRF and partnerships.</p> <p>Through the FMT Assistance program, TRWA helped plan and execute an in-person drought and hurricane resiliency workshop tailored to the Rio Grande Valley. The purpose of this free workshop was to discuss the challenges facing water systems in the Rio Grande Valley and for systems to learn steps to improve water system resiliency. Water systems also had the opportunity to talk one-on-one with TCEQ officials, funding agencies, and local emergency responders. In total, 122</p>

Work Plan Deliverable	Output Provided
	individuals attended the workshop, which was held in McAllen, TX.
7. Provision of other assistance and support services to PWS in support of the PWSS Program and approved Capacity Development Strategy for the State of Texas (e.g., technical assistance to PWS proposing to use innovative treatment, resiliency activities, consolidation assistance, assistance in support of compliance, asset management, promoting regionalization, and annual PDW conference).	<p>TCEQ staff and contractors participated in the 2024 Annual Texas PDW Conference. This conference had a robust workshop section where water systems received specialized training. The conference also provided a technical assistance room for TCEQ staff to provide one-on-one technical assistance to attendees. TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> <li>• Staff assessment and assistance to PWS experiencing operational, managerial, and financial problems.</li> <li>• Providing training to technical assistance providers and water systems directly.</li> <li>• Tracking and assisting nonviable “at-risk” PWS in restructuring.</li> <li>• Providing free on-site assistance through the FMT contract.</li> </ul>

## Task 2.2: Capacity Development - FMT Assistance

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task enhanced the FMT abilities of PWS by providing local assistance in developing, enhancing, and maintaining FMT abilities, and assisting PWS to meet state and federal requirements through the use of TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to provide assistance visits in order to enhance the FMT abilities of PWS to meet state and federal requirements.

Work Plan Deliverable	Output Provided
1. FMT training and assistance to PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed;	<p>Under this grant, TCEQ, through its FMT Assistance contractor, completed 731 FMT Capacity Assessments, Consolidation Assessments, on-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for PWS. TCEQ’s FMT Contractor completed 6 FMT Assistance assignments for the purpose of training and assisting PWS on specific FMT weaknesses identified during FMT Capacity Assessments.</p>

Work Plan Deliverable	Output Provided
2. Assessment and reporting on DWSRF applicants; and	Under this grant, TCEQ's FMT Contractor conducted 41 FMT capacity assessments for PWS DWSRF applicants.
3. Provision of other assistance, training and services to PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	Under this grant, TCEQ's FMT Assistance contractor completed 118 TCEQ-administered special assignments that ranged from providing a system with hands-on customer service inspection (CSI) training to presenting on the LCRR/LSLI requirements at the Small Towns group meeting.

### Task 2.3 Capacity Development – Water Security

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task provided local assistance to PWS during significant weather events, natural disasters, and other emergency events. Activities were conducted to enhance abilities of PWS to respond to emergencies through the use of TCEQ staff and/or contractors that provided assistance.

The key deliverable was the provision of water security assistance and training to PWS in the state impacted by or who have the potential to be impacted by natural disasters including drought.

Work Plan Deliverable	Output Provided
1. Review, evaluation and technical assistance related to Emergency Preparedness Plans (EPP);	<p>The WSD's Resiliency and Preparedness Team reviewed and approved EPPs, developed standard operating procedures, tracked the status of EPPs submitted, and developed training for affected utilities on how to complete EPPs. In SFY 2024, TCEQ has received 116 EPPs. Program staff have approved 3,365 of the total 4,035 EPPs submitted for review and approval since the program began in SFY 2022.</p> <p>TCEQ's WSD sends out the PWS emergency contact update form to all PWS across the state on a biennial basis. In SFY 2023, the form was made available online so PWS could update their emergency contact information as needed. To date, WSD has received 281 requests to update emergency contact information electronically. At this year's PDW Conference, 1,216 forms were provided to attendees. Beginning in SFY 2025, all PWS will be sent a notification request to verify current emergency contact information and to</p>

