

STATE OF TEXAS



Annual Report

Drinking Water State Revolving Fund

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



SFY 2025

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

Photo taken by Jean Schlitzkus, TWDB Staff
City of Pflugerville Water Tower

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- A. Drinking Water State Revolving Fund Emerging Contaminants Funding SFY 2025
- B. Drinking Water State Revolving Fund Lead Service Line Replacement Funding SFY 2025
- C. SFY 2025 Annual Financial Report – DWSRF Financial Statements
- D. TCEQ – Small Systems Technical Assistance 2025 Annual Report
- E. TCEQ – State Management Program 2025 Annual Report
- F. TCEQ – IJA State Management Program 2025 Annual Report
- G. TCEQ – Local Assistance 2025 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) 2025 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 2025, which was from September 1, 2024, through August 31, 2025.

The SFY 2025 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 1, 2024, 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 2025, 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 2025. 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) 2024 annual appropriations of \$37,157,000; General Supplemental appropriations from the Infrastructure Investment and Jobs Act of 2021 (IIJA) of \$183,256,000; IIJA Emerging Contaminants (EC) FFY 2022, 2023, and 2024 appropriations of \$140,000, \$1,742,000, and \$60,914,000 respectively; and IIJA Lead Service Line Replacement (LSLR) FFY 2022 and 2024 appropriations of \$10,782,000 and \$63,014,000 respectively were used for this SFY. Annual appropriations and the IIJA General Supplemental appropriations were used for the Base funding program.

The TWDB set the SFY 2025 DWSRF Base program capacity at \$444,395,440. 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 lead service line inventory activities received a zero percent interest rate while the financing of lead service line replacements received a reduction of 35% below market rates. In addition to the EPA capitalization grant, the Texas DWSRF utilizes additional state funding sources to increase the program's capacity. The additional available resources included the required annual appropriations state match of 20% of the grant, IIJA appropriations state match of 20% of the grant, principal repayments from previous DWSRF finances, 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 61 DWSRF commitments totaling \$148,757,572. 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 EPA's initiative titled "Powering the Great American Comeback" has set 5 major pillars to guide the EPA regarding the protection of public health and the environment. The goals of the DWSRF program support the EPA's Pillar 1: Clean Air, Land and Water for Every American.

The Texas DWSRF program is available to provide financial support to achieve these goals. The TWDB provides effective and efficient administration of the DWSRF program and offers below market interest rates, affordable long-term financing, and principal forgiveness 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% of the capitalization grant, or, \$3,715,700 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% 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 2025, 20 projects took advantage of terms greater than 20 years. Details on finance 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 2025, at least \$444,395,440 was available under the DWSRF program. This amount includes \$119,395,440 in principal forgiveness and at least \$325 million with subsidized interest rates or zero 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.*

The TWDB typically utilizes cross-collateralization when issuing bonds to support both programs. For SFY 2025, \$1,687,156 of the \$44,082,600 that was required as state match, was issued by bonds. The remaining portion of the state match required came from funds appropriated to the TWDB by the Texas Legislature.

5. *Continue 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 16 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. The 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 financings 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 2025, five projects meeting these criteria received a financial commitment totaling \$24,245,000.

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 2025, 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, 2025, 32 systems have submitted project information forms for funding consideration, 6 of those became projects after the submission of a financial application, and 1 has received a funding commitment to resolve their issues. Details of the progress made may be found in Section 8, Program Initiatives.

8. *Continue to implement the TWDB's Asset Management Program for Small Systems (AMPSS) and CFO to GO initiatives, and Water Utilities Technical Assistance Program Initiatives (WUTAP).*

The TWDB continued to offer the AMPSS and the CFO to GO program during the SFY. During SFY 2025, work on projects from the second round of funding through the AMPSS program took place. Solicitation for a third round of projects took place towards the end of SFY 2025, with work on those projects expected to begin in January 2026.

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, 2025, 24 systems (15 drinking water and 9 wastewater) have been allocated funding through the SRF programs for asset management plan creation.

During SFY 2025, the TWDB established the Water Utilities Technical Assistance Program (WUTAP) as technical assistance, offering to help utilities prepare for applying for funding from the SRF programs. WUTAP pairs selected entities with contractors who will complete deliverables alongside the participant systems related to strengthening their financial, managerial and operational processes to put the systems in the best position possible to not only apply for SRF programs, but also to be able to close on funding if invited to submit a full Financial Assistance Application. Twelve systems are receiving technical assistance from eight qualified contractors. The work on these projects is still ongoing as of August 31, 2025. A second round of WUTAP projects is in the planning phase with those projects expected to begin in 2026.

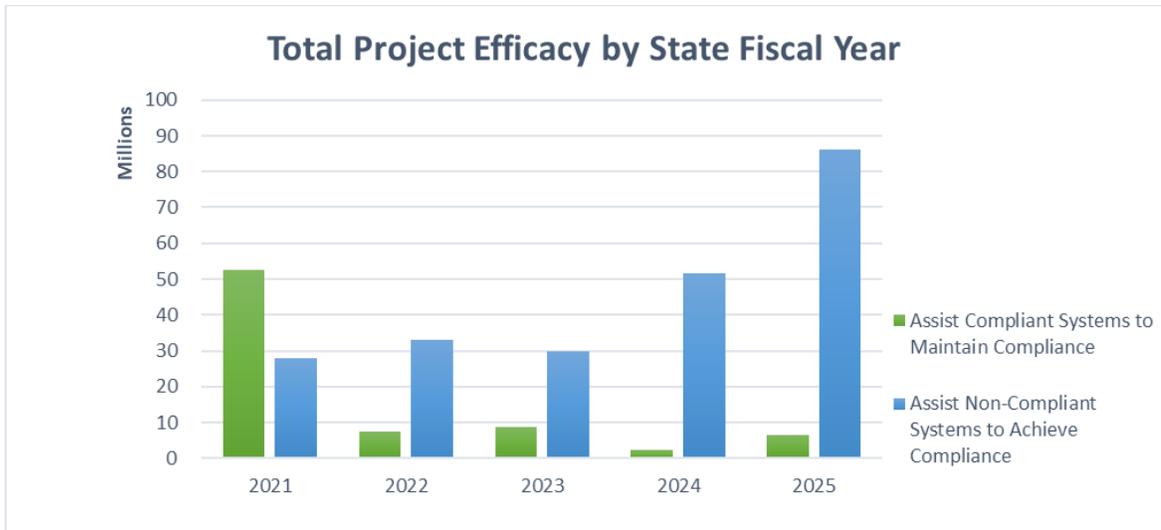
During SFY 2025, TWDB staff began coordinating with nine SRF borrowers under the CFO to GO initiative. These entities have received subsidized financial consulting expertise used to identify deficiencies in financial operations and related activities and develop plans to remediate them. Details of TWDB's 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 2025, the TWDB provided DWSRF funds totaling over \$92 million to 33 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, 67 funding commitments were made during SFY 2025.

To encourage entities to use the DWSRF, reductions from market interest rates on financing were provided to recipients in the form of a 35% reduction for equivalency projects and a 30% 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, very small systems, and first-time service the TWDB allocated \$104,395,440 of additional subsidy as shown in the SFY 2025 IUP. During the SFY, the TWDB identified 18 projects to receive this additional subsidy with a grand total of \$49,392,372.

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 the 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 2025, 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 \$64,475,000 of additional subsidy for qualifying disadvantaged communities. The maximum amount from this allocation was 70 percent per project pursued by the entity.

An additional \$22,320,440 was made available to small/rural disadvantaged communities. If any disadvantaged small/rural communities required a financing component to cover project costs, the TWDB offered zero percent interest. The maximum amount from this allocation was \$1,500,000. 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 \$6,000,000 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 \$500,000 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.

Urgent Need projects were allocated \$6,000,000 of Non-Equivalency funds and must address situations that require immediate attention to protect public health and safety. This could be a result of drought, catastrophic natural event, or an imminent public health issue. Entities were eligible to receive 100 percent of the total project cost in principal forgiveness up to the maximum amount of \$800,000 principal forgiveness.

Very Disadvantaged Communities were allotted \$1,000,000 with 100 percent principal forgiveness. Systems are determined to be Very Disadvantaged under this funding option if their service area Annual Median Household Income (AMHI) is below 50 percent of the state-wide average AMHI.

First-Time Service funding was allotted \$1,000,000 to projects that include first-time service to households not currently served by a centralized public water system. Individual projects serving first-time service were eligible to receive up to \$200,000 in principal forgiveness from this fund, in addition to and on top of funding offered from the other principal forgiveness funding options, as long as the total amount of principal forgiveness offered to the project from all funding options does not exceed \$10,000,000 in principal forgiveness.

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 finance 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 \$3,715,700 in green project costs during SFY 2025. No green projects have yet been funded to count toward the 2024 grant; however, additional applications are expected in the coming year.

The TWDB committed to fund \$3,936,900 in green projects costs during SFY 2024. Three projects received \$12,509,645 in green funding during SFY 2025 that count toward the 2023 GPR goal, which has now been met. 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 2025, the TWDB collected \$1,729,998 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 2025, \$757,665.34 was expended from the fee account for operations. The balance of funds within the fee account was \$66,335,509.12 as of August 31, 2025.

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, the TWDB deposited \$20,616,322 into the DWSRF to meet future state matching fund requirements for capitalization grants. The balance of the match deposited totals \$135,745,499 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, 2025, the outstanding capitalization grant balance was \$291,384,317.01. Federal draws for the SFY totaled \$66,539,071.09. Details of fund balances are shown in Appendix A, Table 4.

The TWDB closed on 28 projects totaling \$148,757,572. Additionally, 5 projects totaling \$14,116,767 began work while 11 projects totaling \$132,513,900 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 2024 grants that were allocated to closed projects and commitments totaled \$0 for Annual Appropriations and \$12,481,690 for the IJA General Supplemental as of August 31, 2025. Two projects received a commitment, and 16 applications are still under review. While the TWDB did not meet the FFY 2024 capitalization grant requirements for additional subsidization during the SFY, there are several IJA General Supplemental 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 10 applications for projects totaling \$47,192,372 in disadvantaged principal forgiveness for SFY 2025. Two projects received commitments during SFY 2025 and count toward the FFY 2024 grants. The TWDB closed on financial assistance for 20 disadvantaged community projects totaling \$127,135,049 during SFY 2025; 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 2025 IUP, Appendix D, Affordability Criteria to Determine Disadvantaged Community Eligibility.

Application Process

During SFY 2025, 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 to access 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 2025 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 2025 IUP Project Priority List in the order in which they were received.

Bypass of Projects on the Project Priority List

The SFY 2025 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 2024 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 2025, over 45 received equivalency commitments that are subject to the BABA requirements. Additionally, the TWDB continued to develop and implement compliance requirements for financial assistance recipients subject to BABA requirements during the SFY. As of August 31, 2025, the TWDB intends to implement the following items to ensure compliance with BABA requirements: (1) advise all DWSRF 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 DWSRF 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 2025, work continued on the projects from the third round of the AMPSS program. This includes projects with 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 complete. A fourth round of AMPSS projects have been initiated with work on those contracts expected to begin in early 2026.

As of August 31, 2025, the following water and wastewater systems have received or are receiving technical assistance through AMPSS:

<u>System Name</u>	<u>System Type</u>		<u>System Name</u>	<u>System Type</u>
Barton WSC	DWSRF		City of Midway	DWSRF
Bell County WCID 5	DWSRF		City of Olton	CWSRF
Bistone MWSD	DWSRF		City of Pittsburg	CWSRF
Bluff Dale WSC	DWSRF		City of Reklaw	DWSRF
City of Alpine	CWSRF		City of Rosebud	CWSRF
City of Anthony	DWSRF		City of Three Rivers	DWSRF
City of Balmorhea	DWSRF		City of Wallis	CWSRF
City of Bartlett	CWSRF		Colorado County WCID 2	DWSRF
City of Blanco	CWSRF		Colorado County WCID 2	CWSRF
City of Blooming Grove	CWSRF		East Rio Hondo WSC - Arroyo City	DWSRF
City of Brazoria	CWSRF		East Rio Hondo WSC - Lozano	CWSRF
City of Cottonwood Shores	DWSRF		El Tanque WSC	DWSRF
City of Crawford	DWSRF		Falfurrias Utility Board - Encino	DWSRF
City of Elkhart	DWSRF		Glidden FWSD 1	CWSRF
City of George West	CWSRF		Markham MUD	CWSRF
City of Goliad	DWSRF		Markham MUD	DWSRF
City of Goliad	CWSRF		Marlow WSC	DWSRF
City of Holland	CWSRF		Matagorda Co WCID 5	DWSRF
City of Junction	CWSRF		Matagorda County WCID 5	CWSRF
City of Malone	CWSRF		North Zulch MUD	CWSRF
City of Marfa	DWSRF		Sheridan WSC	CWSRF
City of Marfa	CWSRF		Tom Green County FWSD 2	DWSRF
City of Mart	CWSRF		Winkler WSC	DWSRF

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. 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.

During SFY 2025, the 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 2025, 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 Funds for Payment</u>
Agua SUD	Weaver and Tidwell, LLP	\$25,048.75	CW/DWSRF
Brookshire MWD	UHY Advisors Mid-Atlantic, Inc.	\$18,172.00	CW/DWSRF
City of Arp	UHY Advisors Mid-Atlantic, Inc.	\$23,184.00	DWSRF
City of Bonham	CohnReznick LLP	\$12,482.50	CW/DWSRF
City of Cotulla	CohnReznick LLP	\$34,012.50	CW/DWSRF
City of Hillsboro	Weaver and Tidwell, LLP	\$42,743.11	DWSRF
City of San Augustine	Cherry Bekaert Advisory, LLC	\$20,295.00	CWSRF
Pecos City	Cherry Bekaert Advisory, LLC	\$10,965.00	CWSRF
Town of Anthony	Cherry Bekaert Advisory, LLC	\$59,105.00	CW/DWSRF
Total		\$246,007.86	

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 2025, 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 2025 IUP, 32 entities submitted a PIF for consideration. Six projects were invited and submitted

an application for funding in SFY 2025. As of August 31, 2025, one system has a funding commitment.

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 available performance evaluation review.

TX DWSRF Financial Indicators (as of June 30, 2025)					
NIMS Line #	Financial Indicators based on Cumulative Activity	2022	2023	2024	National Average SFY 2024*
401	Cumulative Assistance Disbursed as a % of Funds Available	83.4%	81.4%	72.8%	75.8%
418	Return on Federal Investment	196.6%	198.1%	187.3%	227.5%
419	Assistance Provided as a % of Funds Available	85.0%	83.0%	74.4%	91.0%
420	Disbursements as a % of Assistance Provided	98.2%	98.0%	97.9%	83.30%
420.1	Ratio of Undisbursed Project Funds to Average Disbursements (Years to Disburse)	1.9 yrs	3.9 yrs	7.7 yrs	4.8 yrs
421	Additional Assistance Provided Due to Leveraging	\$158.5M	\$43.6M	-\$448.5M	N/A
424	Set-aside spending rate	106.0%	105.2%	97.6%	83.6%
425	Net Return/ (Loss)	\$11.6M	\$5.2M	\$14.6M	\$3,57B
426	Net Return on Contributed Capital Excluding Subsidy	0.8%	0.3%	0.8%	17.0%
426.2	Total Net	\$59.0M	\$76.3M	\$74.1M	\$1.24B
426.3	Net Interest Margin	-0.1%	0.3%	0.9%	0.2%

*As of the writing of this Annual Report, SFY 2025 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 in April 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 shared five recommendations, which the TWDB accepted.

1. The EPA encouraged the TWDB to continue improving the “Ratio of Undisbursed Finance Funds to Disbursements”.

The TWDB made additional disbursements during SFYs 2024 and 2025. The TWDB will review the results of this impact to the disbursement ratio during the next annual Performance Evaluation Review.

2. The TWDB should provide an analysis of their existing fee account and develop a plan for using a portion of the available balances. The plan should include information on fees collected as part of principal versus amounts collected at the time of closing from the recipient. Since the majority of the fees are collected as grant principal, the primary use is limited to program administration and finances. The TWDB should investigate a change in policy for fee collection and use, examples include:

- Transferring a portion of the fee account balance to the finance account, allowing the state to increase annual assistance provided,
- A moratorium on fee collection until a plan is in place,
- Modifying program policy/administrative code to not tie fees to finance principal, allowing the state to open up more potential uses for the fee account.

The TWDB has developed and delivered a fee analysis that incorporates the information required by EPA.

3. Region 6 commends TWDB for their efforts to provide their Disadvantaged Subsidy to all eligible entities. However, the disadvantaged subsidization associated (minimum of \$69,086,570) with the FFY 2022 BIL Supplemental cap grant was not fully allocated. It appears that only \$52,147,076 or 36.9% has been assigned toward disadvantaged subsidization. It should be noted that Disadvantaged Community subsidy can be assigned to future signed finances to meet requirements. Region 6 EPA will continue to monitor the program’s subsidization tracking in both the Office of Water State Revolving Fund database and subsequent Texas DWSRF annual reports.

The TWDB continues to invite the submission of financial applications for proposed disadvantaged community projects from the SFY 2023 Project Priority List. Through SFY 2025, the TWDB has allocated approximately 90 percent (\$61,670,264) towards this requirement.

The EPA encouraged the Texas DWSRF to voluntarily provide financial statement audits and compliance audits of the program on an annual basis, in order to reduce programmatic risk and to ensure long term integrity of the DWSRF program. The TWDB maintains that the current auditing requirements as part of Texas' federal portion of the Statewide Single Audit Report are adequate. Additionally, Texas' auditors confirmed that they do comply with the program specific audit guide included in the Federal Compliance Supplement when auditing the SRFs. This is consistent with 2 CFR 200.507(a).

Secondly, 2 CFR 200.501 states that a non-federal entity (TWDB) may elect to have a program specific audit if it meets certain conditions. The TWDB does not meet those conditions. Therefore, it would be problematic for Texas to unilaterally request any additional audits.

4. The EPA requires that all DWSRF equivalency projects FFY 2022 and later must comply with federal flood risk management standards as established in Executive Order 13690. These requirements ensure that infrastructure projects consider and mitigate flood risks, thereby protecting public investments and enhancing community resilience.

The EPA requires that the TWDB provide information on the programmatic floodplain analysis process for SRF equivalency projects in order to show how they align with the guidelines set for in Executive Order 13690 and the FFRMS.

The TWDB submitted the requested documentation showing compliance with Executive Order 13690.

The EPA has not yet shared recommendations for the SFY 2024 PER.

10. Compliance Statements

Compliance with FFY 2024 CWSRF Grant Agreement Conditions

The TWDB has complied with all administrative and programmatic conditions in the FFY 2024 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 2025 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	V.S.S.	Disadvantaged	Urgent Need
Annona - 11/23/2020	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Carbon - 4/22/2020	754,600	285,384	42,808	300,000	411,792	-
Coke County WSC - 3/26/2020	300,000	-	-	300,000	-	-
Commodore Cove Improvement District - 3/10/2020	295,000	-	-	295,000	-	-
Eagle Pass - 10/08/2020	3,997,286	3,997,286	357,286	-	-	-
Evadale WCID #1 - 9/29/2021	300,000	-	-	300,000	-	-
Gordon - 12/10/2020	901,323	675,486	101,323	300,000	400,000	-
H2O Tech, Inc - 2/25/2020	53,467	-	-	-	-	53,467
Millersview-Doole WSC - 3/21/2024	2,450,980	-	-	-	1,715,686	735,294
Newton - 7/15/2020	537,600	-	-	300,000	237,600	-
North Alamo WSC - 9/28/2020	6,976,373	4,271,261	754,873	-	1,831,500	-
Paducah - 5/21/2020	3,392,958	-	-	-	1,677,958	-
Pharr - 9/14/2020	17,880,000	-	-	-	4,000,000	-
Presidio Co. WCID/Redford - 8/14/2020	300,000	-	-	-	-	300,000
Quitaque - 7/21/2020	1,495,000	-	-	300,000	650,000	-
Raymondville - 10/29/2020	2,599,412	-	-	-	1,079,412	-
Riesel - 6/17/2021	5,860,000	-	-	-	-	500,000
Roby -11/12/2020	550,000	-	-	300,000	-	-
Rotan -9/15/2020	5,202,068	5,090,553	763,583	-	2,163,485	-
Sandbranch Development & WSC - 12/21/2020	300,000	-	-	300,000	-	-
Sweetwater - 5/12/2021	3,100,000	-	-	-	913,725	-
Total Closed	\$ 57,546,067	\$ 14,319,970	\$ 2,019,873	\$ 2,995,000	\$ 15,081,158	\$ 1,588,761
Mount Calm	\$ 1,106,000	\$ -	\$ -	\$ 300,000	\$ 106,000	\$ 700,000
Total Uncommitted (Application)	\$ 1,106,000	\$ -	\$ -	\$ 300,000	\$ 106,000	\$ 700,000
Grand Totals	\$ 58,652,067	\$ 14,319,970	\$ 2,019,873	\$ 3,295,000	\$ 15,187,158	\$ 2,288,761
					Total Additional Subsidy:	\$ 22,790,792

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

* Disadvantaged projects that closed during SFY 2025

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 - 11/19/2019	\$ 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 - 7/13/2022	3,637,809	2,221,275	333,191	-	979,618	-
Comanche - 5/17/2022	2,299,908	1,118,451	167,768	-	626,140	-
Crockett - 4/21/2022	3,450,905	-	-	-	1,705,905	-
Daingerfield - 6/09/2022	3,332,157	-	-	-	1,647,157	-
East Texas of Smith Co. - 12/22/2022	2,119,530	-	-	-	623,530	-
Ellinger Sewer & Water SC - 6/29/2022	1,400,000	-	-	-	-	500,000
Gladewater - 11/22/2022	2,638,900	-	-	-	777,900	-
Lexington - 5/08/2023	2,454,100	-	-	-	689,100	-
Melvin - 2/16/2023	300,000	-	-	-	300,000	-
North Alamo WSC - 12/16/2022	14,879,373	4,271,261	754,873	-	1,831,500	-
Richland Springs - 5/06/2025*	3,765,520	-	-	300,000	2,410,520	-
Rising Star - 1/25/2023	300,000	-	-	-	300,000	-
Slaton - 2/24/2025*	4,098,917	-	-	-	898,917	-
Stryker Lake WSC - 7/10/2024	990,000	-	-	300,000	400,000	-
Thorndale - 3/13/2025*	14,940,000	-	-	-	4,000,000	-
Tom Green Co FWSD2 - 8/26/2022	300,000	-	-	300,000	-	-
Tri-Try WSC - 5/17/2023	300,000	-	-	300,000	-	-
Total Closed	\$ 75,698,592	\$ 13,783,151	\$ 2,181,657	\$ 1,624,300	\$ 22,975,635	\$ 1,300,000
Roma	\$ 7,710,000	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -
Total Uncommitted (Application)	\$ 7,710,000	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -
Grand Totals	\$ 83,408,592	\$ 13,783,151	\$ 2,181,657	\$ 1,624,300	\$ 26,975,635	\$ 1,300,000
					Total Additional Subsidy:	\$ 32,081,592

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

* Disadvantaged projects that closed during SFY 2025

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 (Loan + LF)	Green	Green Subsidy	V.S.S.	Disadvantaged	Urgent Need	ER Preparedness
Daisetta - 4/12/2023	\$ 2,290,280	\$ -	\$ -	\$ 300,000	\$ 410,280	\$ 600,000	\$ -
De Kalb - 9/24/2024*	7,174,307	5,602,892	840,434	-	3,133,873	-	-
Leonard - 6/13/2024	8,480,000	-	-	-	4,155,000	-	-
M & M WSC - 8/10/2022	1,269,700	-	-	-	305,700	-	75,000
Medina Highlands - 3/15/2024	300,000	-	-	300,000	-	-	-
Mertzson - 1/09/2024	4,289,000	-	-	300,000	1,904,000	-	-
Miles - 1/19/2023	269,608	-	-	269,608	-	-	-
Mullin ISD - 1/17/2023	998,000	-	-	300,000	300,000	-	-
Oak Grove - 11/27/2023	300,000	-	-	300,000	-	-	-
Riverside SUD - 11/18/2022	1,650,000	-	-	-	-	-	75,000
Strawn - 9/14/2022	2,001,900	-	-	300,000	928,900	-	-
Total Closed	\$ 29,022,795	\$ 5,602,892	\$ 840,434	\$ 2,069,608	\$ 11,137,753	\$ 600,000	\$ 150,000
Port Arthur	\$ 16,500,520	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -
Total Uncommitted (Application)	\$ 16,500,520	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -
Grand Totals	\$ 45,523,315	\$ 5,602,892	\$ 840,434	\$ 2,069,608	\$ 15,137,753	\$ 600,000	\$ 150,000
						Total Additional Subsidy:	\$ 18,797,795

Table 1 (Continued)							
Green Project Reserve and Additional Subsidization - 2023 IUP / 2022 Grant - Annual Appropriations							
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 (Loan + LF)	Green	Green Subsidy	V.S.S.	Disadvantaged	Urgent Need	ER Preparedness
Arimak WSC - 3/06/2024	\$ 975,023	\$ 500,510	\$ 75,023	\$ 400,000	\$ -	\$ 500,000	\$ -
Bay City - 2/13/2024	15,000,000	-	-	-	-	500,000	-
Blanco - 9/12/2024	3,903,919	3,426,125	513,919	-	-	-	-
Commodore Cove ID - 8/25/2023	314,696	-	-	314,696	-	-	-
Orange Co WCID #1 - 8/16/2023	910,000	-	-	-	-	500,000	-
Silverton^ - 9/25/2024	14,990,000	-	-	-	-	800,000	-
Westbound WSC - 9/13/2023	5,366,157	-	-	-	3,681,157	-	75,000
Total Closed	\$ 41,459,795	\$ 3,926,635	\$ 588,942	\$ 714,696	\$ 3,681,157	\$ 2,300,000	\$ 75,000
Liberty Hill	\$ 28,550,000	\$ 28,256,373	\$ 4,000,000	\$ -	\$ 6,000,000	\$ -	\$ -
Total Unclosed (Committed)	\$ 28,550,000	\$ 28,256,373	\$ 4,000,000	\$ -	\$ 6,000,000	\$ -	\$ -
Grand Totals	\$ 70,009,795	\$ 32,183,008	\$ 4,588,942	\$ 714,696	\$ 9,681,157	\$ 2,300,000	\$ 75,000
						Total Additional Subsidy:	\$ 17,359,795

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 2025

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 - Closing Date	Amount (Loan + LF)	Green	Green Subsidy	Disadvantaged	Urgent Need	VSS
Cross Roads Community WSC - 3/18/2025	\$ 1,390,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 400,000
D Bar B Water & WW SC - 5/15/2025	92,820	-	-	-	-	92,820
Ericksdahl WSC - 8/22/2025*	2,421,180	1,469,992	220,499	1,250,681	-	400,000
Huntington - 9/26/2024*	2,110,000	-	-	1,000,000	800,000	-
Nueces Co WCID # 3 - 6/11/2025*	9,304,876	9,254,335	1,388,150	5,506,726	-	-
Rayburn Country MUD - 4/29/2025	4,265,000	-	-	-	500,000	-
Winters - 4/24/2025*	3,753,441	1,785,318	267,798	2,420,643	-	-
Total Closed	\$ 23,337,317	\$ 12,509,645	\$ 1,876,447	\$ 10,178,050	\$ 1,800,000	\$ 892,820
Silver Creek Village WSC	\$ 1,490,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 400,000
Total Unclosed (Committed)	\$ 1,490,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 400,000
Albany	\$ 317,736	\$ 2,118,238	\$ 317,736	\$ -		
Total Uncommitted (Application)	\$ 317,736	\$ 2,118,238	\$ 317,736	\$ -	\$ -	\$ -
Grand Totals	\$ 25,145,053	\$ 14,627,883	\$ 2,194,183	\$ 10,178,050	\$ 2,300,000	\$ 1,292,820
					Total Additional Subsidy:	\$ 15,965,053

Table 1 (Continued)						
Green Project Reserve and Additional Subsidization - 2025 IUP / 2024 Grant						
IUP and/or Grant Targets	GPR: \$ 3,715,700		Add Sub Minimum			\$ 9,660,820
			Add Sub Maximum			\$ 18,206,930
Recipient - Closing Date	Amount (Loan + LF)	Green	Green Subsidy	Disadvantaged	Urgent Need	VSS
<i>No projects have closed as of the end of SFY 2025.</i>						
Total Closed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>No projects have been committed as of the end of SFY 2025.</i>						
Total Unclosed (Committed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ropesville	\$ 840,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 200,000
Total Uncommitted (Application)	\$ 840,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 200,000
Grand Totals	\$ 840,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 200,000
					Total Additional Subsidy:	\$ 700,000

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

* Disadvantaged projects that closed during SFY 2025

Table 1 (Continued)				
Additional Subsidization - 2023 IUP / 2022 Grant - IJA General				
Grant Requirement	Add Sub Exact Amt Required \$69,086,570			
Recipient - Closing Date	Amount (Loan + LF)	V.S.S.	Disadvantaged	
			Regular	Small / Rural
Barksdale - WSC 9/15/2023	\$ 960,000	\$ -	\$ -	\$ 960,000
Gladewater - 5/23/2024	2,791,380	-	1,941,380	-
Gordon - 12/17/2024	2,135,784	400,000	1,205,784	-
Greenbelt MIWA - 8/23/2023	18,110,000	-	10,000,000	-
Menard - 1/11/2024	5,595,000	-	3,675,000	-
Sharyland WSC - 7/22/2024	35,901,000	-	10,000,000	-
Silverton - 9/25/2024*	14,990,000	400,000	8,800,000	-
Total Closed	\$ 80,483,164	\$ 800,000	\$ 35,622,164	\$ 960,000
Bistone Municipal WSD	\$ 29,420,000	\$ -	\$ 10,000,000	\$ -
D&M WSC	4,659,000	-	2,464,000	-
Total Unclosed (Committed)	\$ 34,079,000	\$ -	\$ 12,464,000	\$ -
Alamo	\$ 9,355,000	\$ -	\$ 6,548,500	\$ -
Grassland WSC	398,000	398,000	-	-
La Joya	7,141,460	-	4,877,600	-
Total Uncommitted (Application)	\$ 16,894,460	\$ 398,000	\$ 11,426,100	\$ -
Grand Totals	\$ 131,456,624	\$ 1,198,000	\$ 59,512,264	\$ 960,000
			Total Additional Subsidy:	\$ 61,670,264

Table 1 (Continued)				
Additional Subsidization - 2024 IUP / 2023 Grant - IJJA General				
Grant Requirement	Add Sub Exact Amt Required	\$82,254,830		
Recipient - Closing Date	Amount (Loan + LF)	V.S.S.	Disadvantaged	
			Regular	Small / Rural
Benjamin - 7/09/2025*	\$ 640,000	\$ 400,000	\$ -	\$ 240,000
Crockett - 12/16/2024*	4,250,000	-	-	1,000,000
Daingerfield - 2/27/2025*	3,873,010	-	-	2,693,010
Dog Ridge WSC - 12/20/2024*	1,990,000	-	-	1,000,000
East Rio Hondo WSC - 6/05/2025*	18,985,000	-	10,000,000	-
East Rio Hondo WSC - 6/05/2025*	14,012,500	-	9,747,500	-
Etoile WSC - 6/27/2025*	2,744,091	-	1,909,091	-
Loma Alta WSC - 1/29/2025	300,000	300,000	-	-
Pearsall - 11/22/2024*	7,400,000	-	-	1,000,000
Royal Oaks Apartments - 3/07/2025*	665,000	400,000	-	265,000
South Texas WA - 2/13/2025*	7,732,207	-	5,377,207	-
Victoria Co WCID #2 - 5/14/2025*	2,285,000	400,000	-	1,000,000
Total Closed	\$ 64,876,808	\$ 1,500,000	\$ 27,033,798	\$ 7,198,010
English Acres	\$ 914,000	\$ 400,000	\$ -	\$ 514,000
Rio Grande City	3,244,000	-	2,254,000	-
Stephens Regional SUD	11,771,569	-	8,186,569	-
Total Unclosed (Committed)	\$ 15,929,569	\$ 400,000	\$ 10,440,569	\$ 514,000
Albany	\$ 2,651,476	\$ -	\$ 1,146,476	\$ 1,000,000
Greater Texoma UA-Whitewright	3,220,000	-	2,254,000	-
Greenville	51,500,000	-	10,000,000	-
Los Fresnos	13,252,290	-	9,063,103	-
Rio Hondo	4,140,000	-	2,898,000	-
San Benito	9,535,000	-	6,674,500	-
Study Butte WSC	1,180,000	100,000	-	1,000,000
Total Uncommitted (Application)	\$ 85,478,766	\$ 100,000	\$ 32,036,079	\$ 2,000,000
Grand Totals	\$ 166,285,143	\$ 2,000,000	\$ 69,510,446	\$ 9,712,010
			Total Additional Subsidy:	\$ 81,222,456

Add Sub = Additional Subsidization in the form of principal forgiveness

* Disadvantaged projects that closed in SFY 2025

Table 1 (Continued)					
Additional Subsidization - 2025 IUP / 2024 Grant - IIJA General					
Grant Requirement	Add Sub Exact Amt Required	\$89,795,440			
Recipient	Amount (Loan + LF)	V.S.S.	Disadvantaged		
			Regular	Small / Rural	Very
<i>No projects have closed as of the end of SFY 2025.</i>					
Total Closed	\$ -	\$ -	\$ -	\$ -	\$ -
East Rio Hondo WSC	\$ 28,750,000	\$ -	\$ 10,000,000	\$ -	\$ -
Hamilton	2,481,690	-	1,737,183	744,507	-
Total Unclosed (Committed)	\$ 31,231,690	\$ -	\$ 11,737,183	\$ 744,507	\$ -
Agua SUD	\$ 31,250,000	\$ -	\$ -	\$ -	\$ -
Bernhard Trailer Park	1,150,000	-	-	-	-
Dublin	2,618,000	-	-	-	-
Jim Hogg Co WCID # 2	6,224,250	-	4,349,250	1,500,000	-
Mineral Wells	58,780,000	-	10,000,000	-	-
Paxton WSC	2,262,970	-	1,572,970	690,000	-
Riverbend Water Resources District	59,000,000	-	-	-	-
Roma	15,000,000	-	-	-	-
Sharyland WSC	1,060,000	-	735,000	-	-
Smyer	5,589,190	500,000	2,494,190	1,500,000	-
South Freestone WSC	6,390,648	-	-	-	-
Stryker Lake WSC	990,000	500,000	-	-	-
Upper Leon River MWD	11,856,872	-	8,246,872	-	-
Victoria Co WCID # 2	862,400	500,000	-	362,400	-
Welch WSC	3,260,000	-	2,282,000	978,000	-
Total Uncommitted (Application)	\$ 206,294,330	\$ 1,500,000	\$ 29,680,282	\$ 5,030,400	\$ -
Grand Totals	\$ 237,526,020	\$ 1,500,000	\$ 41,417,465	\$ 5,774,907	\$ -
Total Additional Subsidy:					\$ 48,692,372

Add Sub = Additional Subsidization in the form of principal forgiveness

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.
Total Closed	5	\$ 14,319,970	

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.
Grand Total	4	\$ 13,783,151	

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.
Grand Total	1	\$ 5,602,892	

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.
Blanco	Water Efficiency	3,426,125	The majority of the DWSRF project (waterline replacement) is considered business case eligibility for water efficiency in support of the water savings and water loss reduction under EPA GRP Guidance (TWDB-0161) Part B, Section 2.5-2. The result of this GRP review is that the DWSRF green-eligible components have met the required Part 1 minimum threshold, therefore, the project does qualify for SRF green subsidy.
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.
Grand Total	4	\$ 32,183,008	

Green Project Reserve Requirement: \$ 5,491,100
586%

Table 2 (Continued)			
Green Project Reserve - 2024 IUP / 2023 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
Ericksdahl WSC	Water Efficiency	1,469,992	Water metering system improvements are a categorical case for water efficiency resulting in the reduction of water losses in the distribution system. This component is categorically eligible under EPA Guidance (TWDB- 0161) Part B, Section 2.2-2.3. Water distribution pipe replacement is a business case for water efficiency under the same guidance, Section 2.5-2.
Nueces Co WCID #3	Water Efficiency	9,254,335	The green component of this project is the "replacement of existing water service meters with Automated Meter Reading System" and "water line replacements" components. AMRs fall under 2.2 Categorical Projects under water efficiency projects per TWDB-0161 guidance, and replacement of water lines fall under example projects requiring a business case under Water Efficiency, both of which result in water loss reduction and prevention, to protect water resources for the future.
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 deadend 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.
Grand Total	1	\$ 12,509,645	

Green Project Reserve Requirement: \$ 3,936,900
318%

Table 2 (Continued)			
Green Project Reserve - 2025 IUP / 2024 Grant			
Recipient	Green Category(ies)	Green Amount	Green Project Description
<i>No green projects have closed as of the end of SFY 2025.</i>		-	

Green Project Reserve Requirement \$ 3,715,700

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	-	14,099,300	14,099,300	-
2023	2024	FS-99679527	39,369,000	7,873,800	-	7,873,800	7,873,800	17,000
2023	2024	4D-02F54001	167,867,000	16,786,700	-	16,786,700	16,786,700	-
2024	2025	4D-02F54002	183,256,000	36,651,200	5,744,244	1,687,156	7,431,400	-
2024	2025	FS-99679528	37,140,000	7,431,400	36,651,200	-	36,651,200	-
Totals			\$ 2,354,565,350	\$ 427,902,525	\$ 127,225,870	\$ 300,676,655	\$ 427,902,525	\$ 169,487

Cumulative Over/(Under) Match: -

GO=General Obligations

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 and 2023 is 10%. The required state match for the IJA general supplemental grants for FFY 2024 is 20%.

Table 4 – Capitalization Grant Draws			
	Beginning Balance	Expended	Balance - 08/31/2025
FS-99679526 FY 2022			
Construction	\$ -	\$ -	\$ -
Administration	-	-	-
TCEQ 2% Set-Aside	517,714.63	517,714.63	-
TCEQ 10% Set-Aside	333,167.56	333,167.56	-
TCEQ 15% Set-Aside	-	-	-
Totals	\$ 850,882.19	\$ 850,882.19	\$ -
4D-02F23901 FY 2022			
Construction	\$ -	\$ -	\$ -
Administration	-	-	-
TWDB 15% Set-Aside	5,000,000.00	-	5,000,000.00
Totals	\$ 5,000,000.00	\$ -	\$ 5,000,000.00
FS-99679527 FY 2023			
Construction	\$ 1,296,430.31	\$ 1,296,430.31	\$ -
Administration	39,966.69	39,966.69	-
TCEQ 2% Set-Aside	787,380.00	151,191.82	636,188.18
TCEQ 10% Set-Aside	3,936,900.00	3,627,117.34	309,782.66
TCEQ 15% Set-Aside	4,100,000.00	4,100,000.00	-
Totals	\$ 10,160,677.00	\$ 9,214,706.16	\$ 945,970.84
4D-02F54001 FY 2023			
Construction	\$ 109,431,390.68	\$ 80,757,631.86	\$ 65,961,838.82
Administration	6,263,736.77	5,841,051.32	422,685.45
TCEQ 10% Set-Aside	4,256,321.24	4,256,321.24	-
TWDB 15% Set-Aside	5,000,000.00	-	5,000,000.00
Totals	\$ 124,951,448.69	\$ 90,855,004.42	\$ 71,384,524.27
4D-02F54002 FY 2024			
Construction	\$ 163,925,760.00	\$ -	\$ 163,925,760.00
Administration	7,330,240.00	-	7,330,240.00
TCEQ 10% Set-Aside	8,000,000.00	2,614,435.84	5,385,564.16
TWDB 15% Set-Aside	4,000,000.00	-	4,000,000.00
Totals	\$ 183,256,000.00	\$ 2,614,435.84	\$ 180,641,564.16
FS-99679528 FY 2024			
Construction	\$ 27,111,880.00	\$ -	\$ 27,111,880.00
Administration	1,486,280.00	434,058.82	1,052,221.18
TCEQ 2% Set-Aside	743,140.00	-	743,140.00
TCEQ 10% Set-Aside	3,698,700.00	22,231.11	3,676,468.89
TCEQ 15% Set-Aside	4,100,000.00	3,271,452.33	828,547.67
Totals	\$ 37,140,000.00	\$ 3,727,742.26	\$ 33,412,257.74
Grand Totals	\$ 237,150,699.19	\$ 107,262,770.87	\$ 291,384,317.01

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) - (2024)	Previous SFYs							\$ 3,872,792,063	\$ 1,410,448,065	\$ 3,872,792,063	274.58%
2024	Dog Ridge WSC	62999	L1001817	EQ	09/12/2024	Active	12/20/2024	885,000	1,899,654,414	3,953,108,697	208.10%
2024	Dog Ridge WSC	62999	L1001818	EQ	09/12/2024	Active	12/20/2024	105,000			
2024	Dog Ridge WSC	62999	LF1001819	EQ	09/12/2024	Active	12/20/2024	1,000,000			
2024	East Rio Hondo WSC	63009	L1001895	EQ	09/12/2024	Active	06/05/2025	8,985,000			
2024	East Rio Hondo WSC	63009	LF1001898	EQ	09/12/2024	Active	06/05/2025	10,000,000			
2024	East Rio Hondo WSC	63010	L1001904	EQ	09/12/2024	Active	06/05/2025	4,265,000			
2024	East Rio Hondo WSC	63010	LF1001905	EQ	09/12/2024	Active	06/05/2025	9,747,500			
2024	Crockett	63021	L1001887	EQ	09/12/2024	Active	12/16/2024	3,170,000			
2024	Crockett	63021	L1001889	EQ	09/12/2024	Active	12/16/2024	80,000			
2024	Crockett	63021	LF1001888	EQ	09/12/2024	Active	12/16/2024	1,000,000			
2024	Daingerfield	63015	L1001850	EQ	10/17/2024	Active	02/27/2025	1,180,000			
2024	Daingerfield	63015	LF1001851	EQ	10/17/2024	Active	02/27/2025	2,693,010			
2024	Seminole	63017	L1001860	EQ	10/17/2024	Commitment		5,985,000			
2024	Seminole	63017	L1001861	EQ	10/17/2024	Commitment		105,000			
2024	South Texas WA	63025	L1001910	EQ	10/17/2024	Active	02/13/2025	875,000			
2024	South Texas WA	63025	L1001911	EQ	10/17/2024	Active	02/13/2025	1,485,000			
2024	South Texas WA	63025	LF1001912	EQ	10/17/2024	Active	02/13/2025	1,989,567			
2024	South Texas WA	63025	LF1001913	EQ	10/17/2024	Active	02/13/2025	3,387,640			
2021	Thorndale	62973	L1001955	EQ	11/06/2024	Active	03/13/2025	7,800,000			
2021	Thorndale	62973	L1001956	EQ	11/06/2024	Active	03/13/2025	3,140,000			
2021	Thorndale	62973	LF1001957	EQ	11/06/2024	Active	03/13/2025	4,000,000			
2024	Royal Oaks Apartments	63004	LF1001947	EQ	11/06/2024	Active	03/07/2025	665,000			
2024	Cross Roads Community WSC	63016	L1001873	EQ	11/06/2024	Active	03/18/2025	490,000			
2024	Cross Roads Community WSC	63016	LF1001874	EQ	11/06/2024	Active	03/18/2025	900,000			
2024	Victoria Co WCID # 2	63020	L1001825	EQ	11/06/2024	Active	05/14/2025	870,000			
2024	Victoria Co WCID # 2	63020	L1001826	EQ	11/06/2024	Active	05/14/2025	15,000			
2024	Victoria Co WCID # 2	63020	LF1001827	EQ	11/06/2024	Active	05/14/2025	1,400,000			
2021	Slaton	63035	L1001930	EQ	11/06/2024	Active	02/24/2025	3,200,000			
2021	Slaton	63035	LF1001931	EQ	11/06/2024	Active	02/24/2025	898,917			
2024	Winters	62998	L1001958	EQ	12/17/2024	Active	04/24/2025	105,000			
2024	Winters	62998	L1001960	EQ	12/17/2024	Active	04/24/2025	960,000			
2024	Winters	62998	LF1001959	EQ	12/17/2024	Active	04/24/2025	2,688,441			
2024	Rayburn Country MUD	63006	L1001948	EQ	12/17/2024	Active	04/29/2025	1,565,000			
2024	Rayburn Country MUD	63006	L1001949	EQ	12/17/2024	Active	04/29/2025	2,200,000			
2024	Rayburn Country MUD	63006	LF1001950	EQ	12/17/2024	Active	04/29/2025	500,000			
2024	Nueces Co WCID # 3	63000	L1001968	EQ	2/13/2025	Active	06/11/2025	2,410,000			
2024	Nueces Co WCID # 3	63000	LF1001969	EQ	2/13/2025	Active	06/11/2025	6,894,876			
2024	D Bar B Water & WW SC	63030	LF1001954	EQ	2/13/2025	Active	05/15/2025	92,820			
2021	Richland Springs	63038	L1001961	EQ	2/13/2025	Active	05/06/2025	1,055,000			
2021	Richland Springs	63038	LF1001962	EQ	2/13/2025	Active	05/06/2025	2,710,520			
2024	Benjamin	62986	LF1001935	EQ	03/13/2025	Active	07/09/2025	640,000			
2024	Ericksdahl WSC	63008	L1002012	EQ	03/13/2025	Active	08/22/2025	550,000			
2024	Ericksdahl WSC	63008	LF1002013	EQ	03/13/2025	Active	08/22/2025	1,871,180			
2024	Etoile WSC	63069	L1002050	EQ	03/13/2025	Active	06/27/2025	835,000			
2024	Etoile WSC	63069	LF1002051	EQ	03/13/2025	Active	06/27/2025	1,909,091			
2023	Wills Point	63072	L1002055	EQ	03/13/2025	Active	07/10/2025	7,965,000			
2024	English Acres	63003	LF1002131	EQ	05/08/2025	Commitment		914,000			
2024	Stephens Regional SUD	62989	L1002132	EQ	06/25/2025	Commitment		1,975,000			
2024	Stephens Regional SUD	62989	L1002133	EQ	06/25/2025	Commitment		1,610,000			
2024	Stephens Regional SUD	62989	LF1002134	EQ	06/25/2025	Commitment		8,186,569			
2025	East Rio Hondo WSC	63009	L1002184	EQ	06/25/2025	Commitment		18,750,000			
2025	East Rio Hondo WSC	63009	LF1002183	EQ	06/25/2025	Commitment		10,000,000			
2024	Rio Grande City	63011	L1002098	EQ	06/25/2025	Commitment		990,000			
2024	Rio Grande City	63011	LF1002097	EQ	06/25/2025	Commitment		2,254,000			
2024	Agua SUD	63012	L1002193	EQ	06/25/2025	Commitment		6,060,000			
2023	Bistone Municipal WSD	63071	L1002139	EQ	06/25/2025	Commitment		19,420,000			
2023	Bistone Municipal WSD	63071	LF1002140	EQ	06/25/2025	Commitment		10,000,000			
2023	D & M WSC	63073	L1002101	EQ	06/25/2025	Commitment		2,170,000			
2023	D & M WSC	63073	L1002102	EQ	06/25/2025	Commitment		25,000			
2023	D & M WSC	63073	LF1002103	EQ	06/25/2025	Commitment		2,464,000			
2025	Commodore Cove ID	63098	LF1002166	Non-EQ	06/25/2025	Commitment		367,568			
2023	Wills Point	62798	L1001966	Non-EQ	08/21/2025	Commitment		2,210,000			
2023	Pflugerville	62919	L1002215	EQ	08/21/2025	Commitment		27,180,000			
2024	Silver Creek Village WSC	63022	L1001936	EQ	08/21/2025	Commitment		590,000			
2024	Silver Creek Village WSC	63022	LF1001937	EQ	08/21/2025	Commitment		900,000			
2023	Pflugerville	63075	L1002174	Non-EQ	08/21/2025	Commitment		74,775,000			
2025	Hamilton	63088	LF1002167	EQ	08/21/2025	Commitment		2,481,690			
SFY Totals			67					\$ 308,591,389			

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	120,681,434
2025	103,827,151
Grand Total	\$ 2,063,161,033

Table 7 – Grant Payments by Quarter					
	SFY 1997 - SFY 2024	SFY 2025			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
GRANT PAYMENTS					
All Previous Grants (including ARRA)	\$ 2,179,070,653	\$ -	\$ -	\$ -	\$ -
FS-99679528 (Base)	-	-	-	-	37,140,000
FS-99679528 In-Kind	-	-	-	-	17,000
4D-02F54002 (IIJA-General)	-	-	-	183,256,000	-
QUARTERLY TOTAL	\$ 2,179,070,653	\$ -	\$ -	\$ 183,256,000	\$ 37,157,000
	SFY 1997 - SFY 2025	SFY 2026			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
REQUIRED BINDING COMMITMENTS					
Cumulative EPA Payments	\$ 2,179,070,653	\$ 2,179,070,653	\$ 2,179,070,653	\$ 2,362,326,653	\$ 2,399,483,653
+ Regular/Base State Match	360,361,925	360,361,925	360,361,925	360,361,925	367,789,925
- Regular/Base Set-Asides	388,050,451	388,050,451	388,050,451	388,050,451	398,078,571
+ IIJA-General State Match	4,228,808	4,228,808	4,228,808	40,880,008	40,880,008
- IIJA-General Set Asides	85,054,401	85,054,401	85,054,401	104,384,641	104,384,641
REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)	\$ 2,070,556,534	\$ 2,070,556,534	\$ 2,070,556,534	\$ 2,271,133,494	\$ 2,305,690,374

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
2023	2,196,440	-	-	2,196,440	-	2,428,887
2024	1,574,760	-	-	1,574,760	-	1,534,793
2025	1,486,280	-	-	1,486,280	-	474,026
Totals	\$ 73,255,271	\$ 2,846,408	\$ -	\$ 76,101,679	\$ -	\$ 75,049,458

IIJA Funds						
2023	\$ 5,639,720	\$ -	\$ -	\$ 5,639,720	\$ -	\$ 1,823,467
2024	\$ 6,714,680	\$ -	\$ -	\$ 6,714,680	\$ -	\$ 4,267,196
2025	\$ 7,330,240	\$ -	\$ -	\$ 7,330,240	\$ -	\$ 5,841,051
Totals	\$ 19,684,640	\$ -	\$ -	\$ 19,684,640	\$ -	\$ 11,931,714

Base	\$ 73,255,271	\$ 2,846,408	\$ -	\$ 76,101,679	\$ -	\$ 75,049,458
IIJA	\$ 19,684,640	\$ -	\$ -	\$ 19,684,640	\$ -	\$ 11,931,714
Grand Totals	\$ 92,939,911	\$ 2,846,408	\$ -	\$ 95,786,319	\$ -	\$ 86,981,173

**Texas Water Development Board
SFY 2025 Drinking Water State Revolving Fund
Annual Report**

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

Cash Available:	\$ 573,771,372
 SOURCES:	
Federal Grants Drawn	\$ 104,462,832
State Match Deposited	\$ 616,322
Principal Repayments	\$ 87,253,696
Interest Repayments	\$ 25,553,705
Investment Earnings on Funds	\$ 28,922,953
DWSRF Revenue Bond Proceeds	\$ 195,032,525
TOTAL SOURCES:	\$ 441,842,033
 USES:	
<u>Set-Asides Used</u>	
Administration Expenses - 4% Set-Aside	\$ 6,884,356
TCEQ Small Systems Technical Assistance Program - 2% Set-Aside	\$ 668,906
TCEQ Texas State Management Program - 10% Set-Aside	\$ 10,853,273
TCEQ Capacity Development - 15% Set-Aside	\$ 3,935,833
Total Set-Asides:	\$ 22,342,368
 <u>Projects Funded</u>	
Funds Disbursed	\$ 193,996,452
Total Projects Funded:	\$ 193,996,452
 <u>Debt Service</u>	
Revenue Bonds - Principal Paid	\$ 30,110,000
Match General Obligation Bonds - Principal Paid	\$ 36,967,374
Total Interest Paid	\$ 31,745,255
Total Debt Service:	\$ 98,822,629
 TOTAL USES:	 \$ 315,161,449
 NET SOURCES (USES):	 \$ 126,680,584
 Cash - Ending Balance (8/31/2025):	 \$ 700,451,956

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.

**TEXAS WATER DEVELOPMENT BOARD
DRINKING WATER STATE REVOLVING FUND
PROJECTED ANNUAL CASH FLOW COVERAGE¹
AS OF AUGUST 31, 2025**

Operational Minimum DSC: 1.10
Lowest Total DSC: 1.48

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
2026	\$23,205,016	\$19,507,012	\$3,698,004	\$92,075,304	\$54,129,475			\$73,636,487	1.57	\$41,643,833
2027	\$22,656,396	17,955,700	\$4,700,696	94,164,924	54,127,475	1.83		72,083,175	1.62	44,738,145
2028	21,852,687	17,949,450	3,903,237	95,795,367	54,123,475	1.84		72,072,925	1.63	45,575,130
2029	21,019,919	15,546,950	5,472,969	94,124,630	54,124,725	1.84		69,671,675	1.65	45,472,874
2030	20,201,139	8,026,200	12,174,939	94,197,855	58,867,975	1.81		66,894,175	1.71	47,504,819
2031	19,322,430	4,347,200	14,975,230	92,953,272	60,447,975	1.79		64,795,175	1.73	47,480,527
2032	18,402,456	4,339,950	14,062,506	92,481,535	60,457,725	1.76		64,797,675	1.71	46,086,316
2033	17,424,078	4,339,200	13,084,878	93,653,531	60,452,725	1.77		64,791,925	1.71	46,285,684
2034	16,382,405	2,044,200	14,338,205	90,453,505	60,454,225	1.73		62,498,425	1.71	44,337,485
2035	15,367,155	2,044,200	13,322,955	88,360,247	60,459,675	1.68		62,503,875	1.66	41,223,528
2036	14,404,675	2,043,600	12,361,075	81,894,425	60,457,825	1.56		62,501,425	1.54	33,797,674
2037	13,463,927	-	13,463,927	78,031,809	60,452,225	1.51		60,452,225	1.51	31,043,511
2038	12,512,316	-	12,512,316	76,671,954	60,450,288	1.48		60,450,288	1.48	28,733,982
2039	11,570,757	-	11,570,757	73,797,721	57,037,500	1.50		57,037,500	1.50	28,330,977
2040	10,653,282	-	10,653,282	68,390,360	42,757,688	1.85		42,757,688	1.85	36,285,955
2041	9,733,526	-	9,733,526	66,388,031	36,622,106	2.08		36,622,106	2.08	39,499,450
2042	8,786,623	-	8,786,623	66,294,114	26,523,813	2.83		26,523,813	2.83	48,556,924
2043	7,815,677	-	7,815,677	66,176,087	26,527,625	2.79		26,527,625	2.79	47,464,139
2044	6,837,557	-	6,837,557	65,483,744	14,337,250	5.04		14,337,250	5.04	57,984,052
2045	5,862,436	-	5,862,436	64,542,579	14,338,000	4.91		14,338,000	4.91	56,067,015
2046	4,892,375	-	4,892,375	58,250,559	14,337,750	4.40		14,337,750	4.40	48,805,183
2047	4,033,935	-	4,033,935	53,560,454	-	-		-	-	57,594,389
2048	3,240,773	-	3,240,773	52,229,704	-	-		-	-	55,470,477
2049	2,502,484	-	2,502,484	46,426,861	-	-		-	-	48,929,345
2050	1,867,708	-	1,867,708	39,315,819	-	-		-	-	41,183,527
2051	1,323,724	-	1,323,724	31,550,660	-	-		-	-	32,874,384
2052	834,769	-	834,769	24,107,493	-	-		-	-	24,942,262
2053	419,647	-	419,647	15,353,755	-	-		-	-	15,773,401
2054	155,345	-	155,345	7,932,220	-	-		-	-	8,087,564
2055	40,891	-	40,891	4,715,540	-	-		-	-	4,756,430
2056	1,997	-	1,997	487,569	-	-		-	-	489,566
2057	-	-	-	-	-	-		-	-	-
2058	-	-	-	-	-	-		-	-	-
2059	-	-	-	-	-	-		-	-	-
2060	-	-	-	-	-	-		-	-	-
	\$316,788,105	\$98,143,662	\$218,644,443	\$1,969,861,624	\$991,487,519			\$1,089,631,181		\$1,197,018,548

- (1) This cash flow coverage provides a presentation of only the DWSRF, and identifies the portion of outstanding debt designated for state match that is to be repaid only from interest earnings, as required by the EPA. This is distinct from and not reflective of the pledge portrayed in the cash flow coverage provided under SRF Revenue Bond offering documents.
- (2) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
- (3) Represents pledged loan interest repayments received from July 1st through June 30th.
- (4) Represents debt service requirements on GO State Match Bonds, and the portion of SRF Revenue Bonds designated for state match.
- (5) Represents pledged loan principal repayments and non-pledged principal and interest repayments received from July 1st through June 30th, excluding prepayments of principal.
- (6) Represents debt service requirements on SRF Revenue Bonds not designated for state match.
- (7) Represents debt service coverage ratio for SRF Revenue Bonds not designated for state match.
- (8) Total revenue to debt ratio. Total revenue includes loan repayments from July 1st through June 30th.

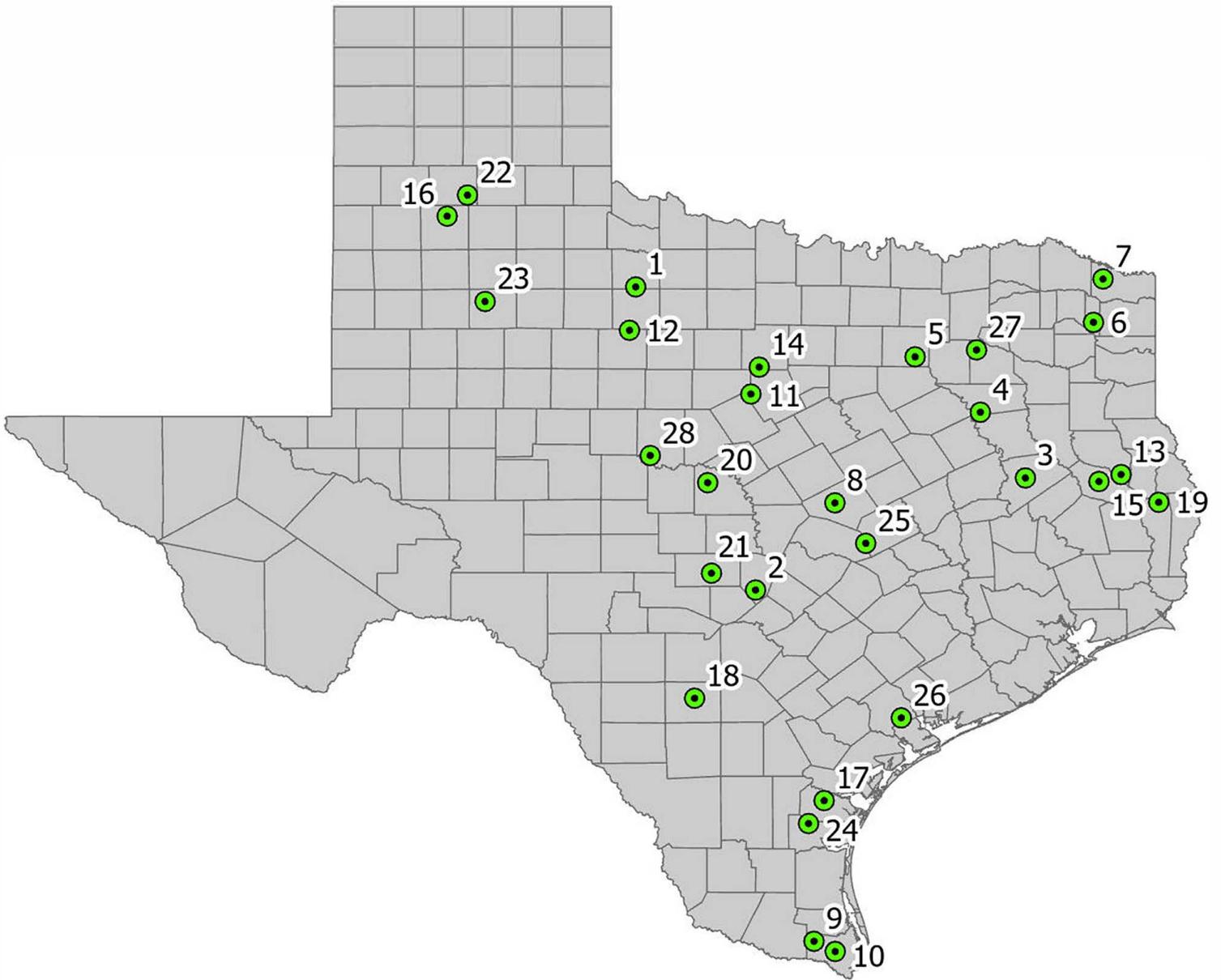
Appendix B: DWSRF SFY 2025 Projects

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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	Benjamin	LF1001935	\$ -	\$ 640,000	\$ 640,000	EQ				2024	Yes
2	Blanco	L1001768	3,390,000		3,390,000	EQ	09/01/2028	09/01/2053	2.65%	2023	Yes
2	Blanco	LF1001769		513,919	513,919	EQ				2023	Yes
3	Crockett	L1001887	3,170,000		3,170,000	EQ	02/15/2026	02/15/2054	2.61%	2024	Yes
3	Crockett	L1001889	80,000		80,000	EQ	02/15/2026	02/15/2054	2.61%	2024	Yes
3	Crockett	LF1001888		1,000,000	1,000,000	EQ				2024	Yes
4	Cross Roads Community WSC	L1001873	490,000		490,000	EQ	09/01/2025	09/01/2054	0.00%	2024	Yes
4	Cross Roads Community WSC	LF1001874		900,000	900,000	EQ				2024	Yes
5	D Bar B Water & WW SC	LF1001954		92,820	92,820	EQ				2024	Yes
6	Daingerfield	L1001850	1,180,000		1,180,000	EQ	02/15/2026	02/15/2055	2.68%	2024	Yes
6	Daingerfield	LF1001851		2,693,010	2,693,010	EQ				2024	Yes
7	De Kalb	L1001756	2,040,000		2,040,000	EQ	08/15/2025	08/15/2054	0.00%	2022	Yes
7	De Kalb	LF1001757		3,974,307	3,974,307	EQ				2022	Yes
7	De Kalb	L1001788	1,160,000		1,160,000	EQ	08/15/2025	08/15/2054	2.70%	2022	Yes
8	Dog Ridge WSC	L1001817	885,000		885,000	EQ	08/15/2025	08/15/2044	3.52%	2024	Yes
8	Dog Ridge WSC	L1001818	105,000		105,000	EQ	08/15/2025	08/15/2044	3.52%	2024	Yes
8	Dog Ridge WSC	LF1001819		1,000,000	1,000,000	EQ				2024	Yes
9	East Rio Hondo WSC	L1001895	8,985,000		8,985,000	EQ	09/01/2026	09/01/2054	0.00%	2024	
9	East Rio Hondo WSC	LF1001898		10,000,000	10,000,000	EQ				2024	
10	East Rio Hondo WSC	L1001904	4,265,000		4,265,000	EQ	09/01/2026	09/01/2054	4.09%	2024	
10	East Rio Hondo WSC	LF1001905		9,747,500	9,747,500	EQ				2024	
11	Eastland	L1001765	1,250,000		1,250,000	Non-EQ	02/15/2025	02/15/2054	3.07%	2023	Yes
11	Eastland	L1001766	315,000		315,000	Non-EQ	02/15/2025	02/15/2054	4.18%	2023	Yes
12	Ericksdahl WSC	L1002012	550,000		550,000	EQ	08/15/2026	08/15/2055	0.00%	2024	Yes
12	Ericksdahl WSC	LF1002013		1,871,180	1,871,180	EQ				2024	Yes
13	Etoile WSC	L1002050	835,000		835,000	EQ	08/15/2026	08/15/2055	4.20%	2024	Yes
13	Etoile WSC	LF1002051		1,909,091	1,909,091	EQ				2024	Yes
14	Gordon	L1001848	530,000		530,000	EQ	03/01/2026	03/01/2055	4.07%	2023	Yes
14	Gordon	LF1001849		1,605,784	1,605,784	EQ				2023	Yes
15	Huntington	L1001792	310,000		310,000	EQ	02/01/2026	02/01/2044	0.00%	2024	Yes
15	Huntington	LF1001793		1,800,000	1,800,000	EQ				2024	Yes
16	Loma Alta WSC	LF1001803		300,000	300,000	EQ				2024	Yes
17	Nueces Co WCID # 3	L1001968	2,410,000		2,410,000	EQ	02/01/2027	02/01/2055	0.00%	2024	
17	Nueces Co WCID # 3	LF1001969		6,894,876	6,894,876	EQ				2024	
18	Pearsall	L1001783	6,295,000		6,295,000	EQ	03/01/2025	03/01/2054	2.79%	2024	Yes
18	Pearsall	L1001784	105,000		105,000	EQ	03/01/2025	03/01/2054	2.79%	2024	Yes
18	Pearsall	LF1001785		1,000,000	1,000,000	EQ				2024	Yes
19	Rayburn Country MUD	L1001948	1,565,000		1,565,000	EQ	03/15/2026	03/15/2055	2.93%	2024	Yes
19	Rayburn Country MUD	L1001949	2,200,000		2,200,000	EQ	03/15/2026	03/15/2055	0.00%	2024	Yes
19	Rayburn Country MUD	LF1001950		500,000	500,000	EQ				2024	Yes
20	Richland Springs	L1001961	1,055,000		1,055,000	EQ	03/01/2027	03/01/2056	3.18%	2021	Yes
20	Richland Springs	LF1001962		2,710,520	2,710,520	EQ				2021	Yes
21	Royal Oaks Apartments	LF1001947		665,000	665,000	EQ				2024	Yes
22	Silverton	L1001754	4,990,000		4,990,000	EQ	02/15/2025	02/15/2054	2.67%	2023	Yes
22	Silverton	LF1001755		10,000,000	10,000,000	EQ				2023	Yes
23	Slaton	L1001930	3,200,000		3,200,000	EQ	02/15/2026	02/15/2055	2.82%	2021	Yes
23	Slaton	LF1001931		898,917	898,917	EQ				2021	Yes
24	South Texas WA	L1001910	875,000		875,000	EQ	08/15/2025	08/15/2044	3.97%	2024	
24	South Texas WA	L1001911	1,485,000		1,485,000	EQ	08/15/2025	08/15/2044	3.97%	2024	
24	South Texas WA	LF1001912		1,989,567	1,989,567	EQ				2024	
24	South Texas WA	LF1001913		3,387,640	3,387,640	EQ				2024	
25	Thorndale	L1001955	7,800,000		7,800,000	EQ	08/01/2025	08/01/2054	2.95%	2021	Yes
25	Thorndale	L1001956	3,140,000		3,140,000	EQ	08/01/2025	08/01/2054		2021	Yes
25	Thorndale	LF1001957		4,000,000	4,000,000	EQ				2021	Yes
26	Victoria Co WCID # 2	L1001825	870,000		870,000	EQ	08/15/2026	08/15/2045	2.72%	2024	Yes
26	Victoria Co WCID # 2	L1001826	15,000		15,000	EQ	08/15/2026	08/15/2045	2.72%	2024	Yes
26	Victoria Co WCID # 2	LF1001827		1,400,000	1,400,000	EQ				2024	Yes
27	Wills Point	L1002055	7,965,000		7,965,000	EQ	02/15/2026	02/15/2055	2.84%	2023	Yes
28	Winters	L1001958	105,000		105,000	EQ	04/01/2026	04/01/2055	2.67%	2024	Yes
28	Winters	L1001960	960,000		960,000	EQ	04/01/2026	04/01/2055	2.67%	2024	Yes
28	Winters	LF1001959		2,688,441	2,688,441	EQ				2024	Yes
Totals		61	\$ 74,575,000	\$ 74,182,572	\$ 148,757,572						

Map of Project Locations



*Projects shown in this graphic are described in the following section, Description of Closed Projects

Descriptions of Closed Projects

Benjamin			
Pump Station Improvements			
Project # 62986			
Commitment Amount	\$640,000	Closing Date	07/09/2025
Commitment Code(s)	LF1001935	Map Location	1
<p>The City's 81,000-gallon ground storage tank is in poor condition and leaks often. This site also has multiple TCEQ violations due to a lack of service pumps and pressure tanks. There are also issues maintaining pressures above the minimum 35 psi.</p>			
<p>The existing deteriorated tank will be replaced with a pump station or standpipe/elevated storage in order to meet compliance with TCEQ requirements, provide adequate system wide pressure, and reduce water loss.</p>			
Blanco			
City of Blanco Water System Improvements			
Project # 62938			
Commitment Amount	\$3,903,919	Closing Date	09/12/2024
Commitment Code(s)	L1001768, LF1001769	Map Location	2
<p>This City has identified three major water lines within the City's service area that are in serious disrepair and contributing to substantial water loss within the City's distribution system.</p>			
<p>The City is proposing to replace three major water mains within the City's service area including a 2-inch and 8-inch waterline along 9th Street with approximately 900 linear feet of a new 8-inch waterline, approximately 12,000 linear feet of an 8-inch water line along Cielo Springs Drive, and approximately 1,400 linear feet of 2-inch water line near Heimer Lane along the Blanco River.</p>			
Crockett			
Water Well No. 4 & Transmission Main			
Project # 63021			
Commitment Amount	\$4,250,000	Closing Date	12/16/2024
Commitment Code(s)	L1001877, L1001889, LF1001888	Map Location	3
<p>The City of Crockett (City) currently relies on a wholesale water connection from Houston County Water Control & Improvements District No. 1 (District) as their primary source. The City's water distribution system struggles with disinfection byproducts that have been traced to water age within the wholesale water supplier system. The City desires to use their local groundwater source for better operational control and to better manage the disinfection byproduct levels within their system.</p>			
<p>The City is requesting planning, design, and construction funds for a new water well and associated transmission and treatment facilities. Development of this well, along with the two existing emergency wells, will provide sufficient water supply capacity to replace water purchased from the District.</p>			
Cross Roads Community WSC			
New Water Well #3 and Emergency Power Generator			
Project # 63016			
Commitment Amount	\$1,390,000	Closing Date	03/18/2025
Commitment Code(s)	L1001873, L1001874	Map Location	4

The Corporation's existing water supply is currently under enforcement by the Texas Commission on Environmental Quality (TCEQ) for failure to comply with water production capacity requirements, high service pumping capacity and maintaining distribution system pressure. The system is also out of compliance with emergency power generation requirements during extended power outages.