Work Plan Deliverable	Output Provided
	submit updates, as needed.
<p>2. Support for natural disaster (i.e. drought) initiatives and technical assistance to impacted systems;</p>	<p>Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of PWS size, type, and ownership.</p> <p>During this reporting period and in anticipation of drought, WSD issued 1,003 drought alert letters in April of 2024. The Emergency Drinking Water Taskforce met monthly. As of September 1, 2024, the taskforce is tracking 12 drought impacted systems on the 180-day list which includes systems that have estimated their remaining source water to be less than 180 days. TCEQ continued to provide support and assistance to the Texas Natural Disaster Operational Workgroup (NDOW) by providing training to staff on the implementation and use of Response Manager (RM), the software to conduct drinking water assessments in response to a disaster.</p> <p>TCEQ held six (6) in-person training courses across the state to update staff and created a video of the training. RM training was provided in the following TCEQ regions: Abilene, Central Office, Corpus Christi, Harlingen, Houston, and Tyler for 157 attendees. Attendees included staff from multiple agencies: TCEQ, Texas General Land Office, Coast Guard, and Texas Parks and Wildlife.</p> <p>The WSD also provided support to the Texas NDOW by participating in the phone bank RM exercise which was conducted the week of May 23, 2024. The phone bank exercise is part of the annual Full-Scale Hurricane Exercise which was held in Houston, Texas. The phone bank consisted of eleven TCEQ staff in Austin completing mock drinking water assessments in RM. This training prepares TCEQ staff to support and document when PWS are impacted by disasters.</p> <p>Attendees to all RM trainings were taught the purpose of using RM, how to enter DW assessments in RM, taught the Drinking Water Operational and Damage Level Definitions, and utilized scenarios to test the attendee's understanding and function of RM. These</p>

Work Plan Deliverable	Output Provided
	trainings prepare TCEQ staff to support PWS impacted by disasters.
<p>3. Travel and training within Texas or nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of Program administration staff in support of the Water Security Program; and</p>	<p>In SFY 2024 trainings and conferences attended:</p> <ul style="list-style-type: none"> <li>• EPA How to Prepare Your Utility for Disasters Webinar</li> <li>• EPA Small Drinking Water Systems Webinar Risk, Crises and General Communication</li> <li>• EPA Increasing Resilience to Power Outages with Solar Powered Microgrids and Battery Energy Storage</li> <li>• EPA Cybersecurity Guidance for Drinking Water and Wastewater Systems Webinar</li> <li>• EPA Water system Restructuring Assessment Rule</li> <li>• EPA Florida Water Tracker Webinar</li> <li>• EPA Clean Water Access During Emergencies</li> <li>• TEEX 8 Hour Occupational Safety and Health Administration Refresher June 23, 2024.</li> <li>• 2024 Texas Division of Emergency Management (TDEM) Conference.</li> <li>• H2OSecCon 2024 Water Security Conference</li> <li>• Texas AWWA Cybersecurity Webcast</li> <li>• 2024 South Texas All Hazards Conference</li> <li>• 2024 Texas Hurricane Center Conference</li> <li>• TRWA - TCEQ Hurricane &amp; Drought Resiliency Workshop McAllen, TX</li> </ul> <p>TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and to maintain a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.</p>
<p>4. Provision of other assistance and support services to PWS in support of the Water Security Program and the approved Capacity Development Strategy for the State of Texas.</p>	<p>TCEQ's Security Education contractor, CDM Smith, conducted three (3) workshops for PWS across the state on generator maintenance. The workshops covered an overview of generator maintenance and safety, included a hands-on field demonstration with a generator, and had a total of 62 attendees. In addition, CDM Smith also conducted a cybersecurity workshop which was well received and had 22 attendees. TCEQ also promoted additional resiliency training for water utilities at the 2024 PDW Conference held in August. The resiliency training included presentations on: cybersecurity with 289</p>

Work Plan Deliverable	Output Provided
	<p>attendees, weather with 181 attendees, generator maintenance workshop with 50 attendees, and a cybersecurity tabletop exercise with 23 attendees.</p> <p>TCEQ continues to be available for assistance and support services to PWS as needed through phone calls, TCEQ's Capacity Development program, TCEQ's Critical Infrastructure Division, the TXWARN website and the Texas Department of Emergency Management's (TDEM's) Public Works Response Team (PWRT).</p> <p>The PWRT supports local jurisdictions in their response to catastrophic events by providing critical public works services as needed to facilitate recovery. TCEQ's Capacity Development program coordinates with members of TWICC including TDEM, FEMA, Texas Department of Agriculture (TDA), USDA and GLO to assist systems affected by disasters to obtain funding.</p> <p>Another support service provided to PWS is the Quarterly Drinking Water Advisory Work Group (DWAAG) meetings that are held for all PWS to attend in person or via webinar. These meetings inform PWS of program activities, response activities, and security activities. The meeting is interactive and allows for web attendees to ask questions during the meeting. The website for these meetings has presentations, the information covered during each meeting, and advertises any upcoming drinking water related training provided by TCEQ, EPA, and other providers.</p>