The Corporation proposes to plan, design, and construct a new public water supply well, along with disinfection, storage and pumping facilities and all associated piping. The Corporation will also install an emergency generator. This project will allow the Corporation to comply with pumping capacity and pressure requirements, as well as emergency power requirements.

D Bar B Water & WW SC
Emergency Generator for Drinking Water System
Project # 63030

Commitment Amount	\$92,820	Closing Date	05/15/2025
Commitment Code(s)	LF1001954	Map Location	5

D Bar B Water and Wastewater Supply Corporation's (Corporation) water system does not have auxiliary generators necessary to comply with Texas Water Code 13.1394.

The Corporation proposes to plan, design, and construct an emergency generator. This project will bring the Corporation into compliance with Texas Water Code 13.1394.

Daingerfield
Phase 2 Drinking Water System Improvements
Project # 63015

Commitment Amount	\$3,873,010	Closing Date	02/27/2025
Commitment Code(s)	LF1001850, LF1001851	Map Location	6

The City of Daingerfield (City) must remove and replace aged, undersized, and/or failing waterlines, install gate valves, and eliminate dead end water mains in targeted locations throughout the City to address regulatory and operational issues, such as failure to maintain disinfection residuals and maintaining minimum pressures of 35 psi within the distribution system.

The City is proposing to plan, design, and construct new waterlines in existing right-of-way; upgrade of existing Union Street Pump Station; and rehabilitation of the existing Union Street Ground Storage Tank in the existing property.

DeKalb
2022 TWDB DeKalb Water System Improvements
Project # 62958

Commitment Amount	\$7,174,307	Closing Date	09/24/2024
Commitment Code(s)	L1001756, L1001788, LF1001757	Map Location	7

The City of De Kalb's (City) 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.

The City is proposing to replace approximately 62,000 linear feet of water mains, add looping in the system, and rehabilitate the City's elevated storage tank.

Dog Ridge WSC
Sherwood Shores Water Line Improvements
Project # 62999

Commitment Amount	\$1,990,000	Closing Date	12/20/2024
Commitment Code(s)	L1001817, L1001818, LF1001819	Map Location	8

The Corporation has undersized lines, creating issues for pressure and fire suppression in the Sherwood Shores area. More than 85percent of the system's lines within this area are 2-inch or less in diameter, many of which need to be upsized in order to comply with TCEQ requirements. The Corporation is also experiencing significant water losses within its water distribution system.

The Corporation proposes to replace existing water mains within the Sherwood Shores portion of their water system in order to comply with TCEQ requirements and to reduce water losses within their water system.

East Rio Hondo WSC

ERHWSC North Cameron Reverse Osmosis Plant Expansion

Project # 63009

Commitment Amount	\$18,985,000	Closing Date	6/05/2025
Commitment Code(s)	L1001895, LF1001898	Map Location	9

The North Cameron Reverse Osmosis Treatment Plant (WTP) needs to be expanded to meet current and escalating future water needs, avoid future compliance issues, and mitigate the risk of system outages from weather-related events. The plant was originally designed for modular future expansions and was constructed in 2006 with a reverse osmosis (RO) system to desalinate brackish groundwater. The expansion requires an increase in raw brackish groundwater production to support additional capacity.

Phase 1 - The proposed project includes upgrading and expanding the WTP from 2.3 to 5 million gallons per day (MGD). This is Phase One of a three-phase project that will expand the total water production capacity to 10 MGD. The proposed project also includes the addition of two new groundwater wells at sites owned by the Corporation, two new reverse osmosis (RO) trains, cartridge filters, RO feed pumps, clean-in-place equipment, chemical feed equipment, a new degasifier, and additional high-service pumps. Additional improvements include building improvements, site process piping, electrical, controls and instrumentation, and site civil.

Phase 2 - After the initial Board approval, East Rio Hondo WSC refined the proposed project components to reduce costs. These changes were based on a hydrogeological assessment increasing needed well separation and value engineering. The revisions do not affect the project's intent of expanding the WTP capacity from 5 to 7.5 MGD. The proposed expansion includes the addition of one new groundwater well and RO train, along with cartridge filters, RO feed pump, and clean-in-place equipment to support membrane maintenance and system longevity. This Phase will also incorporate chemical feed system, additional high-service pump, and an increase of 1,000 kW in generator capacity to ensure reliable operations during power outages. The expansion also includes the construction of a ground storage tank to increase treated water storage capacity. Additional improvements include upgrades to site process piping, electrical systems, controls and instrumentation, and site civil work.

East Rio Hondo WSC

ERHWSC MASWTP DAF Improvements and HWWPS Pump Station Generator

Project # 63010

Commitment Amount	\$14,012,500	Closing Date	6/05/2025
Commitment Code(s)	L1001904, LF1001905	Map Location	10

The Corporation's Martha Ann Simpson Water Treatment Plant (WTP) has faced extremely poor raw water quality. During a 2010 sampling, it was classified in the Bin 2 cryptosporidium treatment category under the Environmental Protection Agency's Long Term 2 Enhanced Surface Water Treatment Rule. Although an ultraviolet disinfection system was installed to address regular algae blooms, its performance has degraded over time. To ensure compliance with the classification requirements and maintain an adequate water treatment process, the Corporation needs to upgrade the WTP's disinfection system. Additionally, the Corporation's primary backup source of emergency water supply needs a backup emergency power source.

The proposed project includes installing a Dissolved Air Flotation (DAF) system to remove algae from raw water. The system upgrades include flocculation basins, DAF basins, and mechanical support systems. The flocculation basin

includes a rapid mix chamber and two parallel trains of 3-stage tapered flocculation to enhance particle aggregation. The mechanical support systems consist of recycle pumps, solids scraper systems, saturators, flocculation equipment, and air compressors. The entire DFA system will be installed under a shade canopy. Additionally, the project will provide a 350 KW emergency generator for the Harlingen Waterworks Pump Station to ensure a reliable backup water supply during emergencies.

Eastland
Water System Improvements
Project # 62769

Commitment Amount	\$1,565,000	Closing Date	12/18/2024
Commitment Code(s)	L1001765, L1001766	Map Location	11

The City of Eastland (City) needs to replace deteriorated water distribution system components that have reached the end of their useful life to address water quality and loss issues.

The City is proposing to replace approximately 8,900 linear feet of 12-inch water line, valves, connections, appurtenances, and pressure reducing valves to address water loss and deteriorated pipe conditions that affect water quality.

Ericksdahl WSC
Water System Improvements
Project # 63008

Commitment Amount	\$2,421,180	Closing Date	8/22/2025
Commitment Code(s)	L1002012, LF1002013	Map Location	12

The project is needed to address current compliance issues and high water loss.

The Ericksdahl Water Supply Corporation (Corporation) proposes to mitigate TTHM formation by installing new disinfection equipment, tank mixing, test locations, and automatic flush valves. Also, the Corporation proposes to rehabilitate the existing standpipe. Moreover, the Corporation proposes to replace old waterlines and meters. Additionally, the Corporation proposes to create a chemical monitoring plan, a nitrification action plan, and a corrosion control study.

Etoile WSC
Etoile Water Supply Corporation; Water System Improvements
Project # 63069

Commitment Amount	\$2,744,091	Closing Date	6/27/2025
Commitment Code(s)	L1002050, LF1002051	Map Location	13

The Etoile Water Supply Corporation (Corporation) currently relies on two ground water wells to provide water to their distribution system. The corporation needs a new well as one of the existing water wells has reached the end of its useful life and is producing excessive amounts of sand. If the well were to fail the entire water system would be placed under emergency conditions. The water in the target aquifer is considered corrosive and will require treatment.

The Corporation is proposing to plan, acquire, design, and construct a new water well site adjacent to their existing Water Treatment Plant No. 2 to replace their existing well. The infrastructure necessary to construct the replacement well will include electrical service, access road, site fencing, site control system, backup generator, and a water line connecting to the existing system. The Corporation is also proposing to construct new facilities for treatment using a phosphate-based corrosion inhibitor.

Gordon

Water Treatment and Distribution Improvements

Project # 62951

Commitment Amount	\$2,135,784	Closing Date	12/17/2024
Commitment Code(s)	L1001848, LF1001849	Map Location	14

The City's existing clarifier has deteriorated to the point that it cannot be repaired. Internal rakes, weirs, and other components have deteriorated to the point that they are no longer operational. The sidewalls have rusted through in some areas of the outer shell and the baffle plates have completely disintegrated.

The City proposes to replace the existing, deteriorated clarifier with a new 0.85 MGD clarifier, install interconnecting piping, and upgrading the existing SCADA system. Additionally, the City proposes to replace approximately 6,000 linear feet of old, deteriorated water distribution pipeline. This line has corroded to the point that it had to be taken offline. As a result, the City has been cited for low pressure issues on the route that the line serves.

Huntington

New Water Well and Storage Tank Aerators

Project # 62990

Commitment Amount	\$2,110,000	Closing Date	09/26/2024
Commitment Code(s)	L1001792, LF1001793	Map Location	15

The City needs a new water well, due to an existing primary water well becoming inoperable and deemed not repairable. The City is operating below the water capacity requirements of the Texas Commission on Environmental Quality (TCEQ). The City is having issues with disinfection byproducts and high-water age contributing to several TCEQ violations and boil water notices.

The City is proposing to plan, acquire, design, and construct a new water well site adjacent to the existing well property. The City is proposing to install new aerators inside their existing elevated storage tanks to address the TCEQ violations.

Loma Alta WSC

Loma Alta WSC - Water System Improvements

Project # 62988

Commitment Amount	\$300,000	Closing Date	01/29/2025
Commitment Code(s)	LF1001803	Map Location	16

The WSC plans to install a treated water supply line from an adjacent WSC in order to purchase blending water to treat the nitrates. The project includes rehabilitation of the existing pump station, a new ground storage tank, supply line, sand trap, service pumps, chlorination system, water meters, and all associated valves and appurtenances.

The project consists of installing a 2" PVC purchased water supply line from the adjacent WSC to a proposed 5,000 blending tank. By blending the purchased water with groundwater supplied from the existing Loma Alta well, the WSC is able to reduce Nitrates to compliant levels. Due to the separated pressure planes, new service pumps are to be installed. Furthermore, this project seeks to address the noncompliant components by replacing both sand filtration devices along with the 2-315-gallon pressure tanks. Lastly, the WSC is proposing to replace existing service meters on each of their 24 service connections. The service meters will aid the water system in quantifying water losses throughout the system along with opening the availability to establish water usage rates. Each area of the proposed project will also include all related appurtenances.

Nueces Co WCID #3

Replace Small Diameter Distribution Lines & Install Automated Meter Reading System

Project # 63000

Commitment Amount	\$9,304,876	Closing Date	06/11/2025
Commitment Code(s)	L1001968, LF100969	Map Location	17

The District’s water system is currently under enforcement by the Texas Commission on Environmental Quality (TCEQ) for failing to comply with the maximum contaminant level (MCL) for total trihalomethanes (TTHM), based on the locational running annual average. Since the District is the sole source of water for the River Acres Water Supply Corporation, the Corporation’s water system has also experienced exceedances for TTHMs. The existing distribution system consists of aging, leaking, and undersized water lines that do not meet TCEQ design criteria. Additionally, the system is experiencing water losses exceeding 25percent.

The proposed project will replace approximately 10,000 linear feet of undersized, aging, and leaking small diameter water lines with new lines that meet TCEQ design criteria, helping to reduce water losses. Additional valves and hydrants will also be installed as necessary. The project will also install an Automated Meter Reading (AMR) system, replacing approximately 1,100 existing manual read meters. These improvements will reduce the risk of disinfection byproduct maximum contaminant level exceedances and ensure a safer and more reliable water supply for the District and the River Acres Water Supply Corporation.

Pearsall

I-35 Business Waterline Extension and Citywide Waterline Replacement

Project # 63013

Commitment Amount	\$7,400,000	Closing Date	11/22/2024
Commitment Code(s)	L1001783, L1001784, LF1001785	Map Location	18

The City of Pearsall (City) needs to replace two primary waterlines to provide adequate pressure to residential, commercial, and institutional customers, including a hospital and prison. The City’s current water demand is expected to increase from 2,734 gallons per minute (GPM) to 3,276 GPM.

The City proposes to construct approximately 2.1 miles of 8-inch water line extension along the I-35 business loop; replacement and installation of 0.83 miles of 12-inch waterline pipes along Colorado Street and complete an asset management plan.

Rayburn Country MUD

Rayburn Country Drinking Water SRF

Project # 63006

Commitment Amount	\$4,265,000	Closing Date	04/29/2025
Commitment Code(s)	L1001948, L1001949, LF1001950	Map Location	19

The District is in need of additional water supply to meet the Texas Commission on Environmental Quality's minimum capacity requirements. The District also seeks to improve water quality by reducing trihalomethane and total haloacetic levels and rehabilitating aging infrastructure.

The proposed project includes the drilling and completion of a new groundwater well, new well filters for the existing and proposed wells, rehabilitation of two existing ground storage tanks, and a pressure monitoring system to aid in leak detection.

Richland Springs

Water Line Replacement

Project # 63038

Commitment Amount	\$3,765,520	Closing Date	05/06/2025
Commitment Code(s)	L1001961, LF1001962	Map Location	20

Sections of the City of Richland Springs' (City) water distribution system have reached the end of their useful life. Along with causing a Texas Commission on Environmental Quality compliance issue for elevated lead levels, the City's water distribution lines have experienced continued deterioration leading to leaks which cause high water loss.

The City will replace approximately 8 miles of water distribution pipeline, approximately 30 fire hydrants, and 2 pressure tanks.

Royal Oaks Apartment

Royal Oaks Water System Improvements

Project # 63004

Commitment Amount	\$665,000	Closing Date	03/07/2025
Commitment Code(s)	LF1001947	Map Location	21

In October 2021, the Royal Oaks Apartments public water system received an administrative order from the Texas Commission on Environmental Quality (TCEQ) due to a high concentration of nitrates in their potable water. The current water well is less than 150 feet from a septic drain field, lacks a TCEQ-required sanitary control easement, and has TCEQ violations for both coliform and nitrates. The distribution system is undersized and is not metered. Leaks are not easily detected, and the current well is insufficient to meet current demand.

The proposed project is to add a new water well with an annual production capacity of 24.7 acre-feet per year, a 5,000 gallon ground storage tank, a 500-gallon hydropneumatic tank, 22 water meters, a generator, and approximately 1,800 linear-feet of transmission and distribution lines. An asset management plan will also be developed for the water system.

Silverton

Swisher County Well Field Development

Project # 62943

Commitment Amount	\$14,990,000	Closing Date	09/25/2024
Commitment Code(s)	L1001754, LF1001755	Map Location	22

The City of Silverton (City) obtains its water supply from a series of City-owned wells and surface water from the Mackenzie Municipal Water Authority. Drought conditions have reduced lake levels to historic lows, forcing the City to rely on groundwater to meet demand. However, the wells produce water that exceeds the maximum contaminant level of arsenic. Also, drawdown experienced by the wells reduces the supply such that the demand could not be met long term.

The City proposes to increase its water supply and address the concentration of arsenic, by developing three additional water wells that meet the current standards for arsenic content and blend the water with its existing groundwater supply. The City proposes to plan, design, and construct one new pump station, one new 200,000-gallon ground storage tank, approximately 59,400 feet of 12-inch transmission line, well drilling, test pumping, well field piping, valves, site work, security fence, gates, access road, electrical equipment, and Supervisory Control and Data Acquisition.

Slaton
 City of Slaton Water System Improvements
 Project # 63035

Commitment Amount	\$4,098,917	Closing Date	02/24/2025
Commitment Code(s)	L1001930, LF1001931	Map Location	23

The City of Slaton is proposing the installation of an AMI system throughout their distribution system as well as the installation of a new elevated storage tank.

The proposed project includes both Automated Meter Reading (AMR) system improvements and the proposed replacement of an existing elevated storage tank (EST). The City has dedicated a significant number of resources over the past several years to reduce the amount of water loss in their distribution system. This has included installation of master meters throughout the system, in the field water line assessments to identify any leaks, and a modification in flushing practices to more accurately account for water used. In spite of these efforts, the system water loss have stayed fairly consistent. Given the age of the meters in the distribution system and the fact that meters tend to become highly inaccurate as they age, it is conceivable that the water loss experienced in the system can be attributed to the inaccuracy of the existing meters (apparent loss) and not actual water loss. Installation of Advanced Metering Infrastructure (AMI) system will increase the efficiency and accuracy of the system meters and could help account water currently accounted for as water lost in the system.

South Texas WA
 South Texas Water Authority Pump Station Improvements
 Project # 63025

Commitment Amount	\$7,737,207	Closing Date	02/13/2025
Commitment Code(s)	L1001910, L1001911, LF1001912, LF1001913	Map Location	24

South Texas Water Authority (STWA) needs to address several violations identified by the Texas Commission on Environmental Quality and system sustainability concerns across five pump stations in the Ricardo Water Supply Corporation (RWSC) and Nueces Water Supply Corporation (NWSC) service areas. These violations include water system outages, dilapidated pumping stations, water leaks, and pressure loss. Specifically, the Ricardo pumps need to be demolished and replaced, and emergency power generators installed to prevent outages. The Nueces pumps require replacement due to persistent leaks that necessitate constant maintenance.

The proposed project includes improvements to five pump stations within the service area of the RWSC and NWSC. At RWSC Pump Station No. 1, the project involves demolishing two ground storage tanks (GSTs) and replacing them with two new 21-thousand-gallon GSTs, along with replacing two pumps to enhance efficiency and reliability. At RWSC Pump Station No. 2, the Authority will sandblast and recoat a 150-thousand-gallon elevated storage tank (EST), demolish three GSTs, and replace them with one 100-thousand-gallon GST, in addition to replacing two pumps. Similarly, at RWSC Pump Station No. 3, the project includes sandblasting and recoating a 150-thousand-gallon EST, demolishing three GSTs, and replacing them with one 100-thousand-gallon GST, and replacing two pumps.

Thorndale
 Water Production and Transmission System
 Project # 62973

Commitment Amount	\$14,940,000	Closing Date	03/13/2025
Commitment Code(s)	L1001955, L1001956, LF1001957	Map Location	25

Based on the current number of connections, the City of Thorndale (City) has an available supply capacity of 0.37 GPM per connection, which does not meet existing TCEQ requirements. The City currently purchases its water supply from

Southwest Milam WSC and the ability to purchase additional required water supplies for the City's current and future customers is very limited.

The City proposes the construction of a water well to extract additional groundwater, which will be treated at their existing Davis Drive Water Treatment Plant (WTP). In addition, a transmission system that will convey the raw groundwater to the existing WTP will also be constructed. Infrastructure improvements will also be made to the existing WTP and an asset management plan will be prepared as a part of this project.

Victoria Co WCID #2

Placedo Water Distribution Rehabilitation

Project # 63020

Commitment Amount	\$2,285,000	Map Location	05/14/2025
Commitment Code(s)	L1001825, L1001826, LF1001827	Map Location	26

The Victoria County Water Control Improvement District No. 2 (District) has approximately 24,000 linear feet of cast iron water distribution lines. These lines are costly to maintain because cast iron is relatively inflexible and not well-suited for the clay soils in the service area, it is difficult to find replacement parts due to PVC piping being the norm, and sediment has accumulated in the lines. The District is also at 85percent of regulatory required capacity for groundwater storage, which does not allow for an increase in the number of service connections.

The District proposes replacing its cast iron water lines with 2 to 8 inch PVC piping. The District will also construct a new 30,000 gallon ground storage tank and develop an asset management plan.

Wills Point

Transmission Line (Intake Structure to SWTF)

Project # 63072

Commitment Amount	\$7,965,000	Map Location	07/10/2025
Commitment Code(s)	L1002055	Map Location	27

The City of Wills Point's (City) existing 12-inch transmission lines that provide water to the City's water treatment plant are aging and deteriorating which leads to frequent repairs and service outages resulting in boil water notices.

The City proposes to replace approximately 38,400 linear feet of existing 12" raw water transmission lines, upgrades to the existing raw water intake pump station and booster pump station.

Winters

City of Winters Water Distribution System Improvements

Project # 62998

Commitment Amount	\$3,753,441	Map Location	04/24/2025
Commitment Code(s)	L1001958, L1001960, LF1001959	Map Location	28

The City of Winters (City) has several aged sections of their drinking water distribution system that are in need of replacement; most of the existing valves are no longer operational.

The proposed project includes transmission line replacement and distribution system piping upgrades. These mainly The project includes the replacement of various portions of the City's potable water distribution pipeline system, valves, and fire hydrants. This project will also add water line loops to the dead end mains.

Project Funding Considered "Equivalency" - SFY 2021						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA
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
Richland Springs	63038	L1001961	1,055,000	02/13/2025	05/06/2025	1,055,000
Richland Springs	63038	LF1001962	2,710,520	02/13/2025	05/06/2025	2,710,520
Rising Star	62928	LF1001568	300,000	11/17/2022	01/25/2023	300,000
Slaton	63035	L1001930	3,200,000	11/06/2024	02/24/2025	3,200,000
Slaton	63035	LF1001931	898,917	11/06/2024	02/24/2025	898,917
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
Thorndale	62973	L1001955	7,800,000	11/06/2024	03/13/2025	7,800,000
Thorndale	62973	L1001956	3,140,000	11/06/2024	03/13/2025	3,140,000
Thorndale	62973	LF1001957	4,000,000	11/06/2024	03/13/2025	4,000,000
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
Totals	19		\$ 67,347,919			\$ 67,347,919

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

Amount of Grant (2020 Appropriations):	\$ 86,280,000	Amount Required to Report to FFATA:	\$ 70,675,200
Administrative Exemption:	\$ 3,451,200	Amount Reported to FFATA:	\$ 67,347,919
TCEQ 2% Exemption:	\$ 1,725,600	Amount Needed to Meet FFATA Requirement:	\$ 3,327,281
TCEQ 10% Exemption:	\$ 8,628,000		
TCEQ 15% Exemption:	\$ 1,800,000		

Project Funding Considered "Equivalency" - SFY 2022						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA
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	09/24/2024	2,040,000
De Kalb	62958	L1001788	1,160,000	06/12/2024	09/24/2024	1,160,000
De Kalb	62958	LF1001757	3,974,307	06/12/2024	09/24/2024	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
Mertzton	62962	L1001684	2,040,000	09/14/2023	01/09/2024	2,040,000
Mertzton	62962	L1001685	45,000	09/14/2023	01/09/2024	45,000
Mertzton	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
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
Totals	13		\$ 66,362,795			\$ 66,362,795

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

Note: Millersview-Doole WSC was moved to 2019 to make up for a shortage in additional subsidization and re-categorized as non-federal funds for reporting purposes.

Amount of Grant (2021 Appropriations):	\$ 87,015,000	Amount Required to Report to FFATA:	\$ 68,992,600
Administrative Exemption:	\$ 3,480,600	Amount Reported to FFATA:	\$ 66,362,795
TCEQ 2% Exemption:	\$ 1,740,300	Amount Needed to Meet FFATA Requirement:	\$ 2,629,805
TCEQ 10% Exemption:	\$ 8,701,500		
TCEQ 15% Exemption:	\$ 4,100,000		

Project Funding Considered "Equivalency" - SFY 2023 - Annual Appropriations							
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA	Amount To Be Reported To FFATA When Closed
Arimak WSC	62947	LF1001740	\$ 975,023	01/18/2024	03/06/2024	\$ 975,023	\$ -
Blanco	62938	L1001768	3,390,000	05/09/2024	09/12/2024	3,390,000	-
Blanco	62938	LF1001769	513,919	05/09/2024	09/12/2024	513,919	-
Liberty Hill	62939	L1001692	3,060,000	12/07/2023	Not yet closed	-	2,400,141
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
Pflugerville	62919	L1002215	27,180,000	08/21/2025	Not yet closed	-	-
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	-
Wills Point	63072	L1002055	7,965,000	03/13/2025	07/10/2025	7,965,000	-
Totals	6		\$ 69,865,099			\$ 18,135,099	\$ 23,890,141

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

Amount of Grant (2022 Appropriations):	\$ 54,911,000	Amount Required to Report to FFATA:	\$ 42,025,240
Administrative Exemption:	\$ 2,196,440	Amount Reported to FFATA:	\$ 18,135,099
TCEQ 2% Exemption:	\$ 1,098,220	Amount To Be Reported To FFATA When Closed:	\$ 23,890,141
TCEQ 10% Exemption:	\$ 5,491,100	Amount Needed to Meet FFATA Requirement:	\$ -
TCEQ 15% Exemption:	\$ 4,100,000		

Project Funding Considered "Equivalency" - SFY 2024 - Annual Appropriations							
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA	Amount To Be Reported To FFATA When Closed
Agua SUD	63012	L1002193	\$ 6,060,000	06/25/2025	Not yet closed	\$ -	\$ 6,060,000
Cross Roads Community WSC	63016	L1001873	490,000	11/06/2024	03/18/2025	490,000	-
Cross Roads Community WSC	63016	LF1001874	400,000	11/06/2024	03/18/2025	400,000	-
D Bar B Water & WW SC	63030	LF1001954	92,820	02/13/2025	05/15/2025	92,820	-
Ericksdahl WSC	63008	L1002012	550,000	03/13/2025	08/22/2025	550,000	-
Ericksdahl WSC	63008	LF1002013	1,871,180	03/13/2025	08/22/2025	1,871,180	-
Huntington	62990	L1001792	310,000	06/12/2024	09/26/2024	310,000	-
Huntington	62990	LF1001793	1,800,000	06/12/2024	09/26/2024	1,800,000	-
Nueces Co WCID #3	63000	L1001968	2,410,000	02/13/2025	06/11/2025	2,410,000	-
Nueces Co WCID #3	63000	LF1001969	6,894,876	02/13/2025	06/11/2025	6,894,876	-
Rayburn Country MUD	63006	L1001948	1,565,000	12/17/2024	04/29/2025	1,565,000	-
Silver Creek Village WSC	63022	L1001936	590,000	08/21/2025	Not yet closed	-	590,000
Silver Creek Village WSC	63022	LF1001937	400,000	08/21/2025	Not yet closed	-	400,000
Winters	62998	L1001958	105,000	12/17/2024	04/24/2025	105,000	-
Winters	62998	L1001960	960,000	12/17/2024	04/24/2025	960,000	-
Winters	62998	LF1001959	2,688,441	12/17/2024	04/24/2025	2,688,441	-
Totals	9		\$ 27,187,317			\$ 20,137,317	\$ 7,050,000

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

Amount of Grant (2023 Appropriations):	\$ 39,369,000	Amount Required to Report to FFATA:	\$ 28,969,960
Administrative Exemption:	\$ 1,574,760	Amount Reported to FFATA:	\$ 20,137,317
TCEQ 2% Exemption:	\$ 787,380	Amount To Be Reported To FFATA When Closed:	\$ 7,050,000
TCEQ 10% Exemption:	\$ 3,936,900	Amount Needed to Meet FFATA Requirement:	\$ 1,782,643
TCEQ 15% Exemption:	\$ 4,100,000		

Project Funding Considered "Equivalency" - SFY 2025 - Annual Appropriations						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA
<i>No equivalency commitments have been made as of the end of SFY 2025</i>						
Totals			\$ -			\$ -

"Equivalency" funding as defined in the SFY 2025 Intended Use Plan.

Amount of Grant (2024 Appropriations):	\$ 37,140,000	Amount Required to Report to FFATA:	\$ 27,111,880
Administrative Exemption:	\$ 1,486,280	Amount Reported/To Be Reported to FFATA:	\$ -
TCEQ 2% Exemption:	\$ 743,140	Amount Needed to Meet FFATA Requirement:	\$ 27,111,880
TCEQ 10% Exemption:	\$ 3,698,700		
TCEQ 15% Exemption:	\$ 4,100,000		

Project Funding Considered "Equivalency" - SFY 2023 - IJA General Supplemental							
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA	Amount To Be Reported To FFATA When Closed
Barksdale WSC	62937	LF1001635	\$ 960,000	06/06/2023	09/15/2023	\$ 960,000	\$ -
Bistone Municipal WSD	63071	L1002139	19,420,000	06/25/2025	Not yet closed	-	19,420,000
Bistone Municipal WSD	63071	LF1002140	10,000,000	06/25/2025	Not yet closed	-	10,000,000
D&M WSC	63073	L1002101	2,170,000	06/25/2025	Not yet closed	-	2,170,000
D&M WSC	63073	L1002102	25,000	06/25/2025	Not yet closed	-	25,000
D&M WSC	63073	LF1002103	2,464,000	06/25/2025	Not yet closed	-	2,464,000
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	12/17/2024	530,000	-
Gordon	62951	LF1001849	1,605,784	08/15/2024	12/17/2024	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	09/25/2024	4,990,000	-
Silverton	62943	LF1001755	9,200,000	04/11/2024	09/25/2024	9,200,000	-
Totals	9		\$ 113,771,164			\$ 79,692,164	\$ 34,079,000

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

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

Amount Required to Report to FFATA: \$ 130,353,280
 Amount Reported to FFATA: \$ 79,692,164
 Amount To Be Reported To FFATA When Closed: \$ 34,079,000
 Amount Needed to Meet FFATA Requirement: \$ 16,582,116

Project Funding Considered "Equivalency" - SFY 2024 - IJA General Supplemental							
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA	Amount To Be Reported To FFATA When Closed
Benjamin	62986	LF1001935	\$ 640,000	03/13/2025	07/09/2025	\$ 640,000	\$ -
Crockett	63021	L1001887	3,170,000	09/12/2024	12/16/2024	3,170,000	-
Crockett	63021	L1001889	80,000	09/12/2024	12/16/2024	80,000	-
Crockett	63021	LF1001888	1,000,000	09/12/2024	12/16/2024	1,000,000	-
Daingerfield	63015	L1001850	1,180,000	02/27/2025	02/27/2025	1,180,000	-
Daingerfield	63015	L100851	2,693,010	02/27/2025	02/27/2025	2,693,010	-
Dog Ridge WSC	62999	L1001817	885,000	09/12/2024	12/20/2024	885,000	-
Dog Ridge WSC	62999	L1001818	105,000	09/12/2024	12/20/2024	105,000	-
Dog Ridge WSC	62999	LF1001819	1,000,000	09/12/2024	12/20/2024	1,000,000	-
East Rio Hondo WSC	63009	L1001895	8,985,000	09/12/2024	06/05/2025	8,985,000	-
East Rio Hondo WSC	63009	LF1001898	10,000,000	09/12/2024	06/05/2025	10,000,000	-
East Rio Hondo WSC	63010	L1001904	4,265,000	09/12/2024	06/05/2025	4,265,000	-
East Rio Hondo WSC	63010	LF1001905	9,747,500	09/12/2024	06/05/2025	9,747,500	-
English Acres	63003	LF1002131	914,000	05/08/2025	Not yet closed	-	914,000
Etoile WSC	63069	L1002050	835,000	03/13/2025	06/27/2025	835,000	-
Etoile WSC	63069	LF1002051	1,909,091	03/13/2025	06/27/2025	1,909,091	-
Loma Alta WSC	62988	LF1001803	300,000	06/12/2024	01/29/2025	300,000	-
Pearsall	63013	L1001783	6,295,000	08/15/2024	11/22/2024	6,295,000	-
Pearsall	63013	L1001784	105,000	08/15/2024	11/22/2024	105,000	-
Pearsall	63013	LF1001785	1,000,000	08/15/2024	11/22/2024	1,000,000	-
Rio Grande City	63011	L1002098	990,000	06/25/2025	Not yet closed	-	990,000
Rio Grande City	63011	LF1002097	2,254,000	06/25/2025	Not yet closed	-	2,254,000
Royal Oaks Apartments	63004	LF1001947	665,000	11/06/2024	03/07/2025	665,000	-
Seminole	63017	L1001860	5,985,000	10/17/2024	Not yet closed	-	5,985,000
Seminole	63017	L1001861	105,000	10/17/2024	Not yet closed	-	105,000
South Texas WA	63025	L1001910	875,000	10/17/2024	02/13/2025	875,000	-
South Texas WA	63025	L1001911	1,485,000	10/17/2024	02/13/2025	1,485,000	-
South Texas WA	63025	LF1001912	1,989,567	10/17/2024	02/13/2025	1,989,567	-
South Texas WA	63025	LF1001913	3,387,640	10/17/2024	02/13/2025	3,387,640	-
Stephens Regional SUD	62989	L1002132	1,975,000	06/25/2025	Not yet closed	-	1,975,000
Stephens Regional SUD	62989	L1002133	1,610,000	06/25/2025	Not yet closed	-	1,610,000
Stephens Regional SUD	62989	LF1002134	8,186,569	06/25/2025	Not yet closed	-	8,186,569
Victoria Co WCID # 2	63020	L1001825	870,000	11/06/2024	05/14/2025	870,000	-
Victoria Co WCID # 2	63020	L1001826	15,000	11/06/2024	05/14/2025	15,000	-
Victoria Co WCID # 2	63020	LF1001827	1,400,000	11/06/2024	05/14/2025	1,400,000	-
Totals	15		\$ 86,901,377			\$ 64,881,808	\$ 22,019,569

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

Note: New Summerfield was withdrawn and removed.

Amount of Grant (2023 Appropriations):	\$ 167,867,000	Amount Required to Report to FFATA:	\$ 149,152,320
Administrative Exemption:	\$ 6,714,680	Amount Reported to FFATA:	\$ 64,881,808
TCEQ 15% Exemption:	\$ 7,000,000	Amount To Be Reported To FFATA When Closed:	\$ 22,019,569
Other Set Asides Exemption:	\$ 5,000,000	Amount Needed to Meet FFATA Requirement:	\$ 62,250,943

Project Funding Considered "Equivalency" - SFY 2025 - IJA General Supplemental

Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA	Amount To Be Reported To FFATA When Closed
East Rio Hondo WSC	63009	L1002184	\$ 18,750,000	06/25/2025	Not yet closed	\$ -	\$ 18,750,000
East Rio Hondo WSC	63009	LF1002183	10,000,000	06/25/2025	Not yet closed	-	10,000,000
Hamilton	63088	LF1002167	2,481,690	08/21/2025	Not yet closed	-	2,481,690
Totals	2		\$ 31,231,690			\$ -	\$ 31,231,690

Amount of Grant (2024 Appropriations): \$ 183,256,000
 Administrative Exemption: \$ 7,330,240
 TWDB 15% Exemption: \$ 4,000,000
 TCEQ 10% Exemption: \$ 8,000,000

Amount Required to Report to FFATA: \$ 163,925,760
 Amount Reported to FFATA: \$ -
 Amount To Be Reported To FFATA When Closed: \$ 31,231,690
 Amount Needed to Meet FFATA Requirement: \$ 132,694,070

DWSRF Project Starts				
Entity	Tracking Numbers (Project # - Commitments)	Closing Date	Start Date	Net Amount
Eastland	62769 - L1000697, LF1000706	09/05/2018	06/18/2025	\$ 1,227,000
Laguna Madre WD	62963 - L1001691	11/09/2023	12/11/2024	12,980,000
Meeker MWD	62911 - L1001457	04/26/2022	02/03/2025	6,925,000
Menard	62518 - L1001711, LF1001712	01/11/2024	06/02/2025	5,595,000
Smyer	62579 - L1000113, LF1000112	08/13/2013	07/22/2025	369,767
Totals	5	unique projects		\$ 27,096,767

DWSRF Project Completions				
Entity	Tracking Numbers	Closing Date	Completion Date	Net Amount
Blanco	62748 - L1000633	10/24/2017	12/23/2024	\$ 3,150,000
Blanco	62748 - L1001127	05/07/2020	12/23/2024	3,400,000
Brookshire	62829 - L1000912,L1000956,LF1000954	09/27/2019	09/03/2024	2,575,000
Crystal Clear SUD	62742 - L1001697	12/20/2023	12/12/2024	1,950,000
Crystal Clear SUD	62742 - L1000615	11/03/2017	12/12/2024	15,000,000
Devine	62777 - L1000684, L1000743, LF1000744	08/14/2018	02/05/2025	9,900,000
Ellinger Sewer & Water SC	62839 - L1001420, LF1001449	06/29/2022	09/27/2024	1,128,000
Evadale WCID # 1	62873 - LF1001146	09/29/2021	10/11/2024	300,000
G-M WSC	62771 - L1000777, LF1000778	08/24/2018	12/06/2024	5,490,900
Laredo	62646 - L1000339	10/29/2015	09/03/2024	5,500,000
McAllen	62790 - L1000746	11/06/2018	10/01/2024	12,000,000
Rusk	62892 - L1001154	07/23/2021	10/03/2024	2,630,000
San Angelo	62856 - L1001050	12/05/2019	12/22/2024	56,075,000
San Angelo	62856 - L1001621	06/06/2023	12/22/2024	13,415,000
Totals	11	unique projects		\$ 132,513,900

SRF Data System and Public Health Benefits Reporting Statement

The Texas Water Development Board (TWDB) complied with the FFY 2024 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 2025

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EC Appendix B – DWSRF-Emerging Contaminants Fund SFY 2025 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 Texas Water Development Board (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 as identified on the U.S. Environmental Protection Agency's (EPA's) Contaminant Candidate List (CCL) and include PFAS, up to the amount of funding available.*

As of August 31, 2025, the TWDB has closed on funding for two DWSRF-EC projects totalling \$17,440,000. Additional DWSRF-EC projects are expected to receive funding commitments from the TWDB in the first quarter of state fiscal year (SFY) 2026. Five projects totalling \$196,667,009 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 Appendix C of the IUP for this program, projects that are seeking funding for addressing 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 Appendix C of the IUP for this program, projects that are seeking funding for construction 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 16 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.

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, two DWSRF-EC projects have closed with additional closings and commitments expected in SFY 2026. Similar to previous IUPs, the SFY 2025 DWSRF-EC IUP received funding requests for an amount higher than the 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 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 requested \$790,551 in set-aside funding from the DWSRF-EC grant, 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 finance 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 2024 DWSRF-EC fund. There have been \$676,952 in federal funds drawn as of August 31, 2025. 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, 2025, there have been \$676,952 in federal funds drawn from DWSRF-EC funds. The TWDB has closed on two projects for a total of \$17,440,000 under the DWSRF-EC Program as of August 31, 2025. Additional DWSRF-EC projects are expected to receive funding commitments from the TWDB in the first quarter of SFY 2026, and five projects totalling \$196,667,009 are in the application review process. As of August 31, 2025, \$1,971,880 has been

(or is in the process of being) transferred from the Clean Water State Revolving-EC fund to the DWSRF-EC fund. The TWDB anticipates future transfers between these two programs.

5. Program Initiatives

Additional Subsidization

Funding has closed on two projects with additional subsidization associated with the FFY 2022, and an application is being processed for a total of \$56,087,500 in additional subsidization. An application for a project associated with the FFY 2023 is in process for a total of \$57,800,000 in additional subsidization. Three applications for projects associated with FFY 2024 are in process for a total of \$59,568,889 in additional subsidization. If these applications close, this will fully allocate the additional subsidization for FFY 2024. Details of the additional subsidization are shown in EC Appendix A, EC Table 1.

Disadvantaged Communities Funding

The disadvantaged principal forgiveness associated with the with the FFY 2022, 2023, and 2024 DWSRF-EC grants have not been allocated as of August 31, 2025. However, projects that are in the application phase, in addition to future expected applications, will fully allocate all three years of disadvantaged principal forgiveness. 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 2025 IUP, Appendix D, 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, FFY 2023, and FFY 2024 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 2025 Tables

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EC Table 7	Administrative Costs	A.6

EC Table 1		
DWSRF Emerging Contaminants -Additional Subsidization - 2023 IUP / 2022 Grant		
Grant Requirement	Add Sub Exact Amt Required	\$ 60,279,040
Recipient - Closing Date	Amount	Disadvantaged
		Emerging Contaminants
Bronte - 2/04/2025*	\$ 15,000,000	\$ 15,000,000
Daisetta - 12/13/2024*	2,440,000	2,440,000
Total Closed	\$ 17,440,000	\$ 17,440,000
Parker Co. SUD	\$ 38,647,500	\$ 38,647,500
Total Uncommitted (Application)	\$ 38,647,500	\$ 38,647,500

Grand Totals	\$ 56,087,500	\$ 56,087,500
	Total Add Sub:	\$ 56,087,500

EC Table 1 (continued)		
DWSRF Emerging Contaminants - Additional Subsidization - 2024 IUP / 2023 Grant		
Grant Requirement	Add Sub Exact Amt Required	\$ 60,279,040
Recipient	Amount	Disadvantaged
		Emerging Contaminants
<i>No projects have closed as of the end of SFY 2025.</i>		
Total Closed	\$ -	\$ -
<i>No projects have been committed as of the end of SFY 2025.</i>		
Total Unclosed (Committed)	\$ -	\$ -
Granbury	\$ 57,800,000	\$ 57,800,000
Total Uncommitted (Application)	\$ 57,800,000	\$ 57,800,000

Grand Totals	\$ 57,800,000	\$ 57,800,000
	Total Add Sub:	\$ 57,800,000

Add Sub = Additional Subsidization in the form of principal

* Projects that closed in SFY 2025

EC Table 1 (continued)		
DWSRF Emerging Contaminants - Additional Subsidization - 2025 IUP / 2024 Grant		
Grant Requirement	Add Sub Exact Amt Required	\$ 59,568,889
Recipient	Amount	Disadvantaged
		Emerging Contaminants
<i>No projects have closed as of the end of SFY 2025.</i>		
Total Closed	\$ -	\$ -
<i>No projects have been committed as of the end of SFY 2025.</i>		
Total Unclosed (Committed)	\$ -	\$ -
Manville WSC	\$ 15,664,864	\$ 15,664,864
New Horizon Ranch and Center, Inc.	3,004,025	3,004,025
Sharyland WSC	40,900,000	40,900,000
Total Uncommitted (Application)	\$ 59,568,889	\$ 59,568,889
Grand Totals	\$ 59,568,889	\$ 59,568,889
	Total Add Sub:	\$ 59,568,889

Add Sub = Additional Subsidization in the form of principal forgiveness

EC Table 2			
DWSRF Emerging Contaminants - Grant Funds			
FFY	SFY/ IUP	#	SRF Grant
2022	2023	4E-02F48201	\$ 59,202,000
2023	2024	4E-02F48202	61,322,000
Totals			\$ 120,524,000

EC Table 3			
DWSRF Emerging Contaminants - Capitalization Grant Draws			
	Beginning Balance	Expended	Balance - 08/31/2025
4E-02F48201 FY 2022			
Construction	\$ -	\$ (1,010,638.18)	\$ 1,010,638.18
Administration	1,200,000.00	(458,777.26)	1,658,777.26
Totals	1,200,000.00	(1,469,415.44)	2,669,415.44
4E-02F48202 FY 2023			
Construction	\$ 408,000.00	\$ -	\$ 408,000.00
Construction	58,477,440.00	-	58,477,440.00
Administration	1,233,680.00	-	1,233,680.00
Totals	\$ 60,119,120.00	\$ -	\$ 60,119,120.00
Grand Totals	\$ 61,319,120.00	\$ (1,469,415.44)	\$ 62,788,535.44

Negative amounts in the "Expended" column reflect grant funds received by TWDB during the SFY following the respective grant's payment schedule.

Table 4 – Binding Commitments Summary											
IUP	Recipient	Project ID	Commitment #	Type	Commitment Date	Status	Closing Date	Amount	Required Binding Commitments	Total Commitments / Quarter	% of Required
2023	Previous SFYs							\$ -	\$ -	\$ -	-
2023	Daisetta	63033	LF1001847	EQ	9/12/2024	Active	12/13/2024	2,440,000	-	17,440,000	-
2023	Bronte	63034	LF1001816	EQ	9/12/2024	Active	2/4/2025	\$ 15,000,000	-	17,440,000	-
<i>None during the second quarter.</i>									-	17,440,000	-
<i>None during the third quarter.</i>									-	17,440,000	-
<i>None during the fourth quarter.</i>									-	17,440,000	-
SFY Totals			2					\$ 17,440,000			

EC Table 5 - Federal Funds Drawn	
SFY	Amount
2024	\$ -
2025	207,625
Grand Total	\$ 207,625

EC Table 6					
DWSRF Emerging Contaminants – Grant Payments by Quarter					
	SFY 2024	SFY 2025			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
GRANT PAYMENTS					
All Previous Grants	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -
4E-02F48201		300,000	300,000	300,000	57,102,000
CW EC Transfer		1,077,040	-	-	-
4E-02F48202		500,000	250,000	59,119,120	250,000
QUARTERLY TOTAL	\$ 1,200,000	\$ 1,877,040	\$ 550,000	\$ 59,419,120	\$ 57,352,000

	SFY 2024 - SFY 2025	SFY 2026			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
REQUIRED BINDING COMMITMENTS					
Cumulative EPA Payments	\$ 1,200,000	\$ 3,077,040	\$ 3,627,040	\$ 63,046,160	\$ 120,398,160
+State Match	-	-	-	-	-
-Set-Asides	1,200,000	2,000,000	2,550,000	3,083,680	3,333,680
REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)	\$ -	\$ 1,077,040	\$ 1,077,040	\$ 59,962,480	\$ 117,064,480

EC Table 7						
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	\$ -	\$ -
2025	\$ 1,833,680	\$ -	\$ -	1,833,680	\$ -	\$ 141,223
Totals	\$ 3,033,680	\$ -	\$ -	\$ 3,033,680	\$ -	\$ 141,223

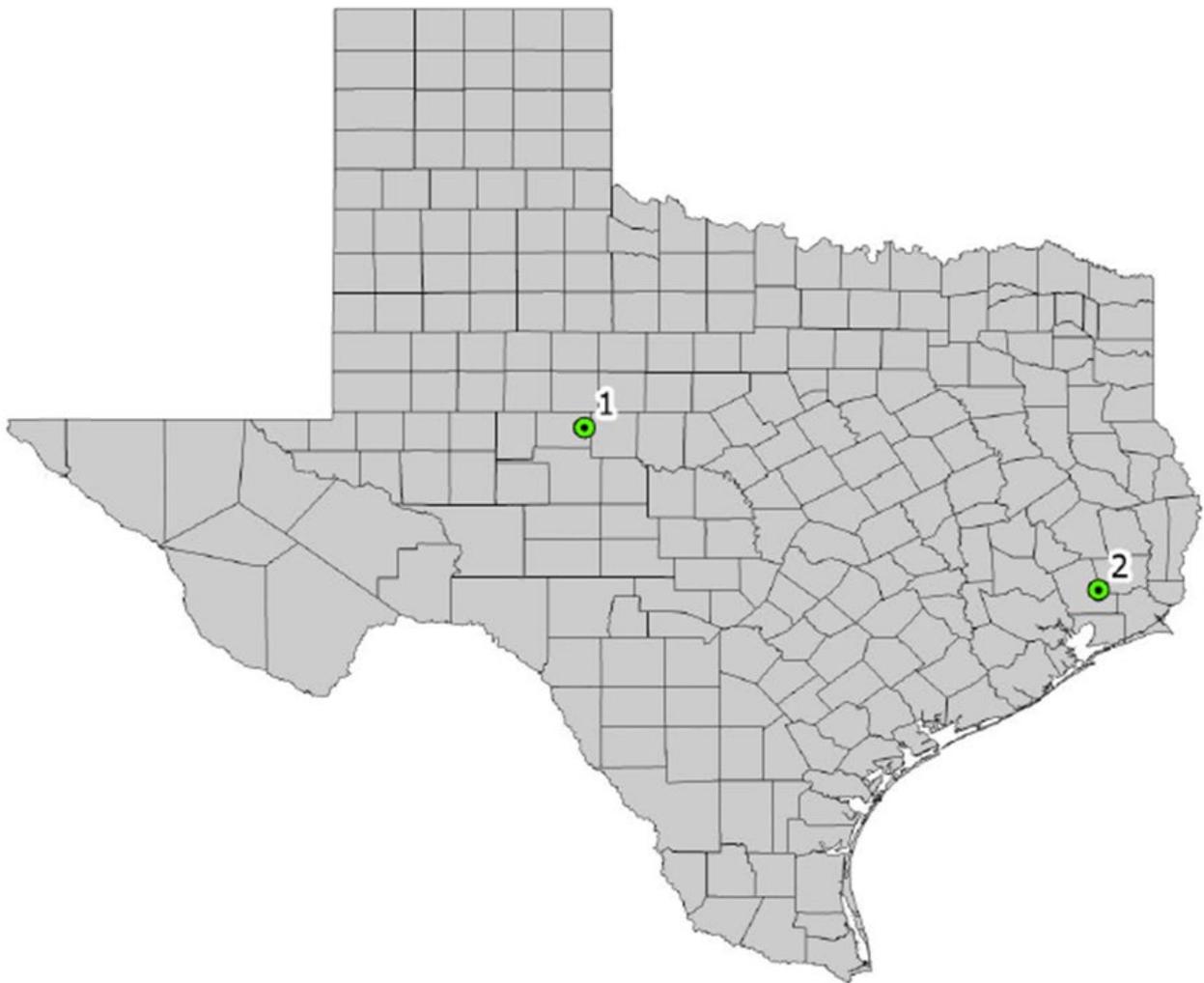
EC Appendix B- DWSRF Emerging Contaminants SFY 2025 Tables

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Commitments Closed (IIJA-EC)												
Map ID	Entity	Proj	Commitment #	Loan Amount	Principal Forgiven	Total Closed	Equivalency	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community
1	Bronte	63034	LF1001816		15,000,000	15,000,000	EQ				2023	Yes
2	Daisetta	63033	LF1001847		2,440,000	2,440,000	EQ				2023	Yes
Totals			2		\$ 17,440,000	\$ 17,440,000						

Map of EC Project Locations



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



Descriptions of Closed Projects (IIJA-EC)

Bronte			
New Water Treatment Plant			
Project # 63034			
Commitment Amount	\$15,000,000	Closing Date	02/04/2025
Commitment Code(s)	LF1001816	Map Location	1
<p>The City reports the amount of lithium in its treated water at 64.5 micrograms per liter, which is above the nine micrograms per liter minimum reporting level described in the EPA 5th Unregulated Contaminant Monitoring Rule.</p>			
<p>The City proposes to replace and relocate their existing water treatment plant, expanding capacity and combining micro or ultra-filtration with reverse osmosis for the removal of lithium.</p>			
Daisetta			
Water Well Treatment Facility Replacement			
Project # 63033			
Commitment Amount	\$2,440,000	Closing Date	12/13/2024
Commitment Code(s)	LF1001847	Map Location	2
<p>The City of Daisetta is currently purchasing water from the Hull Water Supply Corporation, which sources water from a neighboring community's water well. The proposed project will include construction of a new treatment facility that will treat water sourced from Daisetta's new water well and assure reliable clean water provisions.</p>			
<p>The City of Daisetta has abandoned and capped their water well due to emerging contaminants and water quality compliance issues. The city has an existing TWDB funded project in development, constructing a new water well. The current project will allow the city to utilize the proposed treatment facilities for the new well water, rather than rehabilitating the existing water treatment facilities which have been abandoned.</p>			

DWSRF Project Funding Considered "Equivalency" - SFY 2023 (IIJA-EC)						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA
Bronte	63034	LF1001816	\$ 15,000,000	09/12/2024	02/04/2025	\$ 15,000,000
Daisetta	63033	LF1001847	2,440,000	09/12/2024	12/13/2024	2,440,000
Totals	2		\$ 17,440,000			\$ 17,440,000

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

Amount of Grant (2022 Appropriations):	\$ 60,279,040	Amount Required to Report to FFATA:	\$ 58,988,000
Plus Transfer from CWSRF EC	\$ 1,077,040	Amount Reported to FFATA:	\$ 17,440,000
Less Administrative Set-Asides:	\$ 2,368,080	Amount Needed to Meet FFATA Requirement:	\$ 41,548,000

DWSRF Project Funding Considered "Equivalency" - SFY 2024 (IIJA-EC)						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA
No equivalency commitments have been made as of the end of SFY 2024.						\$ -
Totals			\$ -			\$ -

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

Amount of Grant (2023 Appropriations):	\$ 61,322,000	Amount Required to Report to FFATA:	\$ 59,780,280
Less Administrative Set-Asides:	\$ 2,436,560	Amount Reported to FFATA:	\$ -
Plus Transfer from CWSRF EC	\$ 894,840	Amount Needed to Meet FFATA Requirement:	\$ 59,780,280

DWSRF Project Funding Considered "Equivalency" - SFY 2025 (IIJA EC)						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA
No equivalency commitments have been made as of the end of SFY 2025.						\$ -
Totals			\$ -			\$ -

"Equivalency" funding as defined in the SFY 2025 Intended Use Plan.

Amount of Grant (2024 Appropriations):	\$ 62,796,000	Amount Required to Report to FFATA:	\$ 59,568,889
Less Administrative Set-Asides:	\$ 2,436,560	Amount Reported to FFATA:	\$ -
Less TCEQ Set-Asides:	\$ 790,551	Amount Needed to Meet FFATA Requirement:	\$ 59,568,889

DWSRF Project Starts (IIJA-EC)				
Entity	Tracking Numbers (Project # - Commitments)	Closing Date	Start Date	Net Amount
<i>There were no project starts.</i>				
Totals	0	unique projects		\$ -

DWSRF Project Completions (IIJA-EC)				
Entity	Tracking Numbers (Project # - Commitments)	Closing Date	Completion Date	Net Amount
<i>There were no project completions.</i>				
Totals	0	unique projects		\$ -

PROJECT BENEFITS REPORTING STATEMENT

The TWDB complied with the FFY2022, FFY2023, and FFY2024 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.3) were reported to the SRF Data System.

Attachment B

Drinking Water State Revolving Fund

Lead Service Line Replacement Funding

SFY 2025

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LSLR Appendix A

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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 Texas Water Development Board (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 detail TWDB's progress in meeting the Lead Service Line Replacement (LSLR) funding short- and long-term goals that were established in the Intended Use Plan (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, 2025, the TWDB has committed to 20 LSLR projects totaling \$135,928,572. In addition, the TWDB is processing seven applications for LSLR funding, totaling \$20,992,653.

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

The TWDB hosted 16 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.

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 criteria specifies that a project is eligible as a disadvantaged community if 51 percent or more 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.*

Fourteen projects with service line replacement components have received funding commitments totaling \$124,928,571 for line replacement activities. An additional five applications with a service line replacement component 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.*

The TWDB, through the initial DWSRF LSLR Project Information Form (PIF) solicitations, has received project funding requests in excess of 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 finance/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 IJIA and will lead to funds being returned to the DWSRF with interest rates below market rates.

2. 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's funds. The fees are an assessment of 2 percent of the portion of the DWSRF LSLR financial assistance that is to be repaid and is assessed in full at closing. Eight projects have closed on LSLR financing as of August 31, 2025.

3. Method of Cash Draw

A state match is not required for the 2024 DWSRF LSLR fund. There have been \$29,422.44 in draws as of August 31, 2025. Details of the grants received to date are shown in LSLR Appendix A, LSLR Table 2-Grant Funds.

4. Timely and Expeditious Use of Funds

As of August 31, 2025, the outstanding capitalization grant balance was \$160,535,993.53. There were no Federal draws for the SFY. Details of fund balances are shown in LSLR Appendix A, LSLR Table 3-Capitalization Grant Draws.

The TWDB has closed on eight LSLR projects as of August 31, 2025. In addition, two projects have begun work on project activities. No LSLR projects have been completed for this SFY. The TWDB has ensured that recipients of financial assistance make sufficient progress to reasonably ensure completion of their project within the project period.

5. Program Initiatives

Additional Subsidization

The additional subsidization associated with the FFY 2024 grants were not fully allocated as of August 31, 2025. In SFY 2025, the TWDB received applications for 35 disadvantaged projects totaling \$391,906,981.83 in project costs. Should these applications receive a commitment, the funding (51 percent of the project cost funded as principal forgiveness and the remainder as low interest finances) will count toward the FFY 2024 grant's additional subsidization requirement. Three remaining applications are still under review. While the TWDB has not yet met the FFY

2024 capitalization grant requirements for additional subsidization during the SFY, there are project applications still under review that will receive financial assistance in subsequent years and will be reported on in future annual reports.

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

Disadvantaged Communities Funding

In SFY 2025, the TWDB received applications for 35 disadvantaged projects totaling \$391,906,981.83 in principal forgiveness. Should these applications receive a commitment, the funding (51 percent of the project cost funded as principal forgiveness and the remainder as low interest finances) will count toward the FFY 2024 grant's additional subsidization requirement. During the fiscal year, the TWDB provided funding (finance and/or principal forgiveness) to eight disadvantaged communities totaling \$27,867,246. Details of the disadvantaged communities' funding is shown in LSLR Appendix A, LSLR Table 1-Additional Subsidization.

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 2025 IUP, Appendix D, Criteria to Determine Disadvantaged Community Eligibility.

6. Compliance Statements

Compliance with DWSRF LSLR Grant Agreement Conditions

The TWDB has complied with all administrative and programmatic conditions in the FFY 2024 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 TWDB's DWSRF LSLR program.

LSLR Appendix A-
DWSRF Lead Service Line Replacement
SFY 2025 Tables

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LSLR Table 1			
IIJA Lead Service Line Replacement - Additional Subsidization - 2023 IUP / 2022 Grant			
Grant Requirement		Add Sub Exact Amt Required	\$ 100,156,900
Recipient - Closing Date	Total Amount	Disadvantaged	
		Inventory	Line Replacement
Denison - 5/07/2025*	\$ 10,000,000	\$ 2,196,122	\$ 2,903,878
Denver City - 7/02/2025*	306,122	156,122	-
Devine - 4/16/2025*	11,561,224	78,061	5,818,163
Glidden FWSD#1 - 1/29/2025*	71,429	36,429	-
Harlingen Water Works - 7/25/2025*	1,714,286	874,286	-
Hawkins - 2/20/2025*	2,510,204	15,612	1,264,592
Mertzton - 11/13/2024*	122,449	62,449	-
Westwood Shores MUD - 12/11/2024*	1,581,632	333,061	473,571
Total Closed	\$ 27,867,346	\$ 3,752,142	\$ 10,460,204
Abilene	\$ 8,153,062	\$ 426,735	\$ 3,731,327
Big Spring	3,795,919	228,980	1,706,939
Del Rio	1,204,082	614,082	-
Denver City	2,632,653	-	1,342,653
Dog Ridge WSC	336,735	171,735	-
Ennis	3,040,816	197,755	1,353,061
Fort Worth	13,265,306	-	6,765,306
Idalou	1,632,653	-	832,653
Marshall	7,500,000	-	3,825,000
New Braunfels	24,275,510	490,000	11,405,000
San Antonio Water System	11,755,102	5,995,102	-
Waco	20,000,000	-	10,200,000
Weatherford	14,979,592	1,446,735	6,192,857
Total Unclosed (Committed)	\$ 112,571,430	\$ 9,571,124	\$ 47,354,796
Cleburne	\$ 48,489,796	\$ 2,409,490	\$ 22,320,306
Duncanville	21,173,469	952,347	9,846,122
Poteet	581,633	52,041	244,592
Total Uncommitted (Application)	\$ 70,244,898	\$ 3,413,878	\$ 32,411,020
Grand Totals	\$ 210,683,674	\$ 16,737,144	\$ 90,226,020
		Total Add Sub:	\$ 106,963,164

Add Sub = Additional Subsidization in the form of principal forgiveness

* Projects that closed in SFY 2025

LSLR Table 1 (Continued)			
IIJA Lead Service Line Replacement - Additional Subsidization - 2023 IUP / 2023 Grant			
Grant Requirement		Add Sub Exact Amt Required	\$ 35,241,408
Recipient	Amount	Disadvantaged	
		Inventory	Line Replacement
<i>No Add Sub has been assigned as of the end of SFY 2025.</i>			

Grand Totals	\$ -	\$ -
	Total Add Sub:	\$ -

LSLR Table 1 (continued)			
IIJA Lead Service Line Replacement - Additional Subsidization - 2025 IUP / 2024 Grant			
Grant Requirement		Add Sub Exact Amt Required	\$ 33,210,040
Recipient	Amount	Disadvantaged	
		Inventory	Line Replacement
<i>No projects have closed as of the end of SFY 2025.</i>			
Total Closed	\$ -	\$ -	\$ -
<i>No projects have been committed as of the end of SFY 2025.</i>			
Total Unclosed (Committed)	\$ -	\$ -	\$ -
Beaumont	\$ 7,602,041	\$ 1,691,327	\$ 2,185,714
Port Arthur	4,806,122	2,451,122	-
RPM WSC	244,898	10,408	114,490
Total Uncommitted (Application)	\$ 12,653,061	\$ 4,152,857	\$ 2,300,204

Grand Totals	\$ 12,653,061	\$ 4,152,857	\$ 2,300,204
	Total Add Sub:	\$ 6,453,061	

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	2023	4L-02F48102	78,169,000
2024	2025	4L-02F48103	73,796,000
Totals			\$ 374,120,000

LSLR Table 3			
Lead Service Line Replacement - Capitalization Grant Draws			
	Beginning Balance	Expended	Balance - 08/31/2025
4L-02F48101 FY 2022			
Construction	\$ 300,000.00	\$ -	\$ 300,000.00
Administration	8,699,050.00	428,056.47	8,270,993.53
Totals	\$ 8,999,050.00	\$ 428,056.47	\$ 8,570,993.53
4L-02F48102 FY 2023			
Construction	\$ 75,042,240.00	\$ -	\$ 75,042,240.00
Administration	3,126,760.00	-	3,126,760.00
Totals	\$ 78,169,000.00	\$ -	\$ 78,169,000.00
4L-02F48103 FY 2024			
Construction	\$ 70,906,323.00	\$ -	\$ 70,906,323.00
Administration	2,889,677.00	-	2,889,677.00
Totals	\$ 73,796,000.00	\$ -	\$ 73,796,000.00
Grand Totals	\$ 160,964,050.00	\$ 428,056.47	\$ 160,535,993.53

LSLR Table 4 – 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							\$ 13,265,305	\$ -	\$ 13,265,305	-
2023	Idalou	62983	L1001786	EQ	09/12/2024	Commitment		800,000			
2023	Idalou	62983	LF1001787	EQ	09/12/2024	Commitment		832,653			
2023	Glidden FWSD # 1	62980	L1001795	EQ	10/17/2024	Active	01/29/2025	50,000			
2023	Glidden FWSD # 1	62980	LF1001797	EQ	10/17/2024	Active	01/29/2025	52,041			
2023	Harlingen Water Works System	62982	L1001932	EQ	10/17/2024	Active	07/25/2025	840,000			
2023	Harlingen Water Works System	62982	LF1001933	EQ	10/17/2024	Active	07/25/2025	874,286			
2023	Denison	62984	L1001914	EQ	10/17/2024	Active	05/07/2025	2,110,000			
2023	Denison	62984	L1001916	EQ	10/17/2024	Active	05/07/2025	2,790,000			
2023	Denison	62984	LF1001915	EQ	10/17/2024	Active	05/07/2025	2,196,122			
2023	Denison	62984	LF1001917	EQ	10/17/2024	Active	05/07/2025	2,903,878			
2023	Hawkins	62985	L1001799	EQ	10/17/2024	Active	02/20/2025	15,000			
2023	Hawkins	62985	L1001801	EQ	10/17/2024	Active	02/20/2025	1,215,000			
2023	Hawkins	62985	LF1001800	EQ	10/17/2024	Active	02/20/2025	15,612		47,571,427	
2023	Hawkins	62985	LF1001802	EQ	10/17/2024	Active	02/20/2025	1,264,592			
2023	O'Donnell	63040	L1001908		10/17/2024	Withdrawn		60,000			
2023	O'Donnell	63040	LF1001909		10/17/2024	Withdrawn		62,449			
2023	River Acres WSC	63043	L1001942		11/06/2024	Withdrawn		250,000			
2023	River Acres WSC	63043	L1001944		11/06/2024	Withdrawn		1,865,000			
2023	River Acres WSC	63043	LF1001943		11/06/2024	Withdrawn		260,204			
2023	River Acres WSC	63043	LF1001945		11/06/2024	Withdrawn		1,941,122			
2023	Slaton	63044	L1001928		11/06/2024	Withdrawn		165,000			
2023	Slaton	63044	LF1001929		11/06/2024	Withdrawn		171,735			
2023	Fort Worth	63050	L1001899	EQ	10/17/2024	Commitment		6,500,000			
2023	Fort Worth	63050	LF1001900	EQ	10/17/2024	Commitment		6,765,306			
2023	Mason	63063	L1001921		11/06/2024	Withdrawn		150,000			
2023	Mason	63063	LF1001922		11/06/2024	Withdrawn		156,122			
2023	Abilene	63051	L1001938	EQ	12/17/2024	Commitment		410,000			
2023	Abilene	63051	L1001940	EQ	12/17/2024	Commitment		3,585,000		55,724,489	
2023	Abilene	63051	LF1001939	EQ	12/17/2024	Commitment		426,735			
2023	Abilene	63051	LF1001941	EQ	12/17/2024	Commitment		3,731,327			
2023	Denver City	63031	L1001869	EQ	03/13/2025	Active	07/02/2025	150,000			
2023	Denver City	63031	L1001870	EQ	03/13/2025	Commitment		1,290,000			
2023	Denver City	63031	LF1001871	EQ	03/13/2025	Active	07/02/2025	156,122			
2023	Denver City	63031	LF1001872	EQ	03/13/2025	Commitment		1,342,653			
2023	Coleman	63049	L1001996		03/13/2025	Withdrawn		130,000			
2023	Coleman	63050	L1001998		03/13/2025	Withdrawn		520,000			
2023	Coleman	63051	LF1001997		03/13/2025	Withdrawn		135,306			
2023	Coleman	63052	LF1001999		03/13/2025	Withdrawn		541,224			
2023	Big Spring	63055	L1002019	EQ	03/13/2025	Commitment		220,000			
2023	Big Spring	63055	L1002021	EQ	03/13/2025	Commitment		1,640,000			
2023	Big Spring	63055	LF1002020	EQ	03/13/2025	Commitment		228,980			
2023	Big Spring	63055	LF1002022	EQ	03/13/2025	Commitment		1,706,939			
2023	Ennis	63060	L1002031	EQ	03/13/2025	Commitment		190,000		109,642,856	
2023	Ennis	63060	L1002033	EQ	03/13/2025	Commitment		1,300,000			
2023	Ennis	63060	LF1002032	EQ	03/13/2025	Commitment		197,755			
2023	Ennis	63060	LF1002034	EQ	03/13/2025	Commitment		1,353,061			
2023	Weatherford	63067	L1002002	EQ	03/13/2025	Commitment		1,390,000			
2023	Weatherford	63067	L1002004	EQ	03/13/2025	Commitment		5,950,000			
2023	Weatherford	63067	LF1002003	EQ	03/13/2025	Commitment		1,446,735			
2023	Weatherford	63067	LF1002005	EQ	03/13/2025	Commitment		6,192,857			
2023	Waco	62993	L1002123	EQ	05/08/2025	Commitment		9,800,000			
2023	Waco	62993	LF1002124	EQ	05/08/2025	Commitment		10,200,000			
2023	Dog Ridge WSC	63058	L1002010	EQ	05/08/2025	Commitment		165,000			
2023	Dog Ridge WSC	63058	LF1002011	EQ	05/08/2025	Commitment		171,735			
2023	Marshall	63062	L1002064	EQ	05/08/2025	Commitment		3,675,000			
2023	Marshall	63062	LF1002065	EQ	05/08/2025	Commitment		3,825,000			
2023	San Antonio Water System	63081	L1002147	EQ	06/25/2025	Commitment		5,760,000			
2023	San Antonio Water System	63081	LF1002148	EQ	06/25/2025	Commitment		5,995,102			
2023	Del Rio	63057	L1002106	EQ	08/21/2025	Commitment		590,000			
2023	Del Rio	63057	LF1002107	EQ	08/21/2025	Commitment		614,082		146,877,550	
2023	New Braunfels	63077	L1002187	EQ	08/21/2025	Commitment		490,000			
2023	New Braunfels	63077	L1002188	EQ	08/21/2025	Commitment		11,405,000			
2023	New Braunfels	63077	LF1002185	EQ	08/21/2025	Commitment		510,000			
2023	New Braunfels	63077	LF1002186	EQ	08/21/2025	Commitment		11,870,510			
SFY Totals			64					\$ 133,612,245			

LSLR Table 5 - Federal Funds Drawn	
SFY	Amount
2024	\$ -
2025	428,056
Grand Total	\$ 428,056

LSLR Table 6					
Lead Service Line Replacement – Grant Payments by Quarter					
	SFY 2024	SFY 2025			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
GRANT PAYMENTS					
All Previous Grants	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -
4L-02F48101	-	500,000	500,000	500,000	5,199,050
4L-02F48102	-	500,000	500,000	80,500,000	500,000
4L-02F48103	-	-	-	-	73,796,000
QUARTERLY TOTAL	\$ 2,500,000	\$ 1,000,000	\$ 1,000,000	\$ 81,000,000	\$ 79,495,050
	SFY 2024 - SFY 2025	SFY 2026			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
REQUIRED BINDING COMMITMENTS					
Cumulative EPA Payments	\$ 2,500,000	\$ 3,500,000	\$ 4,500,000	\$ 85,500,000	\$ 164,995,050
+State Match	-	-	-	-	-
-Set-Asides	-	-	-	-	-
REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)	\$ 2,500,000	\$ 3,500,000	\$ 4,500,000	\$ 85,500,000	\$ 164,995,050

LSLR Table 7						
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	\$ -	\$ -
2025	\$ 9,825,810	\$ -	\$ -	9,825,810	\$ -	\$ 428,056
Totals	\$ 11,825,810	\$ -	\$ -	\$ 11,825,810	\$ -	\$ 428,056

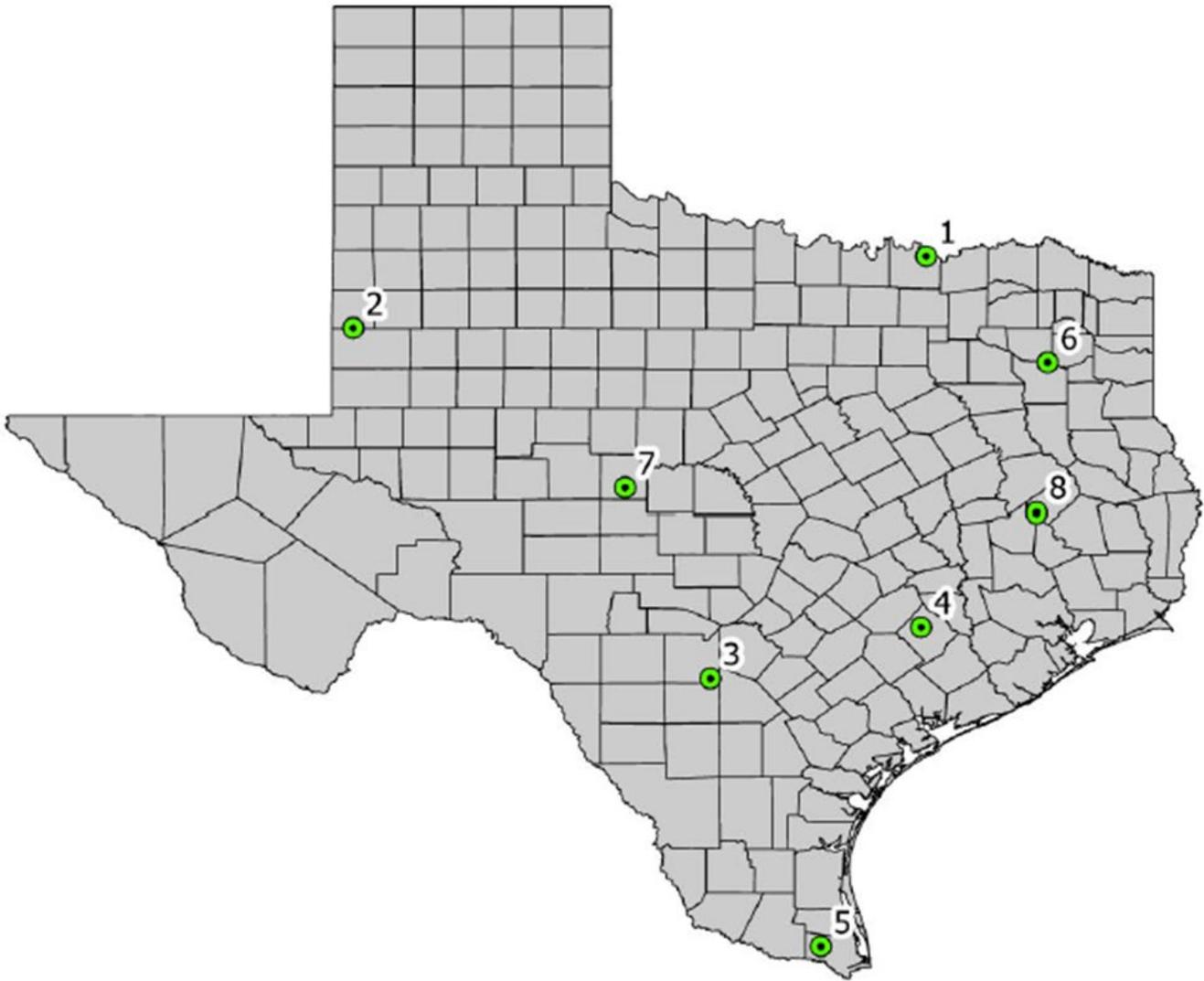
LSLR Appendix B-
DWSRF Lead Service Line Replacement
SFY 2025 Tables

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Commitments Closed (IJA-LSLR)												
Map ID	Entity	Commitment #	Loan Amount	Principal Forgiven	Total Closed	Equivalency	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community	
1	Denison	L1001914	\$ 2,110,000	\$ -	\$ 2,110,000	EQ	02/15/2026	02/15/2045	0.00%	2023		
1	Denison	LF1001917		2,903,878	2,903,878	EQ				2023		
1	Denison	LF1001915		2,196,122	2,196,122	EQ				2023		
1	Denison	L1001916	2,790,000		2,790,000	EQ	02/15/2026	02/15/2045	2.39%	2023		
2	Denver City	L1001869	150,000		150,000	EQ	02/15/2026	02/15/2045	0.00%	2023	Yes	
2	Denver City	LF1001871		156,122	156,122	EQ			0.00%	2023	Yes	
3	Devine	L1001772	75,000		75,000	EQ	08/01/2026	08/01/2040	0.00%	2023	Yes	
3	Devine	LF1001773		78,061	78,061	EQ				2023	Yes	
3	Devine	L1001774	5,590,000		5,590,000	EQ	08/01/2026	08/01/2055	3.45%	2023	Yes	
3	Devine	LF1001775		5,818,163	5,818,163	EQ				2023	Yes	
4	Glidden FWSD # 1	L1001795	35,000		35,000	EQ	02/15/2026	02/15/2032	0.00%	2023	Yes	
4	Glidden FWSD # 1	LF1001797		36,429	36,429	EQ				2023	Yes	
5	Harlingen Water Works System	L1001932	840,000		840,000	EQ	11/01/2025	11/01/2040	0.00%	2023		
5	Harlingen Water Works System	LF1001933		874,286	874,286	EQ				2023		
6	Hawkins	L1001799	15,000		15,000	EQ	10/01/2026	10/01/2055	2.89%	2023	Yes	
6	Hawkins	L1001801	1,215,000		1,215,000	EQ	10/01/2026	10/01/2055	2.89%	2023	Yes	
6	Hawkins	LF1001800		15,612	15,612	EQ				2023	Yes	
6	Hawkins	LF1001802		1,264,592	1,264,592	EQ				2023	Yes	
7	Mertzon	L1001814	60,000		60,000	EQ	02/15/2031	02/15/2031	0.00%	2023	Yes	
7	Mertzon	LF1001815		62,449	62,449	EQ				2023	Yes	
8	Westwood Shores MUD	L1001877	320,000		320,000	EQ	05/01/2025	05/01/2044	1.48%	2023	Yes	
8	Westwood Shores MUD	LF1001878		333,061	333,061	EQ				2023	Yes	
8	Westwood Shores MUD	L1001879	455,000		455,000	EQ	05/01/2025	05/01/2044	1.48%	2023	Yes	
8	Westwood Shores MUD	LF1001880		473,571	473,571	EQ				2023	Yes	
Totals		24	\$ 13,655,000	\$ 14,212,346	\$ 27,867,346							

Map of LSLR Projects



*Projects shown in this graphic are described in the following section, Description of Closed LSLR Projects.



Descriptions of Closed Projects (IIJA-LSLR)

Denison			
City of Denison Lead Service Line Inventory and Replacement Program			
Project # 62984			
Commitment Amount	\$10,000,000	Closing Date	05/07/2025
Commitment Code(s)	L1001914, L1001916, LF1001915, LF1001917	Map Location	1
<p>The City of Denison’s (City) existing water system and the service lines were constructed in the 1950s and has approximately 500 water connections within its service area with the potential of being composed of lead or galvanized materials. The City needs to inventory its system to identify the location of these water lines and to replace them.</p>			
<p>The City proposes to inventory its distribution system to identify connections that have lead or galvanized materials and to replace an estimated 500 service connections.</p>			
Denver City			
LSLR project - Denver City			
Project # 63031			
Commitment Amount	\$306,122	Closing Date	07/02/2025
Commitment Code(s)	L1001869, LF1001871	Map Location	2
<p>The City of Denver City (City) has approximately 2,200 residential water service lines within its service area with the potential for lead materials.</p>			
<p>The City completed its historical documentation review for its service lines and did not identify any connections with lead material. All inventory work is planned to be completed by October 2025. The City requests funding for its inventory costs, including reimbursement for costs incurred to date, and to replace an estimated 110,000 linear feet of service lines.</p>			
Devine			
City of Devine Lead Service Line Replacement Project			
Project # 62981			
Commitment Amount	\$11,561,224	Closing Date	04/16/2025
Commitment Code(s)	L1001772, L1001774, LF1001773, LF1001775	Map Location	3
<p>There are approximately 1,700 residential connections within the City’s existing service area with a potential for the presence of lead in their water service lines.</p>			
<p>The City is proposing to prepare a GIS database of existing water services, a lead service line initial inventory, and a lead service line replacement program to replace approximately 1,700 lead service line connections from the water main to the right of way and approximately 2,079 lead service line connections from the right of way to the residence.</p>			
Glidden FWSD #1			
Lead Service Line Replacement			
Project # 62980			

Commitment Amount	\$71,429	Closing Date	01/29/2025
Commitment Code(s)	L1001795, LF1001797	Map Location	4
<p>The Glidden Fresh Water Supply District No. 1 (District) is required to inventory its distribution system to determine the presence of water lines that are composed of lead or galvanized materials. The initial inventory is due to the Texas Commission on Environmental Quality by October 16, 2024.</p> <p>The District utilized Colorado County records, in-person interviews, and on-site sampling when necessary to inventory the service lines in the distribution system to identify connections that have lead or galvanized materials for an estimated 172 service connections. The District has completed its inventory and determined that their system does not contain any services lines with lead or galvanized materials. The District requests funding for reimbursement of the inventory costs.</p>			
<p>Harlingen Water Works System Harlingen Waterworks System Lead Service Line Survey Project # 62982</p>			
Commitment Amount	\$1,714,286	Closing Date	07/25/2025
Commitment Code(s)	L1001932, LF1001933	Map Location	5
<p>Based on the age of portions of its water distribution system, the City presumes that of the 30,600 total service lines in the HWWS's service area, more than 9,000 water lines are composed of lead or galvanized materials. The City needs to inventory its water distribution system to identify the location of these water lines and to replace them. The City proposes to inventory approximately 9,000 service connections to identify composition, exact number, and location of potential lead or galvanized water pipes. The United States Environmental Protection Agency (EPA) announced the National Primary Drinking Water Regulations (NPDWR) for lead and copper with the final revisions to the Safe Drinking Water Act on December 16, 2021. EPA announced that the Lead and Copper Rule Improvements (LCRI) is in effect, with a compliance date of October 16, 2024, at which time water utilities must publish a listing of service lines that have not been ruled out as potentially having lead. The Texas Commission on Environmental Quality (TCEQ) has implemented the Lead Service Line Inventory (LSLI) program to categorize pipes as either lead, non-lead, galvanized requiring replacement, or a lead unknown status.</p> <p>The City proposes to inventory approximately 9,000 service connections to identify composition, exact number, and location of potential lead or galvanized water pipes. To comply with TCEQ's LSLI program and EPA's LCRI program, Harlingen Waterworks System (HWWS) will perform a comprehensive survey of all service lines that cannot be ruled out as not having lead, lead solder, or galvanized pipe that may have experienced lead exposure.</p>			
<p>Hawkins City of Hawkins FY 2023 DWSRF LSLR Project # 62985</p>			
Commitment Amount	\$2,510,204	Closing Date	02/20/2025
Commitment Code(s)	L1001799, L1001801, LF1001800, LF1001802	Map Location	6

The Infrastructure Investment and Jobs Act, 2021, Pub. L. 117-58 (IIJA) appropriated capitalization grant funds for Federal Fiscal Years (FFY) 2022 to 2026 for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. Projects being presented for consideration have been scored and ranked using prioritization criteria in the Drinking Water State Revolving Fund Lead Service Line Replacement State Fiscal Year 2023 Intended Use Plan. The prioritized list of projects was approved by the Texas Water Development Board (TWDB) in August 2023. All financial assistance will be made at the ratio of 51% principal forgiveness and 49% financing. The City's existing water system and the service lines were constructed in the 1950s. The City has approximately 670 water connections within its service area with the potential for lead water service lines.

The City proposes to replace service lines that are identified by an inventory of the water distribution system to contain lead with polyethylene service lines.

Mertzon
Lead Service Line Replacement
Project # 62995

Commitment Amount	\$122,449	Closing Date	11/30/2024
Commitment Code(s)	L1001814, LF1001815	Map Location	7

In accordance with the regulations set forth by the Texas Commission on Environmental Quality (TCEQ) in its revised Lead and Copper Rules, the City is required to develop an inventory of the materials of construction for all water service lines in the distribution system. The City currently provides potable water service to 432 connections within its distribution system. Based upon the age of the distribution system and insights provided by Staff, there is likely a significant portion of the distribution system which have water services which utilize lead or galvanized materials. As such, the City is requesting financial assistance from Texas Water Development Board to determine the exact number and location as well as replacement of the lead and galvanized service lines within the distribution system.

The City proposes to inventory its distribution system to identify connections that have lead or galvanized materials for an estimated 349 service connections.

Westwood Shores MUD
Westwood Shores MUD Lead & Copper Service Line Replacement
Project # 62991

Commitment Amount	\$1,581,632	Closing Date	12/11/2024
Commitment Code(s)	L1001877, L1001879, LF1001878, LF1001880	Map Location	8

Westwood Shores MUD (District) has concluded that the majority of service lines were constructed before 1968, prior to the implementation of the Environmental Protection Agency's Lead and Copper Rule. The District needs to survey service lines and replace them if identified as lead or copper. The District is proposing a survey of service lines using magnetic scratch testing. Lines that are categorized as unknown will then be electro scanned to identify the composition of the service line. Lines that are identified as lead or galvanized will then be replaced.

DWSRF Project Funding Considered "Equivalency" - SFY 2023 (IJA-LSLR)							
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA	Amount To Be Reported To FFATA When Closed
Abilene	63051	L1001938	\$ 410,000	12/17/2024	Not yet closed	\$ -	\$ 410,000
Abilene	63051	L1001940	3,585,000	12/17/2024	Not yet closed	-	3,585,000
Abilene	63051	L1001939	426,735	12/17/2024	Not yet closed	-	426,735
Abilene	63051	L1001941	3,731,327	12/17/2024	Not yet closed	-	3,731,327
Big Spring	63055	L1002019	220,000	03/13/2025	Not yet closed	-	220,000
Big Spring	63055	L1002021	1,640,000	03/13/2025	Not yet closed	-	1,640,000
Big Spring	63055	LF1002020	228,980	03/13/2025	Not yet closed	-	228,980
Big Spring	63055	LF1002022	1,706,939	03/13/2025	Not yet closed	-	1,706,939
Del Rio	63057	L1002106	590,000	08/21/2025	Not yet closed	-	590,000
Del Rio	63057	LF1002107	614,082	08/21/2025	Not yet closed	-	614,082
Denison	62984	L1001914	2,110,000	10/17/2024	05/07/2025	2,110,000	-
Denison	62984	L1001916	2,790,000	10/17/2024	05/07/2025	2,790,000	-
Denison	62984	LF1001915	2,196,122	10/17/2024	05/07/2025	2,196,122	-
Denison	62984	LF1001917	2,903,878	10/17/2024	05/07/2025	2,903,878	-
Denver City	63031	L1001869	150,000	03/13/2025	07/02/2025	150,000	-
Denver City	63031	L1001870	1,290,000	03/13/2025	Not yet closed	-	1,290,000
Denver City	63031	LF1001871	156,122	03/13/2025	07/02/2025	156,122	-
Denver City	63031	LF1001872	1,342,653	03/13/2025	Not yet closed	-	1,342,653
Devine	62981	L1001772	75,000	05/09/2024	04/16/2025	75,000	-
Devine	62981	L1001774	5,590,000	05/09/2024	04/16/2025	5,590,000	-
Devine	62981	LF1001773	78,061	05/09/2024	04/16/2025	78,061	-
Devine	62981	LF1001775	5,818,163	05/09/2024	04/16/2025	5,818,163	-
Dog Ridge	63058	L1002010	165,000	05/08/2025	Not yet closed	-	165,000
Dog Ridge	63058	LF1002011	171,735	05/08/2025	Not yet closed	-	171,735
Ennis	63060	L1002031	190,000	03/13/2025	Not yet closed	-	190,000
Ennis	63060	L1002033	1,300,000	03/13/2025	Not yet closed	-	1,300,000
Ennis	63060	LF1002032	197,755	03/13/2025	Not yet closed	-	197,755
Ennis	63060	LF1002034	1,353,061	03/13/2025	Not yet closed	-	1,353,061
Fort Worth	63050	L1001899	6,500,000	10/17/2024	Not yet closed	-	6,500,000
Fort Worth	63050	LF1001900	6,765,306	10/17/2024	Not yet closed	-	6,765,306
Glidden FWSD #1	62980	L1001795	35,000	10/17/2024	01/29/2025	35,000	-
Glidden FWSD #1	62980	LF1001797	36,429	10/17/2024	01/29/2025	36,429	-
Harlingen Water Works	62982	L1001932	840,000	10/17/2024	07/25/2025	840,000	-
Harlingen Water Works	62982	LF1001933	874,286	10/17/2024	07/25/2025	874,286	-
Hawkins	62985	L1001799	15,000	10/17/2024	02/20/2025	15,000	-
Hawkins	62985	L1001801	1,215,000	10/17/2024	02/20/2025	1,215,000	-
Hawkins	62985	LF1001800	15,612	10/17/2024	02/20/2025	15,612	-
Hawkins	62985	LF1001802	1,264,592	10/17/2024	02/20/2025	1,264,592	-
Idalou	62983	L1001786	800,000	09/12/2024	Not yet closed	-	800,000
Idalou	62983	LF1001787	832,653	09/12/2024	Not yet closed	-	832,653
Marshall	63062	L1002064	3,675,000	05/08/2025	Not yet closed	-	3,675,000
Marshall	63062	LF1002065	3,825,000	05/08/2025	Not yet closed	-	3,825,000
Mertzon	62995	L1001814	60,000	08/15/2024	11/13/2204	60,000	-
Mertzon	62995	LF1001815	62,449	08/15/2024	11/13/2024	62,449	-
New Braunfels	63077	L1002187	490,000	08/21/2025	Not yet closed	-	490,000
New Braunfels	63077	L1002188	11,405,000	08/21/2025	Not yet closed	-	11,405,000
New Braunfels	63077	LF1002185	510,000	08/21/2025	Not yet closed	-	510,000
New Braunfels	63077	LF1002186	11,870,510	08/21/2025	Not yet closed	-	11,870,510
San Antonio Water System	63081	L1002147	5,760,000	06/25/2025	Not yet closed	-	5,760,000
San Antonio Water System	63081	LF1002148	5,995,102	06/25/2025	Not yet closed	-	5,995,102
Waco	62993	L1002123	9,800,000	05/08/2025	Not yet closed	-	9,800,000
Waco	62993	LF1002124	10,200,000	05/08/2025	Not yet closed	-	10,200,000
Weatherford	63067	L1002002	1,390,000	03/13/2025	Not yet closed	-	1,390,000
Weatherford	63067	L1002004	5,950,000	03/13/2025	Not yet closed	-	5,950,000
Weatherford	63067	LF1002003	1,446,735	03/13/2025	Not yet closed	-	1,446,735
Weatherford	63067	LF1002005	6,192,857	03/13/2025	Not yet closed	-	6,192,857
Westwood Shores MUD	62991	L1001877	320,000	08/15/2024	12/11/2024	320,000	-
Westwood Shores MUD	62991	L1001879	455,000	08/15/2024	12/11/2024	455,000	-
Westwood Shores MUD	62991	LF1001878	333,061	08/15/2024	12/11/2024	333,061	-
Westwood Shores MUD	62991	LF1001880	473,571	08/15/2024	12/11/2024	473,571	-
Totals	20		\$134,678,776			\$ 27,867,346	\$106,811,430

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

Amount of Grant (2022 Appropriations): \$ 222,155,000
Less Administrative Set-Asides: \$ 8,699,050

Amount Required to Report to FFATA: \$ 213,455,950
Amount Reported to FFATA: \$ 27,867,346
Amount To Be Reported To FFATA When Closed: \$ 106,811,430
Amount Needed to Meet FFATA Requirement: \$ 78,777,174

DWSRF Project Funding Considered "Equivalency" - SFY 2023* (IIJA-LSLR)						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA
No equivalency commitments have been made as of the end of SFY 2023.						\$ -
Totals			\$ -			\$ -

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

* The 2023 LSLR IUP contains both the 2022 and 2023 grants. There is no 2024 IUP.

Amount of Grant (2023 Appropriations): \$ 78,169,000
 Less Administrative Set-Asides: \$ 3,126,760

Amount Required to Report to FFATA: \$ 75,042,240
 Amount Reported to FFATA: \$ -
 Amount Needed to Meet FFATA Requirement: \$ 75,042,240

DWSRF Project Funding Considered "Equivalency" - SFY 2025 (IIJA-LSLR)						
Recipient	Project ID	Commitment #	Amount	Commitment Date	Closing Date	Amount Reported To FFATA
No equivalency commitments have been made as of the end of SFY 2025.						\$ -
Totals			\$ -			\$ -

"Equivalency" funding as defined in the SFY 2025 Intended Use Plan.

Amount of Grant (2024 Appropriations): \$ 73,796,000
 Less Administrative Set-Asides: \$ 2,889,677

Amount Required to Report to FFATA: \$ 70,906,323
 Amount Reported to FFATA: \$ -
 Amount Needed to Meet FFATA Requirement: \$ 70,906,323

DWSRF Project Starts (IIJA-LSLR)				
Entity	Tracking Numbers (Project # - Commitments)	Closing Date	Start Date	Net Amount
Denver City	63031 - L1001869, LF1001871	07/02/2025	07/02/2025	\$ 306,122
Harlingen Water Works System	62982 - L1001932, LF1001933	07/25/2025	07/25/2025	1,714,286
Totals		2 unique projects		\$ 2,020,408

DWSRF Project Completions (IIJA-LSLR)				
Entity	Tracking Numbers (Project # - Commitments)	Closing Date	Completion Date	Net Amount
There were no project completions.				
Totals		0 unique projects		\$ -

PROJECT BENEFITS REPORTING STATEMENT

The TWDB has complied with the FFY 2022, FFY2023, and FFY2024 Capitalization Grant requirements 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 ‘Commitments Closed (IIJA-LSLR)’ table in B.3) were reported to the SRF Data System.

Texas Water Development Board

**DRINKING WATER
STATE REVOLVING FUND**

Annual Financial Report

For the Year Ended
August 31, 2025

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- Exhibit F-1 – Combining Statement of Net Position
- Exhibit F-2 – Combining Statement of Revenues, Expenses, and Changes in Net Position

Schedule 1 – Loans and Contracts

General Purpose Financial Statements

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Drinking Water State Revolving Fund
Exhibit I - Combined Statement of Net Position - Enterprise Funds
 August 31, 2025

	<u>Total Enterprise Funds (Exhibit F-1)</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash in Bank (Note 3)	\$ 112,750.39
Cash Equivalents	396,329,364.15
Short Term Investments	369,192,671.09
Receivables from:	
Federal	3,918,991.95
Interest and Dividends	8,188,634.87
Loans and Contracts	89,661,296.00
Total Current Assets	<u>867,403,708.45</u>
Non-Current Assets:	
Loans and Contracts	1,812,241,737.96
Investments	-
Total Non-Current Assets	<u>1,812,241,737.96</u>
Total Assets	<u>2,679,645,446.41</u>
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts Payable	130,739.36
Interest Payable	2,922,722.92
Interfund Payables	-
Due to Other Funds	1,162,637.71
Due to Other Agencies	2,756,354.24
Revenue Bonds Payable	39,299,347.69
Total Current Liabilities	<u>46,271,801.92</u>
Non-Current Liabilities:	
Interfund Payables	-
Revenue Bonds Payable	812,851,492.63
Total Non-Current Liabilities	<u>812,851,492.63</u>
Total Liabilities	<u>859,123,294.55</u>
NET POSITION	
Restricted for:	
Other	1,820,522,151.86
Total Net Position	<u><u>\$ 1,820,522,151.86</u></u>

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

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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, 2025

	Total Enterprise Funds (Exhibit F-2)
OPERATING REVENUES:	
Interest and Investment Income	\$ 57,775,933.91
Net Increase (Decrease) Fair Market Value	(18,698.24)
Other Operating Revenue	1,729,998.00
Total Operating Revenues	59,487,233.67
OPERATING EXPENSES:	
Salaries and Wages	8,907,012.11
Payroll Related Costs	2,136,379.95
Professional Fees and Services	3,128,437.68
Travel	287,498.36
Materials and Supplies	149,476.73
Communication and Utilities	19,559.25
Repairs and Maintenance	-
Rentals and Leases	12,827.48
Printing and Reproduction	2,760.25
Interest	25,168,344.23
Other Operating Expenses	8,016,790.99
Total Operating Expenses	47,829,087.03
Operating Income (Loss)	11,658,146.64
NONOPERATING REVENUE (EXPENSES):	
Federal Revenue	104,136,604.27
Federal Grant Pass-Through Revenue (Expense)	(1,454,109.31)
Other Benefit Payments	(11,279,757.00)
Other Intergovernmental Payments	(94,486,695.00)
Other Nonoperating Revenue (Expenses)	-
Total Nonoperating Revenue (Expenses)	(3,083,957.04)
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	8,574,189.60
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:	
Transfers In	616,322.00
Total Other Revenue, Expenses, Gain/Losses and Transfers	616,322.00
Change in Net Position	9,190,511.60
Total Net Position - Beginning	1,811,331,640.26
Total Net Position, August 31, 2025	\$ 1,820,522,151.86

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

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Drinking Water State Revolving Fund
Exhibit III - Combining Statement of Cash Flows - Enterprise Funds
For the Fiscal Year Ended August 31, 2025

	<u>Total Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to Suppliers for Goods and Services	(1,169,670.61)
Payments to Employees	(5,714,685.43)
Net Cash Provided by Operating Activities	<u>(6,884,356.04)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	195,602,636.50
Proceeds from State Appropriations	-
Proceeds from Transfers from Other Funds	543,116,484.74
Proceeds from Grant Receipts	104,462,832.12
Payments of Principal on Debt Issuance	(30,110,000.00)
Payments of Interest	(31,745,254.74)
Payments of Other Costs of Debt Issuance	(1,354,682.85)
Payments for Transfers to Other Funds	(542,500,162.74)
Payments for Grant Disbursements	(121,224,464.09)
Payments for Interfund Receivables	(36,967,373.96)
Net Cash Provided by Noncapital Financing Activities	<u>79,280,014.98</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Interest and Investment Income	2,778,821.74
Proceeds from Principal Payments on Non-Program Loans	87,293,696.00
Payments to Acquire Investments	-
Payments for Non-program Loans Provided	(88,230,000.00)
Net Cash Provided by Investing Activities	<u>1,842,517.74</u>
Net (Decrease) in Cash and Cash Equivalents	74,238,176.68
Cash and Cash Equivalents--September 1, 2024	<u>322,203,937.86</u>
Cash and Cash Equivalents--August 31, 2025	<u><u>\$ 396,442,114.54</u></u>

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

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Drinking Water State Revolving Fund
Exhibit III - Combining Statement of Cash Flows - Enterprise Funds (cont.)
For the Fiscal Year Ended August 31, 2025

	<u>Total Enterprise Fund</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 24,742,851.90
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories:	
Classification Differences	-
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(797,670.98)
(Increase) Decrease in Due From Other Funds	616,322.00
(Increase) Decrease in Loans & Contracts	(936,304.00)
Increase (Decrease) in Payables	11,404,165.34
Increase (Decrease) in Deposits	(25,686,085.51)
Increase (Decrease) in Due to Other Funds	(16,227,634.79)
Total Adjustments	<u>(31,627,207.94)</u>
Net Cash Provided by Operating Activities	<u>\$ (6,884,356.04)</u>
Non-Cash Transactions	
Net Increase (Decrease) in Fair Value of Investments	\$ (18,698.24)

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

Notes
to the
Financial
Statements

Notes to the Financial Statements

NOTE 1: <i>Summary of Significant Accounting Policies</i>
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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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Texas Water Development Board (580)

- 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

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

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

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

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

"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.

Interfund Activities and Balances

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

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Texas Water Development Board (580)

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

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).

NOTE 2: Deposits, Investments and Repurchase Agreements

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.

Deposits of Cash in Bank

As of August 31, 2025, the carrying amount of deposits was \$112,750.39 as presented below.

Governmental and Business-Type Activities	Amount
Cash in Bank – Carrying Value	\$112,750.39
Cash in Bank per AFR	\$112,750.39
Governmental and Proprietary Funds Current Assets Cash in Bank	\$112,750.39
Cash in Bank per AFR	\$112,750.39

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.

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Texas Water Development Board (580)

As of August 31, 2025, the total bank balance was as follows:

Governmental and Business Type Activities	\$112,750.39	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, 2025, bank balances were not exposed to custodial credit risk.

Investments

As of August 31, 2025, the fair value of investments is as presented below.

Government and Business-Type Activities				Total
	Level 1	Level 2	Level 3	
INVESTMENTS AT FAIR VALUE				
Commercial Paper (Texas Treasury Safekeeping Trust Co)	\$223,105,908.29	\$ -	\$ -	\$223,105,908.29
U.S. Government Agency Obligations (Texas Treas. Safekeeping Trust Co)	\$207,930,309.24			\$207,930,309.24
Total Investment at Fair Value	\$431,036,217.53	\$ -	\$ -	\$431,036,217.53
INVESTMENTS AT AMORTIZED COST				
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)				\$334,485,817.71
Total Investment at Amortized Cost				\$334,485,817.71
Total Investments-Gov't & Business Type				\$765,522,035.24

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 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, 2025, 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

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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, 2025 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)	\$223,105,908.29	A1,A1+
05	3050	US Gov Agency Obligations (Texas Treasury Safekeeping Trust Co)	\$207,930,309.24	AA+
05	3050	Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	\$334,485,817.71	Not Rated

NOTE 3: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2025, the following changes occurred in long-term liabilities:

Governmental Activities	Balance 9/1/2024	Additions	Reductions	Balance 8/31/2025	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable	\$693,015,026.12	\$159,135,814.20	\$0.00	\$852,150,840.32	\$39,299,347.69	\$812,851,492.63
Total Business-Type Activities	\$693,015,026.12	\$159,135,814.20	\$0.00	\$852,150,840.32	\$39,299,347.69	\$812,851,492.63

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.

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Texas Water Development Board (580)

	SRF Revenue Bonds
Pledged Revenue Required for Future Principal and Interest on Existing Bonds	\$2,213,452,025.16
Term of Commitment Year Ending Aug. 31	2046
Percentage of Revenue Pledged	100%
Current Year Pledged Revenue	\$351,910,662.64
Current Year Principal and Interest Paid	\$138,784,243.76

NOTE 4: 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, 2025, 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	\$0.00	\$0.00	State March Loan
Total Interfund Receivable/Payable			\$0.00	\$0.00	

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.

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Texas Water Development Board (580)

NOTE 5: 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.

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, 2025, there was one federal contract that closed during fiscal year 2025 and no disallowable costs.

Outstanding Loan and Grant Commitments

As of August 31, 2025, 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)	\$314,739,800.67	\$104,979,257.00	\$419,719,057.67
Total Commitments	\$314,739,800.67	\$104,979,257.00	\$419,719,057.67

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.

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

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Texas Water Development Board (580)

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
State Revolving Fund Rev Bds New Ser '25	183,810,000	04/16/2025	5.000%	5.000%	2026	2046	08/01/2035

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 24 revenue bond issues outstanding as of August 31, 2025.

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 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.

In fiscal year 2025, the TWDB issued State Revolving Fund Revenue Bonds, New Series 2025, in a par amount of \$183,810,000 with a premium of \$17,458,032.05. The bonds were issued to finance the acquisition of political subdivision bonds, including state match requirements, and to pay issuance costs of \$623,555.07 and underwriter's discount of \$644,476.98.

UNAUDITED

Texas Water Development Board (580)

NOTE 7: Loans and Contracts

The Board purchases bonds from political subdivisions (including private water supply corporations). As of August 31, 2025, the balance of these bonds owned by the Board was \$1,901,903,033.96. 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 6.86% maturing through the year 2056. 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, 2025, there was \$555,608,845.98 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 \$1,729,998.00 earned during the fiscal year ending August 31, 2025. The administrative account had expenses totaling \$757,665.34 in Fiscal Year 2025.

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 \$563,648,024.

Combining Statements

UNAUDITED

Drinking Water State Revolving Fund
Exhibit F-1 - Combining Statement of Net Position - Enterprise Funds

August 31, 2025

	Drinking Water Loan Program	Administration (Federal)	Administration (Fees)	Set Asides (Exhibit SA-2)	Totals (Exhibit I)
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in Bank (Note 3)	\$ 112,750.39	\$ -	\$ -	\$ -	\$ 112,750.39
Cash Equivalents	398,954,115.52	-	(2,624,751.37)	-	396,329,364.15
Short Term Investments	303,109,310.02	-	66,083,361.07	-	369,192,671.09
Receivables from:					
Federal	(1,162,637.71)	1,162,637.71	-	3,918,991.95	3,918,991.95
Interest and Dividends	7,936,486.82	-	252,148.05	-	8,188,634.87
Loans and Contracts	89,661,296.00	-	-	-	89,661,296.00
Total Current Assets	798,611,321.04	1,162,637.71	63,710,757.75	3,918,991.95	867,403,708.45
Non-Current Assets:					
Loans and Contracts	1,812,241,737.96	-	-	-	1,812,241,737.96
Investments	-	-	-	-	-
Total Non-Current Assets	1,812,241,737.96	-	-	-	1,812,241,737.96
Total Assets	2,610,853,059.00	1,162,637.71	63,710,757.75	3,918,991.95	2,679,645,446.41
LIABILITIES					
Current Liabilities:					
Payables from:					
Accounts Payable	130,739.36	-	-	-	130,739.36
Interest Payable	2,922,722.92	-	-	-	2,922,722.92
Interfund Payables	-	-	-	-	-
Due to Other Funds	1,162,637.71	-	-	-	1,162,637.71
Due to Other Agencies	(2,325,275.42)	1,162,637.71	-	3,918,991.95	2,756,354.24
Revenue Bonds Payable	39,299,347.69	-	-	-	39,299,347.69
Total Current Liabilities	41,190,172.26	1,162,637.71	-	3,918,991.95	46,271,801.92
Non-Current Liabilities:					
Interfund Payables	-	-	-	-	-
Revenue Bonds Payable	812,851,492.63	-	-	-	812,851,492.63
Total Non-Current Liabilities	812,851,492.63	-	-	-	812,851,492.63
Total Liabilities	854,041,664.89	1,162,637.71	-	3,918,991.95	859,123,294.55
NET POSITION					
Restricted for:					
Other	1,756,811,394.11	-	63,710,757.75	-	1,820,522,151.86
Total Net Position	\$ 1,756,811,394.11	\$ -	\$ 63,710,757.75	\$ -	\$ 1,820,522,151.86

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

UNAUDITED

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, 2025

	Drinking Water Loan Program	Administration (Federal)	Administration (Fees)	Set Asides (Exhibit SA-2)	Totals (Exhibit II)
OPERATING REVENUES:					
Interest and Investment Income	\$ 54,867,162.59	\$ -	\$ 2,908,771.32	\$ -	\$ 57,775,933.91
Net Increase (Decrease) Fair Market Value	(18,698.24)	-	-	-	(18,698.24)
Other Operating Revenue	-	-	1,729,998.00	-	1,729,998.00
Total Operating Revenues	54,848,464.35	-	4,638,769.32	-	59,487,233.67
OPERATING EXPENSES:					
Salaries and Wages	-	5,359,806.51	-	3,547,205.60	8,907,012.11
Payroll Related Costs	-	877,476.69	-	1,258,903.26	2,136,379.95
Professional Fees and Services	1,188,341.22	1,051,691.76	888,404.70	-	3,128,437.68
Travel	5,077.10	70,371.90	-	212,049.36	287,498.36
Materials and Supplies	-	-	-	149,476.73	149,476.73
Communication and Utilities	14,128.56	5,430.69	-	-	19,559.25
Repairs and Maintenance	-	-	-	-	-
Rentals and Leases	-	12,827.48	-	-	12,827.48
Printing and Reproduction	2,760.25	-	-	-	2,760.25
Interest	25,168,344.23	-	-	-	25,168,344.23
Other Operating Expenses	-	99,720.68	-	7,917,070.31	8,016,790.99
Total Operating Expenses	26,378,651.36	7,477,325.71	888,404.70	13,084,705.26	47,829,087.03
Operating Income (Loss)	28,469,812.99	(7,477,325.71)	3,750,364.62	(13,084,705.26)	11,658,146.64
NONOPERATING REVENUE (EXPENSES):					
Federal Revenue	83,574,573.30	7,477,325.71	-	13,084,705.26	104,136,604.27
Federal Grant Pass-Through Revenue (Expense)	(1,454,109.31)	-	-	-	(1,454,109.31)
Other Benefit Payments	(11,279,757.00)	-	-	-	(11,279,757.00)
Other Intergovernmental Payments	(94,486,695.00)	-	-	-	(94,486,695.00)
Other Nonoperating Revenue (Expenses)	-	-	-	-	-
Total Nonoperating Revenue (Expenses)	(23,645,988.01)	7,477,325.71	-	13,084,705.26	(3,083,957.04)
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	4,823,824.98	-	3,750,364.62	-	8,574,189.60
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:					
Transfers In	616,322.00	-	-	-	616,322.00
Total Other Revenue, Expenses, Gain/Losses and Transfers	616,322.00	-	-	-	616,322.00
Change in Net Position	5,440,146.98	-	3,750,364.62	-	9,190,511.60
Total Net Position - Beginning	1,751,371,247.13	-	59,960,393.13	-	1,811,331,640.26
Total Net Position, August 31, 2025	\$ 1,756,811,394.11	\$ -	\$ 63,710,757.75	\$ -	\$ 1,820,522,151.86

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, 2025

	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)
OPERATING EXPENSES:										
Salaries and Wages	\$ 873,101.26	\$ 109,831.18	\$ 39,924.85	\$ 65,732.82	\$ 716,979.23	\$ 1,642,426.18	\$ -	\$ 99,210.08	\$ -	\$ 3,547,205.60
Payroll Related Costs	\$ 309,863.66	38,979.09	14,169.31	23,328.57	254,455.93	582,897.04	-	35,209.66	-	1,258,903.26
Travel	\$ 112,346.79	-	4,866.89	-	34,911.88	54,107.49	-	3,142.70	2,673.61	212,049.36
Materials and Supplies	\$ 59,789.65	773.94	-	-	770.05	88,143.09	-	-	-	149,476.73
Contracts	\$1,508,185.15	-	439,393.13	268,161.45	3,897,071.07	235,480.00	53,885.24	-	25,080.33	6,427,256.37
Other Operating Expenses	\$ 94,469.69	-	-	-	9,497.20	110,923.47	-	-	6,088.13	220,978.49
Indirect	\$ 312,308.30	39,286.61	14,281.13	23,512.62	256,463.50	587,495.83	-	35,487.46	-	1,268,835.45
Total Operating Expenses	\$3,270,064.50	\$ 188,870.82	\$ 512,635.31	\$ 380,735.46	\$ 5,170,148.86	\$3,301,473.10	\$ 53,885.24	\$ 173,049.90	\$33,842.07	\$13,084,705.26

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.

<u>Recipient Name</u>	<u>Responsible Authority</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Date From</u>	<u>Date To</u>
Drinking Water State Revolving Fund					
Abilene	Abilene	\$ 2,500,000.00	\$ 1,050,000.00	02/15/2014	02/15/2033
Agua SUD	Agua SUD	3,565,000.00	1,800,000.00	08/01/2015	08/01/2034
Alice	Alice	3,934,000.00	3,839,000.00	02/01/2023	02/01/2052
Alice	Alice	2,995,000.00	2,005,000.00	02/01/2020	02/01/2039
Alice	Alice	1,025,000.00	800,000.00	02/01/2020	02/01/2039
Alice	Alice	1,020,000.00	918,000.00	02/01/2023	02/01/2052
Alpine	Alpine	4,131,000.00	1,509,000.00	03/01/2007	03/01/2036
Altoga WSC	North Collin SUD	1,059,999.96	419,999.96	06/01/2013	06/01/2032
Alvord	Alvord	360,000.00	25,000.00	10/01/2006	10/01/2025
Amarillo	Amarillo	17,195,000.00	8,915,000.00	04/01/2016	04/01/2035
Amarillo	Amarillo	18,075,000.00	5,430,000.00	05/15/2012	05/15/2031
Anahuac	Anahuac	5,175,000.00	4,255,000.00	10/15/2018	10/15/2047
Anthony	Anthony	980,000.00	773,000.00	02/15/2018	02/15/2046
Arlington	Arlington	11,445,000.00	7,210,000.00	06/01/2019	06/01/2037
Arlington	Arlington	79,500,000.00	55,650,000.00	06/01/2020	06/01/2039
Arp	Arp	1,602,000.00	1,456,000.00	06/15/2023	06/15/2051
Athens	Athens	825,000.00	360,000.00	08/01/2020	08/01/2029
Austin	Austin	3,800,000.00	3,175,000.00	11/15/2020	11/15/2049
Austin	Austin	9,400,000.00	8,205,000.00	11/15/2021	11/15/2050
Austin	Austin	30,000,000.00	27,010,000.00	11/15/2022	11/15/2051
Austin	Austin	24,630,000.00	23,400,000.00	11/15/2023	11/15/2052
Ballinger	Ballinger	1,035,000.00	545,000.00	06/01/2021	06/01/2030
Ballinger	Ballinger	3,865,000.00	1,655,000.00	06/01/2009	06/01/2038
Ballinger	Ballinger	605,000.00	65,000.00	06/01/2017	06/01/2026
Bandera	Bandera	3,000,000.00	2,580,000.00	02/01/2021	02/01/2048
Bandera Co FWSD # 1	Bandera Co FWSD # 1	585,000.00	-	08/15/2016	08/15/2035
Bangs	Bangs	1,760,000.00	1,490,000.00	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	1,930,000.00	09/01/2022	09/01/2050
Bay City	Bay City	5,645,000.00	5,315,000.00	09/01/2023	09/01/2051
Bay City	Bay City	6,175,000.00	6,010,000.00	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	625,000.00	07/01/2009	07/01/2038
Beeville	Beeville	3,300,000.00	1,895,000.00	02/15/2017	02/15/2036
Bertram	Bertram	12,440,000.00	11,610,000.00	03/15/2023	03/15/2052
Bistone Municipal WSD	Bistone Municipal WSD	6,130,000.00	3,055,000.00	06/01/2015	06/01/2034
Blanco	Blanco	3,150,000.00	2,470,000.00	08/15/2019	08/15/2047
Blanco	Blanco	3,400,000.00	3,340,000.00	02/15/2022	02/15/2051
Blanco	Blanco	3,390,000.00	3,390,000.00	09/01/2028	09/01/2053
Blossom	Blossom	600,000.00	405,000.00	01/01/2011	01/01/2039
Bluff Dale WSC	Bluff Dale WSC	490,000.00	440,000.00	06/01/2022	06/01/2051
Bolivar Peninsula SUD	Bolivar Peninsula SUD	5,070,000.00	3,405,000.00	02/15/2010	02/15/2038
Bolivar Peninsula SUD	Bolivar Peninsula SUD	1,200,000.00	270,000.00	02/15/2010	02/15/2027
Bolivar Peninsula SUD	Bolivar Peninsula SUD	2,360,000.00	760,000.00	02/15/2010	02/15/2028
Bonham	Bonham	9,830,000.00	8,185,000.00	02/15/2020	02/15/2049
Bonham	Bonham	7,355,000.00	2,695,000.00	02/15/2007	02/15/2036
Booker	Booker	455,000.00	295,000.00	08/15/2018	08/15/2037
Borden County	Borden County	1,285,000.00	1,080,000.00	10/15/2020	10/15/2044
Boyd	Boyd	720,000.00	600,000.00	09/01/2019	09/01/2048
Boyd	Boyd	5,100,000.00	4,865,000.00	02/15/2022	02/15/2051
Brady	Brady	10,830,000.00	9,510,000.00	09/01/2021	09/01/2050
Brady	Brady	6,115,000.00	1,260,000.00	05/01/2002	05/01/2031
Brady	Brady	350,000.00	-	09/01/2015	09/01/2024
Brazosport WA	Brazosport WA	15,500,000.00	8,250,000.00	09/01/2015	09/01/2034
Breckenridge	Breckenridge	2,380,000.00	1,845,000.00	03/15/2016	03/15/2045
Breckenridge	Breckenridge	2,325,000.00	2,195,000.00	03/15/2024	03/15/2053
Breckenridge	Breckenridge	1,680,000.00	435,000.00	03/15/2015	03/15/2044
Brookshire MWD	Brookshire MWD	1,025,000.00	850,000.00	08/01/2020	08/01/2048
Brookshire MWD	Brookshire MWD	1,250,000.00	1,070,000.00	08/01/2021	08/01/2048
Brown Co WID # 1	Brown Co WID # 1	20,490,000.00	3,795,000.00	02/01/2009	02/01/2028
Burleson Co MUD # 1	Burleson Co MUD # 1	1,440,000.00	634,000.00	06/01/2005	06/01/2034
Burleson Co MUD # 1	Burleson Co MUD # 1	120,000.00	44,000.00	06/01/2006	06/01/2035
Cameron	Cameron	9,305,000.00	6,325,000.00	03/01/2017	03/01/2042

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.

<u>Recipient Name</u>	<u>Responsible Authority</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Date From</u>	<u>Date To</u>
Carbon	Carbon	95,000.00	59,000.00	02/15/2016	02/15/2035
Castroville	Castroville	3,500,000.00	1,890,000.00	08/01/2016	08/01/2035
Central Texas WSC	Central Texas WSC	22,340,000.00	5,340,554.00	03/15/2010	02/15/2030
Central Washington Co WSC	Central Washington Co WSC	2,815,000.00	2,425,000.00	10/01/2019	10/01/2046
Chandler	Chandler	750,000.00	595,000.00	10/15/2019	10/15/2042
Cisco	Cisco	2,200,000.00	975,000.00	02/15/2010	02/15/2038
Cisco	Cisco	4,565,000.00	3,635,000.00	02/15/2020	02/15/2049
Coleman	Coleman	5,025,000.00	2,310,000.00	04/01/2010	04/01/2039
Comanche	Comanche	1,020,000.00	985,000.00	09/01/2024	09/01/2053
Comanche	Comanche	486,000.00	474,000.00	09/01/2024	09/01/2053
Comanche	Comanche	705,000.00	485,000.00	09/01/2014	09/01/2043
Commerce	Commerce	2,274,000.00	1,221,000.00	02/15/2013	02/15/2040
Commerce	Commerce	466,000.00	255,000.00	02/15/2013	02/15/2040
Corpus Christi	Corpus Christi	51,215,000.00	36,900,000.00	07/15/2017	07/15/2045
Coryell City WSD	Coryell City WSD	2,000,000.00	1,435,000.00	10/01/2018	10/01/2037
Cottonwood Shores	Cottonwood Shores	1,395,000.00	950,000.00	05/01/2018	05/01/2037
Cotulla	Cotulla	2,380,000.00	1,980,000.00	02/01/2021	02/01/2050
Cotulla	Cotulla	3,920,000.00	3,160,000.00	02/01/2019	02/01/2047
Craft-Turney WSC	Craft-Turney WSC	1,625,000.00	1,270,000.00	02/15/2019	02/15/2042
Creedmoor Maha WSC	Creedmoor Maha WSC	4,667,500.00	3,679,500.00	06/01/2019	05/01/2049
Creedmoor Maha WSC	Creedmoor Maha WSC	4,667,500.00	4,225,500.00	12/01/2022	11/01/2052
Crockett	Crockett	1,745,000.00	1,565,000.00	08/15/2024	08/15/2043
Crockett	Crockett	3,250,000.00	3,250,000.00	02/15/2026	02/15/2054
Cross Roads Community WSC	Cross Roads Community WSC	490,000.00	490,000.00	09/01/2025	09/01/2054
Crystal Clear SUD	Crystal Clear SUD	15,000,000.00	11,400,000.00	12/01/2018	12/01/2042
Crystal Clear SUD	Crystal Clear SUD	1,950,000.00	1,875,000.00	12/01/2024	12/01/2043
Cypress Creek UD	Cypress Creek UD	2,035,000.00	1,720,000.00	09/01/2019	09/01/2047
D & M WSC	D & M WSC	1,900,000.00	1,245,000.00	08/15/2018	08/15/2037
Daingerfield	Daingerfield	1,685,000.00	1,520,000.00	02/15/2023	02/15/2052
Daingerfield	Daingerfield	1,180,000.00	1,180,000.00	02/15/2026	02/15/2055
Daisetta	Daisetta	980,000.00	910,000.00	02/01/2024	02/01/2053
Dallas	Dallas	44,000,000.00	36,130,000.00	10/01/2019	10/01/2047
Dallas	Dallas	44,000,000.00	37,040,000.00	10/01/2020	10/01/2048
Dallas	Dallas	44,000,000.00	38,040,000.00	10/01/2021	10/01/2049
Dallas	Dallas	44,000,000.00	39,455,000.00	10/01/2022	10/01/2050
Dallas	Dallas	44,000,000.00	41,325,000.00	10/01/2023	10/01/2051
De Kalb	De Kalb	2,040,000.00	2,035,000.00	08/15/2025	08/15/2054
De Kalb	De Kalb	1,160,000.00	1,130,000.00	08/15/2025	08/15/2054
Del Rio	Del Rio	3,000,000.00	2,335,000.00	06/01/2022	06/01/2038
Del Rio	Del Rio	3,000,000.00	2,670,000.00	06/01/2023	06/01/2050
DeLeon	DeLeon	520,000.00	360,000.00	02/15/2015	02/15/2043
Denison	Denison	2,110,000.00	2,110,000.00	02/15/2026	02/15/2045
Denison	Denison	2,790,000.00	2,790,000.00	02/15/2026	02/15/2045
Denton Co FWSD # 1A	Lewisville	3,260,000.00	945,000.00	12/15/2011	12/15/2030
Denver City	Denver City	150,000.00	150,000.00	02/15/2026	02/15/2045
Devine	Devine	2,755,000.00	2,250,000.00	02/01/2019	02/01/2048
Devine	Devine	6,645,000.00	6,025,000.00	02/01/2019	02/01/2048
Devine	Devine	75,000.00	75,000.00	08/01/2026	08/01/2040
Devine	Devine	5,590,000.00	5,590,000.00	08/01/2026	08/01/2055
Dickens	Dickens	460,000.00	385,000.00	08/15/2019	08/15/2048
Dog Ridge WSC	Dog Ridge WSC	990,000.00	970,000.00	08/15/2025	08/15/2044
Eagle Pass	Eagle Pass	17,090,000.00	13,495,000.00	12/01/2018	12/01/2046
Eagle Pass	Eagle Pass	11,900,000.00	10,185,000.00	12/01/2020	12/01/2047
Eagle Pass	Eagle Pass	15,075,000.00	13,065,000.00	12/01/2020	12/01/2048
Eagle Pass	Eagle Pass	11,545,000.00	3,845,000.00	12/01/2005	12/01/2034
Eagle Pass	Eagle Pass	5,400,000.00	3,205,000.00	12/01/2004	12/01/2033
Eagle Pass	Eagle Pass	5,795,000.00	2,545,000.00	12/01/2013	12/01/2042
Eagle Pass	Eagle Pass	3,640,000.00	3,160,000.00	12/01/2021	12/01/2050
East Rio Hondo WSC	East Rio Hondo WSC	1,379,000.00	753,800.00	10/01/2014	09/01/2034
East Rio Hondo WSC	East Rio Hondo WSC	8,985,000.00	8,985,000.00	09/01/2026	09/01/2054
East Rio Hondo WSC	East Rio Hondo WSC	4,265,000.00	4,265,000.00	09/01/2026	09/01/2054
East Texas MUD of Smith County	East Texas MUD of Smith County	1,020,000.00	969,000.00	08/15/2024	08/15/2052
East Texas MUD of Smith County	East Texas MUD of Smith County	476,000.00	455,000.00	08/15/2024	08/15/2052
Eastland	Eastland	695,000.00	500,000.00	02/15/2019	02/15/2038
Eastland	Eastland	2,385,000.00	1,105,000.00	12/01/2009	12/01/2036
Eastland	Eastland	1,250,000.00	1,245,000.00	02/15/2025	02/15/2054
Eastland	Eastland	315,000.00	310,000.00	02/15/2025	02/15/2054
Eastland Co WSD	Eastland Co WSD	3,495,000.00	2,675,000.00	01/01/2015	01/01/2044

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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.

<u>Recipient Name</u>	<u>Responsible Authority</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Date From</u>	<u>Date To</u>
Eastland Co WSD	Eastland Co WSD	805,000.00	655,000.00	01/01/2021	01/01/2050
Ector County UD	Ector County UD	45,275,000.00	36,970,000.00	08/01/2020	08/01/2049
Edgewood	Edgewood	835,000.00	485,000.00	05/01/2011	05/01/2039
Edinburg	Edinburg	5,405,000.00	3,055,000.00	03/01/2017	03/01/2036
Edinburg	Edinburg	10,425,000.00	5,065,000.00	03/01/2015	03/01/2034
El Paso Co Tornillo WID	El Paso Co Tornillo WID	130,000.00	55,000.00	08/01/2011	08/01/2038
Eldorado	Eldorado	560,000.00	315,000.00	08/01/2015	08/01/2036
Eldorado	Eldorado	1,200,000.00	825,000.00	08/01/2019	08/01/2038
Ellinger Sewer & Water SC	Ellinger Sewer & Water SC	628,000.00	565,000.00	03/15/2023	03/15/2052
Elmendorf	Elmendorf	10,770,000.00	9,255,000.00	08/01/2021	08/01/2048
Emory	Emory	720,000.00	335,000.00	07/01/2014	07/01/2033
Ericksdahl WSC	Ericksdahl WSC	550,000.00	550,000.00	08/15/2026	08/15/2055
Etoile WSC	Etoile WSC	835,000.00	835,000.00	08/15/2026	08/15/2055
Euless	Euless	4,685,000.00	2,475,000.00	07/15/2016	07/15/2035
Euless	Euless	9,275,000.00	7,645,000.00	07/15/2020	07/15/2049
Everman	Everman	2,700,000.00	2,025,000.00	02/01/2021	02/01/2040
Fayetteville	Fayetteville	200,000.00	100,000.00	08/01/2016	08/01/2035
FHLM Regional WSC	FHLM Regional WSC	8,170,000.00	7,090,000.00	06/01/2022	06/01/2051
Flatonía	Flatonía	660,000.00	65,000.00	09/01/2007	09/01/2026
Fort Griffin SUD	Fort Griffin SUD	1,525,000.00	1,300,000.00	08/01/2021	08/01/2050
Fort Worth	Fort Worth	16,145,000.00	3,955,000.00	02/15/2011	02/15/2030
Garland	Garland	6,670,000.00	4,055,000.00	03/01/2020	03/01/2034
Gladewater	Gladewater	1,600,000.00	1,195,000.00	08/15/2018	08/15/2037
Gladewater	Gladewater	841,000.00	784,000.00	08/15/2023	08/15/2052
Gladewater	Gladewater	1,020,000.00	918,000.00	08/15/2023	08/15/2052
Gladewater	Gladewater	850,000.00	835,000.00	08/15/2025	08/15/2054
Glidden FWSD # 1	Glidden FWSD # 1	35,000.00	35,000.00	02/15/2026	02/15/2032
G-M WSC	G-M WSC	2,775,000.00	2,320,000.00	03/01/2019	03/01/2048
G-M WSC	G-M WSC	2,970,000.00	1,879,080.00	03/15/2010	02/15/2040
Goldthwaite	Goldthwaite	1,480,000.00	1,100,000.00	11/01/2015	11/01/2044
Goliad	Goliad	1,000,000.00	750,000.00	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	390,000.00	03/01/2019	03/01/2048
Gordon	Gordon	100,000.00	72,000.00	03/01/2022	03/01/2036
Gordon	Gordon	530,000.00	530,000.00	03/01/2026	03/01/2055
Gorman	Gorman	140,000.00	52,000.00	03/01/2016	03/01/2030
Gorman	Gorman	1,000,000.00	860,000.00	03/01/2019	03/01/2048
Granbury	Granbury	16,430,000.00	14,050,000.00	08/15/2017	08/15/2045
Granbury	Granbury	2,720,000.00	555,000.00	08/15/2018	08/15/2027
Granbury	Granbury	15,000,000.00	12,595,000.00	08/15/2018	08/15/2037
Granbury	Granbury	13,810,000.00	11,460,000.00	08/15/2020	08/15/2048
Grand Prairie	Grand Prairie	4,000,000.00	1,325,000.00	01/15/2015	01/15/2030
Greater Texoma UA	Greater Texoma UA	1,745,000.00	225,000.00	06/01/2008	06/01/2027
Greater Texoma UA	Greater Texoma UA	3,695,000.00	1,890,000.00	08/15/2015	08/15/2034
Greater Texoma UA	Greater Texoma UA	2,515,000.00	-	10/01/2016	10/01/2024
Greater Texoma UA	Greater Texoma UA	2,875,000.00	1,835,000.00	06/01/2016	06/01/2034
Greater Texoma UA	Greater Texoma UA	27,310,000.00	15,745,000.00	10/01/2016	10/01/2035
Greater Texoma UA	Greater Texoma UA	2,125,000.00	1,365,000.00	08/15/2017	08/15/2037
Greater Texoma UA	Greater Texoma UA	7,155,000.00	4,860,000.00	10/01/2018	10/01/2037
Greater Texoma UA	Greater Texoma UA	1,225,000.00	770,000.00	08/15/2018	08/15/2037
Greater Texoma UA	Greater Texoma UA	15,200,000.00	14,395,000.00	09/01/2019	09/01/2048
Greater Texoma UA	Greater Texoma UA	935,000.00	800,000.00	10/01/2019	10/01/2048
Greater Texoma UA	Greater Texoma UA	3,415,000.00	3,040,000.00	08/15/2019	08/15/2048
Greater Texoma UA	Greater Texoma UA	7,490,000.00	6,330,000.00	08/15/2020	08/15/2049
Greater Texoma UA	Greater Texoma UA	830,000.00	730,000.00	06/01/2022	06/01/2051
Greater Texoma UA	Greater Texoma UA	4,000,000.00	3,560,000.00	06/01/2022	06/01/2051
Greater Texoma UA	Greater Texoma UA	5,470,000.00	4,870,000.00	08/15/2022	08/15/2051
Greater Texoma UA	Greater Texoma UA	1,645,000.00	1,525,000.00	10/01/2020	10/01/2049
Greater Texoma UA	Greater Texoma UA	1,025,000.00	875,000.00	10/01/2020	10/01/2049
Greenbelt MIWA	Greenbelt MIWA	8,110,000.00	7,740,000.00	07/10/2024	07/10/2053
Greenville	Greenville	305,000.00	80,000.00	02/15/2011	02/15/2029
Groesbeck	Groesbeck	1,025,000.00	360,000.00	08/15/2007	08/15/2036
Groesbeck	Groesbeck	2,150,000.00	1,070,000.00	02/15/2011	02/15/2040
Groveton	Groveton	660,000.00	485,000.00	08/15/2021	08/15/2040
Hamlin	Hamlin	5,500,000.00	1,140,000.00	03/01/2002	03/01/2031
Harlingen Water Works System	Harlingen Water Works System	840,000.00	840,000.00	11/01/2025	11/01/2040
Harris Co MUD # 50	Harris Co MUD # 50	2,470,000.00	1,400,000.00	03/01/2017	03/01/2035
Harris Co WCID # 36	Harris Co WCID # 36	3,885,000.00	2,145,000.00	09/01/2015	09/01/2034

Texas Water Development Board
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<u>Recipient Name</u>	<u>Responsible Authority</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Date From</u>	<u>Date To</u>
Hawkins	Hawkins	1,230,000.00	1,230,000.00	10/01/2026	10/01/2055
Hico	Hico	1,520,000.00	1,005,000.00	08/15/2014	08/15/2042
Hidalgo Co MUD # 1	Hidalgo Co MUD # 1	5,605,000.00	2,660,000.00	02/15/2010	02/15/2039
Hillsboro	Hillsboro	3,130,000.00	2,280,000.00	07/01/2020	07/01/2039
Hondo	Hondo	5,470,000.00	3,310,000.00	08/01/2017	08/01/2036
Honey Grove	Honey Grove	2,700,000.00	2,060,000.00	09/01/2017	09/01/2045
Houston	Houston	48,040,000.00	25,200,000.00	11/15/2015	11/15/2034
Houston Co WCID # 1	Houston Co WCID # 1	5,940,000.00	3,205,000.00	08/01/2009	08/01/2038
Hubbard	Hubbard	1,500,000.00	1,060,000.00	02/15/2014	02/15/2043
Huntington	Huntington	310,000.00	310,000.00	02/01/2026	02/01/2044
Jefferson	Jefferson	2,600,000.00	1,620,000.00	02/15/2018	02/15/2037
Johnson County SUD	Johnson County SUD	22,000,000.00	14,955,000.00	08/15/2019	08/15/2038
Jourdanton	Jourdanton	6,845,000.00	5,795,000.00	02/01/2021	02/01/2049
Kellyville-Berea WSC	Kellyville-Berea WSC	635,000.00	455,000.00	02/15/2019	02/15/2038
Kerrville	Kerrville	5,000,000.00	4,305,000.00	08/15/2020	08/15/2049
Kirbyville	Kirbyville	1,805,000.00	1,245,000.00	08/15/2019	08/15/2038
La Feria	La Feria	880,000.00	380,000.00	09/15/2013	09/15/2032
Ladonia	Ladonia	2,810,000.00	2,485,000.00	08/15/2019	08/15/2047
Laguna Madre WD	Laguna Madre WD	12,980,000.00	12,875,000.00	03/01/2025	03/01/2053
Lake Livingston WSSSC	Lake Livingston WSSSC	3,130,000.00	1,990,000.00	12/01/2015	12/01/2034
Lake Livingston WSSSC	Lake Livingston WSSSC	17,500,000.00	10,525,000.00	12/01/2010	12/01/2039
Lake Palo Pinto Area WSC	Lake Palo Pinto Area WSC	1,480,000.00	1,005,000.00	04/01/2017	04/01/2036
Lamar Co WSD	Lamar Co WSD	1,380,000.00	880,000.00	07/10/2012	07/10/2039
Laredo	Laredo	5,500,000.00	3,920,000.00	03/01/2016	03/01/2045
Laredo	Laredo	4,600,000.00	3,235,000.00	03/01/2016	03/01/2045
Lawn	Lawn	885,000.00	750,000.00	03/01/2020	03/01/2049
Lee Co FWSD # 1	Lee Co FWSD # 1	525,000.00	390,000.00	03/01/2017	03/01/2046
Leonard	Leonard	2,285,000.00	2,235,000.00	05/15/2025	05/15/2054
Leonard	Leonard	2,040,000.00	1,970,000.00	05/15/2025	05/15/2054
Lexington	Lexington	1,020,000.00	950,000.00	08/15/2024	08/15/2053
Lexington	Lexington	745,000.00	705,000.00	08/15/2024	08/15/2053
Liberty	Liberty	915,000.00	95,000.00	03/01/2017	03/01/2026
Llano	Llano	890,000.00	655,000.00	09/15/2019	09/15/2038
Los Fresnos	Los Fresnos	3,625,000.00	3,400,000.00	02/01/2022	02/01/2040
Los Fresnos	Los Fresnos	1,000,000.00	-	02/01/2016	02/01/2025
Lower Neches Valley Authority	Lower Neches Valley Authority	18,495,000.00	11,980,000.00	08/01/2009	08/01/2035
Lubbock	Lubbock	10,445,000.00	8,345,000.00	02/15/2022	02/15/2041
M & M WSC	M & M WSC	889,000.00	784,000.00	03/15/2023	03/15/2047
Marlin	Marlin	10,380,000.00	5,210,000.00	07/01/2007	07/01/2036
Marlin	Marlin	1,680,000.00	1,235,000.00	07/01/2015	07/01/2042
Marlin	Marlin	2,330,000.00	2,025,000.00	07/01/2021	07/01/2050
Mason	Mason	990,000.00	780,000.00	03/01/2020	03/01/2049
McAllen	McAllen	12,000,000.00	11,765,000.00	02/01/2021	02/01/2048
Meeker MWD	Meeker MWD	6,925,000.00	6,725,000.00	09/01/2023	09/01/2052
Melvin	Melvin	539,902.00	145,000.00	09/01/2018	09/01/2047
Menard	Menard	1,920,000.00	1,855,000.00	08/15/2024	08/15/2054
Mertzson	Mertzson	2,085,000.00	2,085,000.00	02/15/2026	02/15/2055
Mertzson	Mertzson	60,000.00	60,000.00	02/15/2031	02/15/2031
Mexia	Mexia	2,780,000.00	1,180,000.00	08/15/2010	08/15/2038
Mexia	Mexia	960,000.00	400,000.00	08/15/2010	08/15/2038
Millersview-Doole WSC	Millersview-Doole WSC	15,816,000.00	8,490,000.00	12/01/2005	12/01/2034
Mission	Mission	7,780,000.00	1,805,000.00	02/15/2011	02/15/2030
Montgomery	Montgomery	1,730,000.00	1,085,000.00	03/01/2018	03/01/2037
Moran	Moran	180,000.00	125,000.00	02/15/2015	02/15/2044
Mount Pleasant	Mount Pleasant	24,785,000.00	13,240,000.00	03/15/2009	03/15/2033
Mountain Peak SUD	Mountain Peak SUD	995,000.00	245,000.00	12/01/2010	12/01/2029
Mullin ISD	Mullin ISD	398,000.00	280,000.00	08/01/2023	08/01/2032
Mustang SUD	Mustang SUD	3,555,000.00	2,860,000.00	09/01/2018	09/01/2047
Nevada SUD	Nevada SUD	1,490,000.00	1,030,000.00	05/15/2019	05/15/2038
New Braunfels	New Braunfels	40,000,000.00	38,700,000.00	07/01/2023	07/01/2052
New Deal	New Deal	935,000.00	760,000.00	03/01/2019	03/01/2048
Newton	Newton	2,195,000.00	1,680,000.00	03/01/2021	03/01/2040
North Alamo WSC	North Alamo WSC	4,390,000.00	3,395,000.00	08/01/2021	08/01/2041
North Alamo WSC	North Alamo WSC	7,903,000.00	7,270,000.00	11/01/2022	11/01/2052
North Alamo WSC	North Alamo WSC	2,527,000.00	2,366,000.00	11/01/2023	11/01/2043
North Central Texas MWA	North Central Texas MWA	5,500,000.00	3,280,000.00	07/10/2014	07/10/2043
North San Saba WSC	North San Saba WSC	335,000.00	257,100.00	01/01/2014	01/01/2044
Nueces Co WCID # 3	Nueces Co WCID # 3	2,410,000.00	2,410,000.00	02/01/2027	02/01/2055

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<u>Recipient Name</u>	<u>Responsible Authority</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Date From</u>	<u>Date To</u>
Orange Co WCID # 1	Orange Co WCID # 1	410,000.00	370,000.00	08/15/2024	08/15/2043
Orange Co WCID # 1	Orange Co WCID # 1	5,260,000.00	4,835,000.00	08/15/2024	08/15/2043
Orange Co WCID # 2	Orange Co WCID # 2	3,980,000.00	3,635,000.00	03/01/2022	03/01/2046
Paducah	Paducah	1,715,000.00	1,450,000.00	02/15/2021	02/15/2050
Palo Pinto WSC	Palo Pinto WSC	615,000.00	505,000.00	02/01/2021	02/01/2050
Paris	Paris	2,900,000.00	1,110,000.00	06/15/2014	06/15/2032
Parker County SUD	Parker County SUD	15,080,000.00	13,240,000.00	12/01/2021	12/01/2050
Parker County SUD	Parker County SUD	13,000,000.00	12,710,000.00	12/01/2024	12/01/2053
Pearland	Pearland	10,225,000.00	3,130,000.00	09/01/2018	09/01/2027
Pearland	Pearland	12,025,000.00	9,635,000.00	09/01/2018	09/01/2047
Pearland	Pearland	8,650,000.00	6,920,000.00	09/01/2019	09/01/2048
Pearland	Pearland	21,000,000.00	17,500,000.00	09/01/2020	09/01/2049
Pearland	Pearland	107,600,000.00	93,245,000.00	09/01/2021	09/01/2050
Pearsall	Pearsall	6,400,000.00	6,390,000.00	03/01/2025	03/01/2054
Pflugerville	Pflugerville	24,000,000.00	23,340,000.00	08/01/2024	08/01/2052
Pharr	Pharr	13,310,000.00	3,135,000.00	09/01/2008	09/01/2027
Pharr	Pharr	13,880,000.00	13,115,000.00	09/01/2021	09/01/2049
Pharr	Pharr	8,725,000.00	5,900,000.00	09/01/2014	09/01/2042
Pleasant Springs WSC	Pleasant Springs WSC	150,000.00	120,000.00	08/01/2020	08/01/2049
Port Arthur	Port Arthur	2,080,000.00	-	02/15/2016	02/15/2025
Port Mansfield PUD	Port Mansfield PUD	220,000.00	166,000.00	04/01/2017	04/01/2046
Port O'Connor ID	Port O'Connor ID	6,000,000.00	5,705,000.00	09/01/2023	09/01/2052
Porter SUD	Porter SUD	1,590,000.00	270,000.00	06/01/2009	06/01/2028
Quitaque	Quitaque	545,000.00	455,000.00	02/15/2021	02/15/2050
Ranger	Ranger	420,000.00	336,000.00	02/15/2020	02/15/2049
Ranger	Ranger	570,000.00	485,000.00	02/15/2020	02/15/2049
Rayburn Country MUD	Rayburn Country MUD	1,565,000.00	1,565,000.00	03/15/2026	03/15/2055
Rayburn Country MUD	Rayburn Country MUD	2,200,000.00	2,200,000.00	03/15/2026	03/15/2055
Raymondville	Raymondville	1,520,000.00	1,150,000.00	04/01/2021	04/01/2040
Raymondville	Raymondville	2,145,000.00	1,140,000.00	04/01/2014	04/01/2033
Red Creek MUD	Red Creek MUD	1,355,000.00	1,005,000.00	09/01/2019	09/01/2038
Red River Co WSC	Red River Co WSC	1,250,000.00	756,000.00	04/01/2014	04/01/2041
Reklaw	Reklaw	300,000.00	236,000.00	03/01/2018	03/01/2047
Richland Springs	Richland Springs	1,055,000.00	1,055,000.00	03/01/2027	03/01/2056
Riesel	Riesel	5,360,000.00	4,805,000.00	07/01/2023	07/01/2051
Rio Grande City	Rio Grande City	12,200,000.00	6,385,000.00	02/15/2011	02/15/2040
Rio Hondo	Rio Hondo	1,278,000.00	513,000.00	08/01/2014	08/01/2033
Rio Hondo	Rio Hondo	300,000.00	165,000.00	08/01/2017	08/01/2036
River Acres WSC	River Acres WSC	3,620,000.00	3,035,000.00	07/01/2019	07/01/2048
River Acres WSC	River Acres WSC	1,785,000.00	1,595,000.00	07/01/2022	07/01/2051
River Oaks	River Oaks	8,000,000.00	6,195,000.00	06/15/2018	06/15/2047
Riverbend Water Resources District	Riverbend Water Resources District	10,800,000.00	9,885,000.00	10/15/2022	10/15/2051
Riverbend Water Resources District	Riverbend Water Resources District	7,200,000.00	6,555,000.00	10/15/2022	10/15/2051
Riverbend Water Resources District	Riverbend Water Resources District	55,800,000.00	51,670,000.00	10/15/2022	10/15/2051
Riverbend Water Resources District	Riverbend Water Resources District	37,200,000.00	33,625,000.00	10/15/2022	10/15/2051
Riverbend Water Resources District	Riverbend Water Resources District	14,400,000.00	14,140,000.00	10/15/2024	10/15/2053
Riverside SUD	Riverside SUD	1,575,000.00	1,385,000.00	04/01/2023	04/01/2042
Roby	Roby	250,000.00	222,000.00	03/01/2022	03/01/2051
Rockdale	Rockdale	12,650,000.00	12,150,000.00	06/15/2021	06/15/2050
Rockdale	Rockdale	3,065,000.00	2,815,000.00	06/15/2021	06/15/2050
Rogers	Rogers	2,205,000.00	1,955,000.00	08/15/2019	08/15/2047
Roma	Roma	2,327,000.00	327,000.00	11/01/2000	11/01/2029
Ropesville	Ropesville	500,000.00	414,000.00	02/15/2020	02/15/2049
Roscoe	Roscoe	1,965,000.00	1,685,000.00	02/15/2021	02/15/2050
Rotan	Rotan	2,040,000.00	1,760,000.00	03/01/2022	03/01/2051
Rotan	Rotan	235,000.00	215,000.00	03/01/2022	03/01/2051
Rusk	Rusk	2,630,000.00	2,155,000.00	02/15/2022	02/15/2041
San Angelo	San Angelo	56,075,000.00	45,100,000.00	02/15/2021	02/15/2045
San Angelo	San Angelo	13,415,000.00	12,755,000.00	02/15/2024	02/15/2046
San Antonio Water System	San Antonio Water System	26,370,000.00	11,550,000.00	05/15/2014	05/15/2033
San Antonio Water System	San Antonio Water System	22,400,000.00	10,695,000.00	05/15/2015	05/15/2034
San Antonio Water System	San Antonio Water System	75,920,000.00	53,855,000.00	05/15/2016	05/15/2045
San Antonio Water System	San Antonio Water System	12,500,000.00	9,240,000.00	05/15/2017	05/15/2046
San Antonio Water System	San Antonio Water System	10,500,000.00	8,420,000.00	05/15/2019	05/15/2048
San Antonio Water System	San Antonio Water System	30,765,000.00	24,780,000.00	05/15/2020	05/15/2049
San Antonio Water System	San Antonio Water System	11,805,000.00	9,830,000.00	05/15/2021	05/15/2050
San Juan	San Juan	6,170,000.00	3,040,000.00	01/01/2015	01/01/2033
San Juan	San Juan	1,400,000.00	665,000.00	01/01/2015	01/01/2033

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.

<u>Recipient Name</u>	<u>Responsible Authority</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Date From</u>	<u>Date To</u>
Seis Lagos UD	Seis Lagos UD	1,335,000.00	175,000.00	03/01/2008	03/01/2027
Seymour	Seymour	2,115,000.00	1,730,000.00	03/01/2019	03/01/2048
Shady Grove SUD	Shady Grove SUD	880,000.00	670,000.00	02/15/2021	02/15/2040
Shallowater	Shallowater	1,100,000.00	860,000.00	02/15/2020	02/15/2049
Sharyland WSC	Sharyland WSC	25,910,000.00	25,910,000.00	08/01/2027	08/01/2054
Silverton	Silverton	4,990,000.00	4,865,000.00	02/15/2025	02/15/2054
Skyline Ranch Estates WSC	Skyline Ranch Estates WSC	340,000.00	184,500.00	10/01/2014	09/01/2034
Slaton	Slaton	3,200,000.00	3,200,000.00	02/15/2026	02/15/2055
Smyer	Smyer	135,000.00	80,000.00	02/15/2015	02/15/2034
Sonora	Sonora	2,925,000.00	850,000.00	12/01/2010	08/15/2029
South Houston	South Houston	2,010,000.00	635,000.00	03/01/2011	03/01/2030
South Texas WA	South Texas WA	875,000.00	850,000.00	08/15/2025	08/15/2044
South Texas WA	South Texas WA	1,485,000.00	1,445,000.00	08/15/2025	08/15/2044
Southmost Regional WA	Southmost Regional WA	3,795,000.00	1,250,000.00	09/01/2010	09/01/2029
Southmost Regional WA	Southmost Regional WA	9,295,000.00	4,645,000.00	09/01/2010	09/01/2039
Springs Hill SUD	Springs Hill SUD	1,100,000.00	530,000.00	11/01/2013	11/01/2032
Springs Hill SUD	Springs Hill SUD	3,130,000.00	946,000.00	11/01/2011	11/01/2030
Stamford	Stamford	9,530,000.00	7,075,000.00	02/15/2017	02/15/2046
Stephens Regional SUD	Stephens Regional SUD	900,000.00	705,000.00	08/15/2019	08/15/2043
Strawn	Strawn	773,000.00	747,000.00	09/01/2024	09/01/2053
Stryker Lake WSC	Stryker Lake WSC	290,000.00	285,000.00	09/01/2025	09/01/2054
Surfside Beach	Surfside Beach	1,635,000.00	310,000.00	02/15/2009	02/15/2028
Sweetwater	Sweetwater	1,935,000.00	880,000.00	08/15/2015	08/15/2033
Sweetwater	Sweetwater	5,000,000.00	2,795,000.00	08/15/2017	08/15/2036
Sweetwater	Sweetwater	2,187,000.00	1,772,000.00	08/15/2022	08/15/2041
Terrell	Terrell	1,700,000.00	1,440,000.00	02/15/2020	02/15/2049
Terrell	Terrell	1,535,000.00	1,335,000.00	08/15/2022	08/15/2051
Terrell	Terrell	4,150,000.00	4,070,000.00	08/15/2025	08/15/2052
Thorndale	Thorndale	7,800,000.00	7,775,000.00	08/01/2025	08/01/2054
Thorndale	Thorndale	3,140,000.00	3,100,000.00	08/01/2025	08/01/2054
Tioga	Tioga	580,000.00	210,000.00	04/01/2002	04/01/2031
Tioga	Tioga	1,050,000.00	915,000.00	03/15/2019	03/15/2042
Trinidad	Trinidad	250,000.00	165,000.00	01/01/2009	01/01/2037
Troy	Troy	2,100,000.00	1,715,000.00	02/01/2019	02/01/2048
Tyler County SUD	Tyler County SUD	775,000.00	672,000.00	09/01/2011	09/01/2040
Union WSC	Union WSC	1,665,000.00	1,281,000.00	02/01/2014	02/01/2044
Upper Jasper Co WA	Upper Jasper Co WA	3,355,000.00	3,190,000.00	09/01/2020	09/01/2044
Upper Leon River MWD	Upper Leon River MWD	7,452,000.00	6,306,000.00	05/01/2018	05/01/2047
Upper Leon River MWD	Upper Leon River MWD	1,863,000.00	1,636,000.00	05/01/2018	05/01/2047
Valley MUD # 2	Valley MUD # 2	1,495,000.00	1,395,000.00	02/15/2021	02/15/2048
Victoria Co WCID # 1	Victoria Co WCID # 1	2,515,000.00	960,000.00	03/01/2010	03/01/2029
Victoria Co WCID # 2	Victoria Co WCID # 2	885,000.00	885,000.00	08/15/2026	08/15/2045
Wellman	Wellman	140,000.00	95,000.00	02/15/2017	02/15/2036
West Tawakoni	West Tawakoni	1,125,000.00	885,000.00	02/01/2018	02/01/2047
West Wise SUD	West Wise SUD	13,430,000.00	10,810,000.00	08/15/2019	08/15/2047
Westbound WSC	Westbound WSC	1,610,000.00	1,560,000.00	02/01/2025	02/01/2054
Westwood Shores MUD	Westwood Shores MUD	1,400,000.00	1,075,000.00	05/01/2021	05/01/2040
Westwood Shores MUD	Westwood Shores MUD	775,000.00	740,000.00	05/01/2025	05/01/2044
White River MWD	White River MWD	1,055,000.00	755,000.00	06/01/2014	06/01/2043
Whiteface	Whiteface	450,000.00	330,000.00	02/15/2020	02/15/2039
Whitewater Springs WSC	Whitewater Springs WSC	200,000.00	170,000.00	04/01/2019	04/01/2044
Willis	Willis	3,150,000.00	2,240,000.00	08/01/2014	08/01/2043
Willow Park	Willow Park	685,000.00	375,000.00	02/15/2016	02/15/2035
Willow Park	Willow Park	995,000.00	620,000.00	02/15/2018	02/15/2037
Willow Park	Willow Park	13,770,000.00	11,595,000.00	02/15/2021	02/15/2050
Wills Point	Wills Point	4,500,000.00	3,600,000.00	02/15/2020	02/15/2044
Wills Point	Wills Point	7,965,000.00	7,965,000.00	02/15/2026	02/15/2055
Winters	Winters	1,645,000.00	735,000.00	10/01/2009	10/01/2038
Winters	Winters	425,000.00	-	10/01/2015	10/01/2024
Winters	Winters	580,000.00	510,000.00	04/01/2019	04/01/2038
Winters	Winters	1,065,000.00	1,065,000.00	04/01/2026	04/01/2055
Wolfe City	Wolfe City	1,015,000.00	565,000.00	09/15/2012	09/15/2041
Wolfe City	Wolfe City	3,065,000.00	2,645,000.00	03/01/2022	03/01/2051
Wolfe City	Wolfe City	870,000.00	770,000.00	03/01/2022	03/01/2051
Woodbranch Village	Woodbranch Village	1,500,000.00	1,005,000.00	08/01/2019	08/01/2037
Wortham	Wortham	280,000.00	128,000.00	08/15/2014	08/15/2033
Zapata County	Zapata County	14,808,000.00	7,393,000.00	02/15/2011	02/15/2040
Zavala Co WCID # 1	Zavala Co WCID # 1	760,000.00	530,000.00	01/01/2014	01/01/2043

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.

<u>Recipient Name</u>	<u>Responsible Authority</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Date From</u>	<u>Date To</u>
Total - Drinking Water State Revolving Fund		<u>\$ 2,538,476,901.96</u>	<u>\$ 1,901,903,033.96</u>		

**STATE FISCAL YEAR 2025
DRINKING WATER STATE REVOLVING FUND
SMALL SYSTEM TECHNICAL ASSISTANCE
(2%) TWO PERCENT SET-ASIDE ACTIVITIES
ANNUAL REPORT**

**EPA # FS-99679528
[TCEQ Grant# 990225]**



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

Source of Funding: Federal Fiscal Year 2024 DWSRF Two Percent Set-aside

Submitted November 15, 2025

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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). 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) 2025 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, 2024, through August 31, 2025, 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, 2024, and August 31, 2025, 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 \$504,715 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 \$309,876 was requested for reimbursement from TWDB through the Capitalization Grant during the period of

September 1, 2024, through August 31, 2025, and the remainder, or approximately \$194,839, has been or is expected to be requested during the months of September 2025 through November 2025. No match is required; the 2% DWSRF set-aside does not require a match.

The total requested for reimbursement from TWDB between September 2024 and August 2025 was approximately \$709,741. Of this amount, approximately \$399,865 was requested for reimbursement from TWDB between September 2024 and November 2024 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 PILLARS	TCEQ GOALS AND OBJECTIVES
<p>EPA Pillar 1: Clean Air, Land, and Water for Every American</p>	<p>TCEQ Goal 02: Drinking Water</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>TCEQ Objective 2.1</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>TCEQ Strategy 2.1.1: Safe Drinking Water</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 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, 2025, and may not include final total expenditures for each Program Element and its associated Tasks. TCEQ expended approximately \$504,715 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 \$309,876 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$194,839 has been or is expected to be requested during the months of September 2025 through November 2025. 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 2024 and August 2025 was approximately \$709,741. Of this amount, approximately \$399,865 was requested for reimbursement from TWDB between September 2024 and November 2024 under the SFY2024/FFY2023 DWSRF 2% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2024 and August 2025 for the SFY25/FFY24 2% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: Source Water Protection Programs	Water Supply	\$0	\$49,976	9.9%
Program Element 2: Capacity Development	Water Supply	\$146,637	\$279,694	55.4%
Program Element 3: PWSSP Administration	Water Supply	\$163,239	\$175,045	34.7%
Total		\$309,876	\$504,715	100 %

PROJECT SCHEDULE

TCEQ conducted the activities in the DWSRF 2% Set-Aside Work Plans over a 12-month period, which began September 1, 2024, and ended August 31, 2025 (SFY 2025).

MEASURES OF SUCCESS

The following table [Table 3: TCEQ Outcome/Output Measures] provides 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

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<u>2.1. oc 1 Outcome Measure:</u> Percent of Texas population served by drinking water systems meeting	<ul style="list-style-type: none"> All Program Elements and Tasks 	91.79% of Texas population served by public water systems that meet drinking water standards.

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
primary water standards.		
<u>2.1.1 op 1</u> <u>Output Measure:</u> Number of public drinking water systems that meet primary drinking water standards.	<ul style="list-style-type: none"> All Program Elements and Tasks 	7,114 public drinking water systems that meet primary drinking water standards.

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 2025.

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 \$49,976 was expended for activities conducted during the Work Plan period of September 1, 2024, through August 31, 2025. Of the total estimated amount expended, \$0 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder or approximately \$49,976 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Work Plan period of September 1, 2024, through August 31, 2025.

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.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for small PWS;	TCEQ completed three (3) SWP Assessments under this grant. TCEQ Staff provided support toward other assessments. A total of three (3) 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, three (3) 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 three (3) 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 9 meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans. Each of the three (3) SWP plans completed 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 small PWS;	TCEQ inventoried five (5) 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 666 protected by a SWP Program and served by vulnerable water sources in three (3) 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 Best Management Practices (BMP) at the 2025 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.

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 \$279,694 was expended for activities conducted during the Work Plan period of September 1, 2024, through August 31, 2025. Of the total estimated amount expended \$146,637 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder or approximately \$133,057 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Work Plan period of September 1, 2024, through August 31, 2025.

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.

Work Plan Deliverable	Output Provided
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 2025 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 management, how drinking water facilities are

Work Plan Deliverable	Output Provided
	<p>reviewed and approved, and how to get assistance with operations and funding. Staff also prepared technical assistance documents, surveys for training operators and assistance providers on topics including cross-connection and backflow prevention, and disinfection by product formation.</p>
<p>2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of small PWS</p>	<p>During the grant period, TOP provided training and technical assistance to PWS. Specifically, TOP:</p> <ul style="list-style-type: none"> • Executed 94 individual technical assistance assignments. • Assisted 64 systems with population of Less than 10K. • Assisted 29 systems with population Greater than 10K. • Delivered 20 Direct Assistance Modules (DAMs). • Conducted 1 Special Performance Evaluation (SPE). • Conducted 1 Mandatory Comprehensive Performance Evaluations (mCPE). • Conducted 5 Contact Time Studies. • Responded to 3 Emergency Events. • Assisted with 6 Chlorine conversions. • Conducted 3 Records Trainings. • Conducted 8 Membrane Plant Evaluations. • Assisted in 3 Disinfectant Byproduct cases. • Provided 4 Treatment Plant Operation trainings. • Provided iron and manganese assistance to 3 water systems. • Assisted 16 water systems with disinfection problems. • Presented at 6 Texas Rural Water Association (TRWA) meetings. • Presented at 5 Texas Water Utilities Association (TWUA) meetings. <p>TOP staff and contractors delivered technical training to 2,300 attendees of the 2025 Annual Texas PDW Conference including presentations, and targeted workshops on:</p> <ul style="list-style-type: none"> • Chloramination Basics • Water Age in Distribution • Growing and Keeping Your Operators • Troubleshooting at a Surface Water Treatment Plant • Problem Solving at a Surface Water Treatment

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • Plant • Chloramine Management • Nitrification and Nitrification Action Plans • Texas Water Infrastructure Coordination Committee: Looking for Funding • Cross Connection Control- Water System Perspective • Free Chlorine Conversion Strategies • Recordkeeping at PWS • Water Quality Issues • Basic Math for Utility Calculations • Surface Water- Jar Testing Workshop • Revised Total Coliform Rule Level 1 Assessments • Special Study: Coliform Sampling Errors • Nitrification Action Plan Workshop • Filter Assessment Workshop
<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>
<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),</p>	<p>TCEQ coordinated activities with TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, TRWA, Texas section of the American Water Works Association (TAWWA), TWDB, Southwest Environmental Finance Center, Water Finance Exchange and other agencies and organizations. During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other</p>

Work Plan Deliverable	Output Provided
<p>and other organizations in support of the Capacity Development Strategy;</p>	<p>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, TCEQ, Communities Unlimited, TAWWA, TRWA, TWDB and USDA.</p> <p>TWICC guests included:</p> <ul style="list-style-type: none"> • A large city was seeking to develop groundwater sources to supplement their dwindling surface water supply. • A water supply corporation was seeking funding to permanently serve a struggling neighboring system. • A small neighborhood was seeking funding to join the adjacent water district. • A coastal municipality struggling with ongoing water and wastewater issues. • A school district that sought technical and funding assistance to replace a failing wastewater system. • A group of water systems trying to help a neighbor system who had their ground storage tank collapse. <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 General Land Office Clean Coast Texas Initiative and Moonshot Mission.</p> <p>TCEQ staff made presentations and assisted at workshops, conferences, and staff training events. There was a TWICC workshop at the 2025 Annual Texas PDW Conference and a panel discussion on funding. TWICC members also attended two TCEQ resiliency workshops, one in Kerrville focusing on drought issues in the Hill Country and one in Victoria focusing on both drought and hurricane preparedness in the Coastal Bend. Participants at these workshops had opportunities to talk to agencies one-on-one about their projects and funding needs.</p>

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>TCEQ staff participated in virtual and in-person training events, 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 two in-person drought and hurricane resiliency workshops for the Hill Country and Coastal Bend areas. The purpose of these free workshops was to discuss the challenges facing water systems in the area 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, 90 individuals attended the workshops which were held in Kerrville and Victoria, 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, and annual Public Drinking Water conference).</p>	<p>TCEQ staff and contractors participated in the 2025 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"> • Staff assessment and assistance to PWS experiencing operational, managerial, and financial problems. • Providing training to technical assistance providers and water systems directly. • Tracking and assisting nonviable PWS in restructuring. • Providing free on-site assistance through the FMT contract.

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 160 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 two (2) 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 oversaw and made assistance assignments through its FMT assistance contractor for Consolidation Assessments for small PWS.

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>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 2025, TCEQ received 347 EPPs (of which 336 were small systems). TCEQ’s WSD received 308 requests to update emergency contact information electronically. In FY 2026, 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. The Emergency Drinking Water Taskforce met monthly. As of September 1, 2025, the taskforce is tracking 11 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 2025, 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 to the Beaumont, Central Office, Corpus Christi, Dallas Fort Worth, Houston, and Midland Regions for a total of 147 attendees. Attendees included staff from multiple agencies: TCEQ, Texas General Land Office, Coast Guard, and Texas Parks and Wildlife. WSD also provided support to the Texas NDOW by participating in the phone bank RM exercise which was conducted the week of March 31, 2025. The phone bank exercise is part of the annual Full-Scale Hurricane Exercise which was held in Corpus Christi, Texas. The phone bank consisted of eleven TCEQ staff in Austin completing mock drinking water assessments in</p>

Work Plan Deliverable	Output Provided
	<p>RM. This training prepares TCEQ staff to support and document when PWS are impacted by disasters.</p> <p>Attendees to all RM training events 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 2025 trainings and conferences attended:</p> <ul style="list-style-type: none"> • EPA Water Security Test Bed: Critical Infrastructure Research • EPA Water Cybersecurity Assessment Tool: Training • EPA How to Prepare Your Wastewater Utility for Disasters Webinar • EPA Preparing for Round 2 of AWIA Webinar • EPA Texas Hybrid Power Resilience Workshop • EPA WICRD Updating Your AWIA RRA and ERP Webinar • EPA Cybersecurity 103 • EPA ORD Emergency Response Lithium-ion Battery Disposal & Emission in an Emergency Response • EPA Incorporating Supply Chain Resilience in RRAs & ERPs • EPA Cybersecurity Refresher • EPA Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Grant Program • DIR Cyber Awareness webinar: Deepfakes in the Wild - How to Prepare Your Users! • H2OsecCon 2025 Cybersecurity Training • TEEX OSHA 8 HR Refresher 2025 • TCEQ Hill Country Drought Workshop • TCEQ Waco Cybersecurity Workshop • TAWWA webcast, A Leak Proof Plan: OT Cybersecurity Guidance for Water Utilities • 2025 South Texas All Hazards Conference <p>TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and</p>

Work Plan Deliverable	Output Provided
	<p>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 Back to the Basics. The workshops covered an overview of Intro to Cybersecurity, Supply Chain Risk Management, Workplace Safety and Physical Security, and had a total of 109 attendees.</p> <p>In addition, CDM Smith also conducted a Cybersecurity Tabletop & Workshop exercise which had 25 attendees TCEQ also promoted additional resiliency training for water utilities at the 2025 PDW Conference held in August. The resiliency training included presentations on cybersecurity, drought, Texas water infrastructure, water system safety, emergency preparedness plans and what to do after a disaster this year the conference had 2,300 attendees which included small systems. The Public Drinking Water Conference is held each year in person and virtually.</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 promotes any upcoming drinking water related training 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 \$175,045 was expended for activities conducted during the Work Plan period of September 1, 2024, through August 31, 2025. Of the total estimated amount expended \$163,239 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder or approximately \$11,806 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Work Plan period of September 1, 2024, through August 31, 2025.

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 and assisted accredited laboratories with their transition to EPA’s Compliance Monitoring Data Portal (CMDP).</p> <p>TCEQ implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy criteria.</p> <p>During SFY 2025, 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"> • 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. • Coordinating with TCEQ’s laboratory accreditation group to request Fields of Accreditation (FoA) be added for PFAS.

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • Attended webinars and hands on training hosted by EPA aimed to help prepare regulators for compliance requirements. <p>During SFY 2025, 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 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"> • Developed a service line inventory portal to assist small PWS in completing their initial service line inventory. • Created instructional videos to assist systems with forms and LCRR requirements. • Maintained a Frequently Asked Questions (FAQ) page within TCEQ’s LCRR webpage to address questions as they arise. • Gave presentations on LCRR/LCRI requirements at various conferences and events including: TCEQ Environmental Trade Fair, TCEQ PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings, Texas Rural Water Association, and Texas section of the American Water Works Association (TAWWA) webinars.
<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 27, 2024 Quarter 2 on March 25, 2025 Quarter 3 on June 27, 2025 Quarter 4 by September 30, 2025.</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 2025 Annual Texas PDW Conference. The general session included presentations with an emphasis on this year's theme "Back to Basics". Additional presentations were given by TCEQ staff and contractors on topics including Lead and Copper Rule: Monitoring and Reporting, Per- and Polyfluoroalkyl Substances Rule, and Source Water Protection. 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 2,300 attendees over the two-day period.</p>

**STATE FISCAL YEAR 2025
DRINKING WATER STATE REVOLVING FUND
STATE PROGRAM MANAGEMENT
(10%) TEN PERCENT SET-ASIDE ACTIVITIES
ANNUAL REPORT**

**EPA # FS-99679528
[TCEQ Grant# 991025]**



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

Source of Funding: Federal Fiscal Year 2024 DWSRF Ten Percent Set-Aside

Submitted November 15, 2025

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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). 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) 2025 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, 2024, through August 31, 2025, 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, 2024, and August 31, 2025, 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 \$4,407,356 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 \$4,169,110 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately

STATE FISCAL YEAR 2025
DRINKING WATER STATE REVOLVING FUND (DWSRF)
STATE PROGRAM MANAGEMENT TEN PERCENT SET-ASIDE
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\$238,246, has been or is expected to be requested during the months of September 2025 through November 2025. 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 2024 and August 2025 was approximately \$4,336,535. Of this amount, approximately \$167,425 was requested for reimbursement from TWDB between September 2024 and November 2024 under the SFY2025/FFY2024 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

EPA PILLARS	TCEQ GOALS AND OBJECTIVES
<p>EPA Pillar 1: Clean Air, Land, and Water for Every American</p>	<p>TCEQ Goal 2: Drinking Water</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>TCEQ Objective 2.1</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>TCEQ Strategy 2.1.1: Safe Drinking Water</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>

<p>EPA Pillar 1: Clean Air, Land, and Water for Every American</p>	<p>TCEQ Goal 3: Enforcement and Compliance Assistance</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>TCEQ Objective 3.1:</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>TCEQ Strategy 3.1.1: Field Inspections and Complaint Response</p> <p>Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints.</p> <p>TCEQ Strategy 3.1.2: Enforcement and Compliance Support</p> <p>Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local government; 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. 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). 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, 2025, and may not include final total expenditures for each Program Element and its associated Tasks. TCEQ expended approximately \$4,407,356 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 \$4,169,110 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$238,246, has been or is expected to be requested during the months of September 2025 through November 2025. 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 2024 and August 2025 was \$4,336,535. Of this amount, approximately \$167,425 was requested for reimbursement from TWDB between September 2024 and November 2024 under the SFY2025/FFY2024 DWSRF 10% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2024 and August 2025 for the SFY25/FFY24 10% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: PWSSP Administration	Water Supply Division and Office of Compliance and Enforcement – Regional Areas	\$3,805,535	\$3,867,803	87.8%
Program Element 2: Capacity Development	Water Supply Division and Water Availability Division	\$363,575	\$539,553	12.2%
Total		\$4,169,110	\$4,407,356	100%

PROJECT SCHEDULE

TCEQ conducted the activities in the DWSRF 10% Set-Aside Work Plans over a 12-month period, which began September 1, 2024, and ended August 31, 2025 (SFY 2025).

MEASURES OF SUCCESS

The following table [Table 3: TCEQ Outcome/Output Measures] provides 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

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>2.1 oc 1 Outcome Measure</u></p> <p>Percent of Texas population served by drinking water systems meeting primary water standards.</p>	<ul style="list-style-type: none"> All Program Elements and Tasks 	<p>91.79% of Texas population served by public drinking water systems that meet drinking water standards.</p>
<p><u>2.1.1 op 1 Output Measure:</u></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p>	<ul style="list-style-type: none"> All Program Elements and Tasks 	<p>7,114 public drinking water systems that meet primary drinking water standards.</p>
<p><u>2.1.1 op 3 Output Measure:</u></p> <p>Number of district applications processed.</p>	<ul style="list-style-type: none"> Program Element 2: Task 2.1 Capacity Development – District Support 	<p>696 district applications processed</p>
<p><u>3.1 oc 2 Outcome Measure:</u></p> <p>Percentage of Water Sites with Required Investigations without Formal Enforcement.</p>	<ul style="list-style-type: none"> Program Element 1: Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation 	<p>99% of inspected or investigated water sites and facilities were in compliance.</p> <p><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></p>

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>3.1.2 op 1 Output Measure:</u></p> <p>Number of environmental laboratories accredited.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation 	<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 and is not specific to drinking water. There were 144 drinking water laboratories accredited at the end of State Fiscal Year 2025.</i></p>
<p><u>3.1.1 op 2 Output Measure:</u></p> <p>Number of investigations of sites and facilities.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation 	<p>39,230 investigations were conducted at all sites and facilities of which 5,803 were conducted at PWS.</p>
<p><u>3.1.2 ex 3 Explanatory Measure:</u></p> <p>Number of administrative enforcement orders issued (for public water systems).</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.4 PWSSP Administration – Drinking Water Enforcement 	<p>476 of administrative enforcement orders issued.</p>

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 2025.

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 \$3,867,803 was expended for activities conducted during the Work Plan period of September 1, 2024, through August 31, 2025. Of the total estimated amount expended \$3,805,535 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder or approximately \$62,268 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Work Plan period of September 1, 2024, through August 31, 2025.

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.

Work Plan Deliverable	Output Provided
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 and assisted accredited laboratories with their transition to EPA’s Compliance Monitoring Data Portal (CMDP).</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 2025, TCEQ WSD:</p> <ul style="list-style-type: none"> • Completed 7,787 Inventory requests. • Issued letters for Notice of Violation (NOV) to 3,144 PWS with a sum total of 13,399 violations. • Issued 3,420 Public Notification (PN) Rule violations to 1,606 PWS. • Referred 259 PWS with a Notice of Enforcement (NOE) on a sum total of 1,748 violations. <p>During SFY 2025, 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.</p> <p>These efforts included:</p> <ul style="list-style-type: none"> • 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 (DWAAG) meetings. • Coordinating with TCEQ’s laboratory accreditation group to request Fields of Accreditation (FoA) be added for PFAS. • Attended webinars and hands on training hosted by EPA aimed to help prepare regulators for compliance requirements.

Work Plan Deliverable	Output Provided
	<p>During SFY 2025, 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"> • Developed a service line inventory portal to assist PWS in completing their initial service line inventory. • Created instructional videos to assist systems with forms and LCRR requirements. • Maintained a Frequently Asked Questions (FAQ) page within TCEQ’s LCRR webpage to address questions as they arise. • Gave presentations on LCRR/LCRI requirements at various conferences and events including: TCEQ Environmental Trade Fair, TCEQ PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWAAG) meetings, Texas Rural Water Association, and Texas section of the American Water Works Association (TAWWA) webinars.
<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 27, 2024 Quarter 2 on March 25, 2025 Quarter 3 on June 27, 2025 Quarter 4 by September 30, 2025</p>
<p>4. Data and responses to the EPA, 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 PWS, by continuing to modify Drinking Water Watch, discussing data initiatives through stakeholder meetings, and implementing</p>

Work Plan Deliverable	Output Provided
	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 training events, 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"> • ASDWA 2024 Annual Conference • 2025 Annual Texas PDW (PDW) Conference • ASDWA 2024 and 2025 Data Management User’s Conference
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 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.
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 2025 Annual Texas PDW Conference. The general session included presentations with an emphasis on this year’s theme “Back to Basics”. Additional presentations were given by TCEQ staff and contractors on topics including Lead and Copper Rule: Monitoring and Reporting, Per- and Polyfluoroalkyl Substances Rule, and Source Water Protection. 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

Work Plan Deliverable	Output Provided
	provide on-site, in-depth support services and assistance. This event had approximately 2,300 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;	486 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;	222 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 TEEEX and Texas Rural Water Association (TRWA). Additionally, staff presented at and attended the 2025 Annual Texas PDW Conference and FY25 Biennial 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.

Work Plan Deliverable	Output Provided
	<p>TCEQ staff responded to emergency incidents 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 provided 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 39 PWS (drinking water) laboratory inspections.
2. Conduct review of applications against the provisions of the 2016 TNI NELAP standard to approve accreditation;	TCEQ conducted 33 PWS drinking water laboratory applications for amendments. TCEQ completed 140 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 and assessment 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 assessing 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 including Qualtrax to track standard operating procedures, corrective actions, and assessments.
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 chemistry in 2025. Additional training was 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
<p>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;</p>	<p>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 76 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 117 PWS enforcement cases.</p>
<p>2. Coordination, assistance, and support to EPA, PWS, TCEQ and other State agencies as it relates to Enforcement Cases for PWS;</p>	<p>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, RTCR implementation, and the Lead Service Line Inventory under Lead and Copper Rule Revisions.</p>
<p>3. Purchase of supplies, equipment and other items necessary to support the PWSSP in Texas;</p>	<p>Supplies, equipment, and other necessary items were purchased to support the PWSSP in Texas.</p>
<p>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</p>	<p>TCEQ Enforcement Division staff participated in various conference and training events virtually to share and enhance their skills and abilities. Examples include the 2025 Annual Texas PDW Conference, Texas A&M Engineering Extension Service Water System courses, and participation in the TWICC meetings.</p>
<p>5. Provision of other assistance and support services to PWS in support of the PWSSP for the state of Texas.</p>	<p>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.</p>

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 \$539,553 was expended for activities conducted during the Workplan period of September 1, 2024, through August 31, 2025, for this Program Element. Of the total estimated amount expended \$363,575 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$175,978 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Work Plan period of September 1, 2024, through August 31, 2025.

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 2025 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

Work Plan Deliverable	Output Provided
	<p>included 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, 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 PWS. Specifically, TOP:</p> <ul style="list-style-type: none"> • Executed 94 individual technical assistance assignments. • Assisted 64 systems with population of Less than 10K. • Assisted 29 systems with population Greater than 10K. • Delivered 20 Direct Assistance Modules (DAMs). • Conducted 1 Special Performance Evaluation (SPE). • Conducted 1 Mandatory Comprehensive Performance Evaluations (mCPE). • Conducted 5 Contact Time Studies. • Responded to 3 Emergency Events. • Assisted with 6 Chlorine conversions. • Conducted 3 Records Trainings. • Conducted 8 Membrane Plant Evaluations. • Assisted in 3 Disinfectant Byproduct cases. • Provided 4 Treatment Plant Operation trainings. • Provided iron and manganese assistance to 3 water systems. • Assisted 16 water systems with disinfection problems. • Presented at 6 TRWA meetings. • Presented at 5 TWUA meetings. <p>TOP staff and contractors delivered technical training to 2,300 attendees of the 2025 Annual Texas PDW Conference including presentations, and targeted workshops on:</p> <ul style="list-style-type: none"> • Chloramination Basics • Water Age in Distribution • Growing and Keeping Your Operators • Troubleshooting at a Surface Water Treatment Plant

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • Problem Solving at a Surface Water Treatment Plant • Chloramine Management • Nitrification and Nitrification Action Plans • Texas Water Infrastructure Coordination Committee: Looking for Funding • Cross Connection Control- Water System Perspective • Free Chlorine Conversion Strategies • Recordkeeping at PWS • Water Quality Issues • Basic Math for Utility Calculations • Surface Water- Jar Testing Workshop • Revised Total Coliform Rule Level 1 Assessments • Special Study: Coliform Sampling Errors • Nitrification Action Plan Workshop • Filter Assessment Workshop
<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</p>	<p>TCEQ coordinated activities with 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,</p>

Work Plan Deliverable	Output Provided
<p>Safe Drinking Water Administrators (ASDWA) and other organizations in support of the Capacity Development Strategy;</p>	<p>Water Finance Exchange 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, TCEQ, Communities Unlimited, TAWWA, TRWA, TWDB and USDA.</p> <p>TWICC guests included:</p> <ul style="list-style-type: none"> • A large was seeking funding to develop groundwater sources to supplement their dwindling surface water supply. • A water supply corporation was seeking funding to permanently serve a struggling neighboring system. • A small neighborhood was seeking funding to join the adjacent water district. • A coastal municipality struggling with ongoing water and wastewater issues. • A school district that sought technical and funding assistance to replace a failing wastewater system. • A group of water systems trying to help a neighbor system who had their ground storage tank collapse. <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 General Land Office Clean Coast Texas Initiative and Moonshot Mission.</p> <p>TCEQ staff made presentations and assisted at workshops, conferences, and staff training events. There was a TWICC workshop at the 2025 Annual Texas PDW Conference and a panel discussion on funding. TWICC members also attended two TCEQ resiliency workshops, one in Kerrville focusing on drought issues in the Hill Country and one in Victoria focusing on both drought and hurricane preparedness in the Coastal Bend. Participants at these workshops</p>

Work Plan Deliverable	Output Provided
	had opportunities to talk to agencies one-on-one about their projects and funding needs.
<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 training events, 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. Through the FMT Assistance program, TRWA helped plan and execute two in-person drought and hurricane resiliency workshops for the Hill Country and Coastal Bend areas. The purpose of these free workshops was to discuss the challenges facing water systems in the area 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, 90 individuals attended the workshops which were held in Kerrville and Victoria, 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 2025 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"> • Staff assessment and assistance to PWS experiencing operational, managerial, and financial problems. • Providing training to technical assistance providers and water systems directly. • Tracking and assisting nonviable “at-risk” PWS in restructuring.

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • Providing free on-site assistance through the FMT contract.

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 59 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 one (1) 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 oversaw and made assistance assignments through its FMT assistance contractor for 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.

Work Plan Deliverable	Output Provided
<p>1. Review, evaluation and technical assistance related to Emergency Preparedness Plans (EPP);</p>	<p>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 2025, TCEQ received 347 EPPs (of which 336 were small systems). TCEQ’s WSD received 308 requests to update emergency contact information electronically. In FY 2026, all PWS will be sent a notification request to verify current emergency contact information and to submit updates, if 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. The Emergency Drinking Water Taskforce met monthly. As of September 1, 2025, the taskforce is tracking 11 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. TCEQ held six (6) in-person training courses across the state to update staff. RM training was provided to the Beaumont, Central Office, Corpus Christi, Dallas Fort Worth, Houston, and Midland Regions for a total of 147 attendees. Attendees included staff from multiple agencies: TCEQ, Texas General Land Office, Coast Guard, and Texas Parks and Wildlife. WSD also provided support to the Texas NDOW by participating in the phone bank RM exercise which was conducted the week of March 31, 2025. The phone bank exercise is part of the annual Full-Scale Hurricane Exercise which was</p>

Work Plan Deliverable	Output Provided
	<p>held in Corpus Christi, 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 training events 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 2025 trainings and conferences attended:</p> <ul style="list-style-type: none"> • EPA Water Security Test Bed: Critical Infrastructure Research • EPA Water Cybersecurity Assessment Tool: Training • EPA How to Prepare Your Wastewater Utility for Disasters Webinar • EPA Preparing for Round 2 of AWIA Webinar • EPA Texas Hybrid Power Resilience Workshop • EPA WICRD Updating Your AWIA RRA and ERP Webinar • EPA Cybersecurity 103 • EPA ORD Emergency Response Lithium-ion Battery Disposal & Emission in an Emergency Response • EPA Incorporating Supply Chain Resilience in RRAs & ERPs • EPA Cybersecurity Refresher • EPA Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Grant Program • DIR Cyber Awareness webinar: Deepfakes in the Wild - How to Prepare Your Users! • H2OsecCon 2025 Cybersecurity Training • TEEX OSHA 8 HR Refresher 2025 • TCEQ Hill Country Drought Workshop • TCEQ Waco Cybersecurity Workshop • TAWWA webcast, A Leak Proof Plan: OT Cybersecurity Guidance for Water Utilities • 2025 South Texas All Hazards Conference • 2025 TDEM Conference

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 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 Back to the Basics. The workshops covered an overview of Intro to Cybersecurity, Supply Chain Risk Management, Workplace Safety and Physical Security, and had a total of 109 attendees.</p> <p>In addition, CDM Smith also conducted a Cybersecurity Tabletop & Workshop exercise which had 25 attendees and was well received. TCEQ also promoted additional resiliency training for water utilities at the 2025 Public Drinking Water Conference held in August.</p> <p>The resiliency training included presentations on cybersecurity, drought, Texas water infrastructure, water system safety, emergency preparedness plans and what to do after a disaster. This year, the conference had approximately 2,300 attendees. The Public Drinking Water Conference is held each year in person and virtually.</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</p>

Work Plan Deliverable	Output Provided
	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 promotes any upcoming drinking water related training provided by TCEQ, EPA, and other providers.

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;	TCEQ completed two 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, two 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 for two systems. 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 six meetings held under this grant. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for PWS;	TCEQ inventoried four SWP Areas under this grant.

Work Plan Deliverable	Output Provided
6. Identification of populations protected by a SWP Program and served by vulnerable water sources for PWS; and	TCEQ identified a population of 1,047 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 Best Management Practices (BMP) at the 2025 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.

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 696 water district applications during SFY 2025. 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 150 minor applications were received by TCEQ contractors. During SFY 2025, 148 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 thirteen (13) meetings for WCAC work groups. As a member of the Drought Preparedness Council, Staff attended ten (10) meetings during SFY 2025 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 thirteen (13) conservation reviews for water rights applications that were associated with retail PWS entities. Staff reviewed approximately 842 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 2025, Staff continued to assist entities, including retail PWS, in meeting submittal requirements for Water Conservation Plans, updated Drought Contingency Plans, and Water Conservation Implementation Reports. In addition, Staff made presentations at the 2025 TCEQ Environmental Trade Fair and the 2025 Annual Texas PDW Conference providing information and assistance to entities, including retail PWS, regarding Water Conservation and Drought Contingency Plans.</p>

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STATE PROGRAM MANAGEMENT
(10%) TEN PERCENT SET-ASIDE ACTIVITIES
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**EPA# 4D-02F54002
[TCEQ Grant# 990025]**



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

Source of Funding: Federal Fiscal Year 2024 IIJA 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 Infrastructure Investment and Jobs Act (IIJA) General Supplemental (GS) funding, administer the loan Programs and to apply for both the Base DWSRF and IIJA GS funding capitalization grants.

Through TWDB's implementation of the Federal Fiscal Year (FFY) 2024 IIJA GS funding capitalization grants with EPA, TCEQ is eligible as the primacy agency to receive set-aside funds from IIJA 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) 2025 IIJA GS 10% State Program Management Annual Report details TCEQ's progress in meeting IIJA Grant Program goals, objectives, and funding expenditures for September 1, 2024, through August 31, 2025, 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 IIJA GS 10% State Program Management Workplan, identified activities to be performed between September 1, 2024, and August 31, 2025, 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 \$5,784,516 during the grant Workplan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$4,832,874 was requested for

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reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$951,642, has been or is expected to be requested during the months of September 2025 through November 2025. Due to the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% IIJA GS set-aside does not require a match.

The total requested for reimbursement from TWDB between September 2024 and August 2025 was \$5,669,005. Of this amount, approximately \$836,131 was requested for reimbursement from TWDB between September 2024 and November 2024 under the SFY2025/FFY2024 DWSRF 10% Set-Aside Work Plan.

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 PILLARS	TCEQ GOALS AND OBJECTIVES
<p>EPA Pillar 1: Clean Air, Land, and Water for Every American</p>	<p>TCEQ Goal 2: Drinking Water</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>TCEQ Objective 2.1</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>TCEQ Strategy 2.1.1: Safe Drinking Water</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 the lead and is responsible for the overall administrative activities under the 10% IIJA GS Set-Aside Grant and the administration of the PWSSP as outlined by the SDWA (Program Element 1 and associated Tasks). Additionally, 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, 2025, and may not include final total expenditures for each Program Element and its associated Tasks. TCEQ expended approximately \$5,784,516 during the grant Workplan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$4,832,874 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$951,642, has been or is expected to be requested during the months of September 2025 through November 2025. Due to the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% IIJA GS set-aside does not require a match. Activities were performed as described in the Workplan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2024 and August 2025 was \$5,669,005. Of this amount, approximately \$836,131 was requested for reimbursement from TWDB between September 2024 and November 2024 under the SFY2025/FFY2024 DWSRF 10% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2024 and August 2025 for the SFY25/FFY24 10% IIJA GS Set-Aside Workplan	Total Expended During Grant Period	Percent of Total
Program Element 1: PWSSP Administration	Water Supply Division	\$2,964,685	\$3,535,858	61%
Program Element 2: Capacity Development	Water Supply Division	\$1,868,189	\$2,248,658	39%
Total		\$4,832,874	\$5,784,516	100%

PROJECT SCHEDULE

TCEQ conducted the activities in the DWSRF 10% Set-Aside Workplans over a 12-month period, which began September 1, 2024, and ended August 31, 2025 (SFY 2025).

MEASURES OF SUCCESS

The following table [Table 3: TCEQ Outcome/Output Measures] provides the results of the activities implemented under IIJA GS 10% Workplan. These measures were previously identified in IIJA GS 10% Workplan under each Program Element and Task combination:

Table 3: TCEQ Outcome/Output Measures

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>2.1 oc 1 Outcome Measure</u></p> <p>Percent of Texas population served by drinking water systems meeting primary water standards.</p>	<ul style="list-style-type: none"> All Program Elements and Tasks 	<p>91.79% of Texas population served by public drinking water systems that meet drinking water standards.</p>
<p><u>2.1.1 op 1 Output Measure:</u></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p>	<ul style="list-style-type: none"> All Program Elements and Tasks 	<p>7,114 public drinking water systems that meet primary drinking water standards.</p>

PROGRAM ELEMENTS, TASKS, DELIVERABLES and OUTPUTS

The following describes the Workplan deliverables and outputs provided for the Program Elements and Tasks identified in the 10% IIJA GS Workplan for SFY 2025.

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 \$3,535,858 was expended for activities conducted during the Workplan period of September 1, 2024, through August 31, 2025. Of the total estimated amount expended \$2,964,685 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder or approximately \$571,173 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Workplan period of September 1, 2024, through August 31, 2025.

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; IIJA 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.

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.

Workplan Deliverable	Output Provided
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

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Workplan 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 and assisted accredited laboratories with their transition to EPA’s Compliance Monitoring Data Portal (CMDP).</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 2025, TCEQ WSD:</p> <ul style="list-style-type: none"> • Completed 7,787 Inventory requests. • Issued letters for Notice of Violation (NOV) to 3,144 PWS with a sum total of 13,399 violations. • Issued 3,420 Public Notification (PN) Rule violations to 1,606 PWS. • Referred 259 PWS with a Notice of Enforcement (NOE) on a sum total of 1,748 violations. <p>During SFY 2025, 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"> • Giving presentations on NPDWR PFAS requirements at various conferences and events including: TCEQ Environmental Trade Fair, TCEQ Public Drinking Water (PDW) Conference, and TCEQ quarterly Drinking Water Advisory Working Group (DWA WG) meetings. • Coordinating with TCEQ’s laboratory accreditation group to request Fields of Accreditation (FoA) be added for PFAS. • Attended webinars and hands on training hosted by EPA aimed to help prepare regulators for compliance requirements. <p>During SFY 2025, TCEQ’s Lead and Copper Monitoring Team (LCMT) within the DWSS made</p>

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Workplan Deliverable	Output Provided
	<p>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"> • Developed a service line inventory portal to assist PWS in completing their initial service line inventory. • Created instructional videos to assist systems with forms and LCRR requirements. • Maintained a Frequently Asked Questions (FAQ) page within TCEQ’s LCRR webpage to address questions as they arise. • Gave presentations on LCRR/LCRI requirements at various conferences and events including: TCEQ Environmental Trade Fair, Annual TCEQ PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWA WG) meetings, Texas Rural Water Association, and Texas section of the American Water Works Association (TAWWA) webinars.
<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 27, 2024 Quarter 2 on March 25, 2025 Quarter 3 on June 27, 2025 Quarter 4 by September 30, 2025</p>
<p>4. Data and responses to the EPA, 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 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</p>

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Workplan Deliverable	Output Provided
	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 training events, 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"> • ASDWA 2024 Annual Conference • 2025 Annual Texas PDW (PDW) Conference • ASDWA 2024 & 2025 Data Management User’s Conference
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 2025 Annual Texas PDW Conference. The general session included presentations with an emphasis on this year’s theme “Back to Basics”. Additional presentations were given by TCEQ staff and contractors on topics including Lead and Copper Rule: Monitoring and Reporting, Per- and Polyfluoroalkyl Substances Rule, and Source Water Protection. 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

Workplan Deliverable	Output Provided
	assistance. This event had approximately 2,300 attendees over the two-day period.

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.

Workplan 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 rd party sampling contract solicited specifically for contaminants of emerging concern. From that contract, 1,018 Per- and Polyfluoroalkyl Substances (PFAS) samples were collected from 847 systems.
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’s contractor performed Comprehensive Literature Review of Available Toxicity Information, and Calculation of Numeric Translators for Contaminants of Emerging Concern (CEC).
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.

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Workplan Deliverable	Output Provided
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 training events, 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"> • ASDWA 2024 Annual Conference • 2025 Annual Texas PDW (PDW) Conference • ASDWA 2024 & 2025 Data Management User’s Conference
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 847 systems) and conducted confirmation sampling when results noted extremes over the MCL.
9. Provision of other assistance and support services to PWS in support of the PWSSP for the State of Texas	During SFY 2025, 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: <ul style="list-style-type: none"> • 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. • Coordinated with TCEQ’s laboratory accreditation group to request Fields of Accreditation (FoA) be added for PFAS.

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.

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Workplan 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 2025 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 DWAWG 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, 2025 Annual PDW Conference, TCEQ quarterly Drinking Water Advisory Working Group (DWAWG) meetings, Texas Rural Water Association, and TAWWA webinars.
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	TCEQ staff participated in virtual and in-person training events, 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"> • ASDWA 2024 Annual Conference • 2025 Annual Texas PDW Conference • ASDWA 2024 & 2025 Data Management User’s Conference

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 STATE PROGRAM MANAGEMENT TEN PERCENT SET-ASIDE
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Workplan Deliverable	Output Provided
<p>6. Provision of other assistance and support services to PWS in support of the PWSSP for the state of Texas.</p>	<p>During SFY 2025, 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 part of these efforts they:</p> <ul style="list-style-type: none"> • Developed a service line inventory portal to assist PWS in completing their initial service line inventory. • Created instructional videos to assist systems with forms and LCRR requirements. • Maintained a Frequently Asked Questions (FAQ) page within TCEQ’s LCRR webpage to address questions as they arise. • Gave presentations on LCRR/LCRI 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 Rural Water Association, and TAWWA webinars.

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 \$2,248,658 was expended for activities conducted during the Workplan period of September 1, 2024, through August 31, 2025, for this Program Element. Of the total estimated amount expended \$1,868,189 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$380,469 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Workplan period of September 1, 2024, through August 31, 2025.

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.

Workplan 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 2025 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

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Workplan Deliverable	Output Provided
	<p>included 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, 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 PWS. Specifically, TOP:</p> <ul style="list-style-type: none"> • Executed 94 individual technical assistance assignments. • Assisted 64 systems with population of Less than 10K. • Assisted 29 systems with population Greater than 10K. • Delivered 20 Direct Assistance Modules (DAMs). • Conducted 1 Special Performance Evaluation (SPE). • Conducted 1 Mandatory Comprehensive Performance Evaluations (mCPE). • Conducted 5 Contact Time Studies. • Responded to 3 Emergency Events. • Assisted with 6 Chlorine conversions. • Conducted 3 Records Trainings. • Conducted 8 Membrane Plant Evaluations. • Assisted in 3 Disinfectant Byproduct cases. • Provided 4 Treatment Plant Operation trainings. • Provided iron and manganese assistance to 3 water systems. • Assisted 16 water systems with disinfection problems. • Presented at 6 TRWA meetings. • Presented at 5 Texas Water Utilities Association (TWUA) meetings. <p>TOP staff and contractors delivered technical training to 2,300 attendees of the 2025 Annual Texas PDW Conference including presentations, and targeted workshops on:</p> <ul style="list-style-type: none"> • Chloramination Basics • Water Age in Distribution • Growing and Keeping Your Operators • Troubleshooting at a Surface Water Treatment

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Workplan Deliverable	Output Provided
	Plant <ul style="list-style-type: none"> • Problem Solving at a Surface Water Treatment Plant • Chloramine Management • Nitrification and Nitrification Action Plans • Texas Water Infrastructure Coordination Committee: Looking for Funding • Cross Connection Control- Water System Perspective • Free Chlorine Conversion Strategies • Recordkeeping at PWS • Water Quality Issues • Basic Math for Utility Calculations • Surface Water- Jar Testing Workshop • Revised Total Coliform Rule Level 1 Assessments • Special Study: Coliform Sampling Errors • Nitrification Action Plan Workshop • Filter Assessment Workshop
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.
5. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee	TCEQ coordinated activities with 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,

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Workplan Deliverable	Output Provided
<p>(TWICC), the Association of Safe Drinking Water Administrators (ASDWA) and other organizations in support of the Capacity Development Strategy;</p>	<p>Water Finance Exchange 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.</p> <p>TWICC guests included:</p> <ul style="list-style-type: none"> • A large city was seeking funding to develop groundwater sources to supplement their dwindling surface water supply. • A water supply corporation was seeking funding to permanently serve a struggling neighboring system. • A small neighborhood was seeking funding to join the adjacent water district. • A coastal municipality struggling with ongoing water and wastewater issues. • A school district that sought technical and funding assistance to replace a failing wastewater system. • A group of water systems trying to help a neighbor system who had their ground storage tank collapse. <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 General Land Office Clean Coast Texas Initiative and Moonshot Mission.</p> <p>TCEQ staff made presentations and assisted at workshops, conferences, and staff training events. There was a TWICC workshop at the 2025 Annual Texas PDW Conference and a panel discussion on funding. TWICC members also attended two TCEQ resiliency workshops, one in Kerrville focusing on drought issues in the Hill Country and one in Victoria focusing on both drought and hurricane preparedness in the Coastal Bend. Participants at these workshops</p>

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Workplan Deliverable	Output Provided
	had opportunities to talk to agencies one-on-one about their projects and funding needs.
<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 training events, 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. Through the FMT Assistance program, TRWA helped plan and execute two in-person drought and hurricane resiliency workshops for the Hill Country and Coastal Bend areas. The purpose of these free workshops was to discuss the challenges facing water systems in the area 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, 90 individuals attended the workshops which were held in Kerrville and Victoria, 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 2025 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"> • Staff assessment and assistance to PWS experiencing operational, managerial, and financial problems. • Providing training to technical assistance providers and water systems directly. • Tracking and assisting nonviable “at-risk” PWS in restructuring.

Workplan Deliverable	Output Provided
	<ul style="list-style-type: none"> • Providing free on-site assistance through the FMT contract.

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.

Workplan 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 166 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 two (2) 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 oversaw and made assistance assignments through its FMT assistance contractor for 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.

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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.

Workplan Deliverable	Output Provided
<p>1. Review, evaluation and technical assistance related to Emergency Preparedness Plans (EPP);</p>	<p>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 2025, TCEQ received 347 EPPs (of which 336 were small systems). TCEQ’s WSD received 308 requests to update emergency contact information electronically. In FY 2026, all PWS will be sent a notification request to verify current emergency contact information and to submit updates, as needed.</p>
<p>2. SCADA and Cybersecurity Technical Assistance</p>	<p>In SFY 2025, there were nineteen (19) 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 & Infrastructure Security Agency (CISA), EPA, and FBI. In addition, TCEQ continues to update 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 PWS.</p>
<p>3. 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. The Emergency Drinking Water Taskforce met monthly. As of September 1, 2025, the taskforce is tracking 11 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>

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Workplan Deliverable	Output Provided
	<p>TCEQ held six (6) in-person training courses across the state to update staff. RM training was provided to the Beaumont, Central Office, Corpus Christi, Dallas Fort Worth, Houston, and Midland Regions for a total of 147 attendees. Attendees included staff from multiple agencies: TCEQ, Texas General Land Office, Coast Guard, and Texas Parks and Wildlife.</p> <p>WSD also provided support to the Texas NDOW by participating in the phone bank RM exercise which was conducted the week of March 31, 2025. The phone bank exercise is part of the annual Full-Scale Hurricane Exercise, which was held in Corpus Christi, 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 training events 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>4. 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 2025 trainings and conferences attended:</p> <ul style="list-style-type: none"> • EPA Water Security Test Bed: Critical Infrastructure Research • EPA Water Cybersecurity Assessment Tool: Training • EPA How to Prepare Your Wastewater Utility for Disasters Webinar • EPA Preparing for Round 2 of AWIA Webinar • EPA Texas Hybrid Power Resilience Workshop • EPA WICRD Updating Your AWIA RRA and ERP Webinar • EPA Cybersecurity 103 • EPA ORD Emergency Response Lithium-ion Battery Disposal & Emission in an Emergency Response • EPA Incorporating Supply Chain Resilience in RRAs & ERPs • EPA Cybersecurity Refresher • EPA Midsize and Large Drinking Water System

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Workplan Deliverable	Output Provided
	<p>Infrastructure Resilience and Sustainability Grant Program</p> <ul style="list-style-type: none"> • DIR Cyber Awareness webinar: Deepfakes in the Wild - How to Prepare Your Users! • H2OsecCon 2025 Cybersecurity Training • TEEEX OSHA 8 HR Refresher 2025 • TCEQ Hill Country Drought Workshop • TCEQ Waco Cybersecurity Workshop • TAWWA webcast, A Leak Proof Plan: OT Cybersecurity Guidance for Water Utilities • 2025 South Texas All Hazards Conference • 2025 TDEM Conference <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 Back to the Basics. The workshops covered an overview of Intro to Cybersecurity, Supply Chain Risk Management, Workplace Safety and Physical Security, and had a total of 109 attendees. In addition, CDM Smith also conducted a Cybersecurity Tabletop & Workshop exercise which had 25 attendees. TCEQ also promoted additional resiliency training for water utilities at the 2025 PDW Conference held in August. The resiliency training included presentations on: cybersecurity, drought, Texas water infrastructure, water system safety, emergency preparedness plans and what to do after a disaster this year the conference had 2,300 attendees. The Public Drinking Water Conference is held each year in person and virtually.</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</p>

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Workplan Deliverable	Output Provided
	<p>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 promotes any upcoming drinking water related training 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.

Workplan Deliverable	Output Provided
<p>1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for PWS;</p>	<p>TCEQ completed six (6) SWP assessments using this grant. TCEQ Staff provided support toward other assessments. A total of six (6) PWS were evaluated in two (2) counties under this grant.</p>
<p>2. Implemented SWP Programs in various areas of the State for PWS</p>	<p>TCEQ completed 24 SWP Plans, six (6) SWP plans were completed using this grant. TCEQ Staff provided support toward other assessments.</p>
<p>3. Best management practices developed to implement SWP for PWS;</p>	<p>TCEQ implemented best management practices for six (6) PWS under this grant. TCEQ Staff provided support toward other assessments.</p>

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<p>4. Meetings and site visits in order to facilitate the creation of SWP Programs with PWS;</p>	<p>SWP participants attended 18 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.</p>
<p>5. Evaluation of potential source of contamination inventories for PWS;</p>	<p>TCEQ inventoried eight (8) SWP Areas under this grant.</p>
<p>6. Identification of populations protected by a SWP Program and served by vulnerable water sources for PWS; and</p>	<p>Using this grant, TCEQ identified a population of 1,273 protected by a SWP Program and served by vulnerable water sources in six (6) PWS. TCEQ Staff provided support toward other assessments.</p>
<p>7. Other activities in support of the SWP Program within the State of Texas.</p>	<p>Staff gave presentations on SWP and Best Management Practices (BMP) at the 2025 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.</p>

**STATE FISCAL YEAR 2025
DRINKING WATER STATE REVOLVING FUND
LOCAL ASSISTANCE
(15%) FIFTEEN PERCENT SET-ASIDE ACTIVITIES
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**EPA # FS-99679528
[TCEQ Grant# 991525]**



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

**Source of Funding: Federal Fiscal Year 2024 DWSRF Fifteen Percent Set-
Aside**

Submitted November 15, 2025

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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). 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) 2025 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, 2024, through August 31, 2025, 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, 2024, and August 31, 2025, 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 \$3,772,845 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$327,155 has been or is expected to be requested during the

months of September 2025 through November 2025. No match is required; the 15% DWSRF Set-Aside does not require a match.

The total requested for reimbursement from TWDB between September 2024 and August 2025 was \$4,060,807. Of this amount, approximately \$287,962 was requested for reimbursement from TWDB between September 2024 and November 2024 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

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
<p>EPA Pillar 1: Clean Air, Land, and Water for Every American</p>	<p>TCEQ Goal 02: Drinking Water</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>TCEQ Objective 2.1</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>TCEQ Strategy 2.1.1: Safe Drinking Water</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. 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, 2025, 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 \$3,772,845 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$327,155 has been or is expected to be requested during the months of September 2025 through November 2025. 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.

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Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2024 and August 2025 for the SFY25/FFY24 15% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: Source Water Protection Programs	Water Supply Division	\$200,000	\$200,000	5 %
Program Element 2: Capacity Development	Water Supply Division	\$3,572,845	\$3,900,000	95 %
Total		\$3,772,845	\$4,100,000	100%

PROJECT SCHEDULE

TCEQ conducted the activities in the DWSRF 15% Set-Aside Work Plans over a 12-month period, which began September 1, 2024, and ended August 31, 2025 (SFY 2025).

MEASURES OF SUCCESS

The following table [Table 3: TCEQ Outcome/Output Measures] provides 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

TCEQ Outcome/Output Measure	Program Element/Task	Outcome/Output
<u>2.1 oc 1 Outcome Measure</u> Percent of Texas population served by	<ul style="list-style-type: none"> All Program Elements and Tasks 	91.79% of Texas population served by public drinking water systems that meet

TCEQ Outcome/Output Measure	Program Element/Task	Outcome/Output
drinking water systems meeting primary water standards.		drinking water standards.
<u>2.1.1 op 1 Output Measure:</u> Number of public drinking water systems that meet primary drinking water standards.	<ul style="list-style-type: none"> All Program Elements and Tasks 	7,114 public drinking water systems that meet primary drinking water standards.

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 2025.

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, 2024, through August 31, 2025. Of the total estimated amount expended, \$200,000 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$0 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Work Plan period of September 1, 2024, through August 31, 2025.

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.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to	TCEQ completed twelve (12) SWP assessments under this grant. TCEQ Staff provided support toward other assessments.

Work Plan Deliverable	Output Provided
contamination for PWS;	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 and close out meeting. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for PWS;	TCEQ inventoried 26 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 255,977 protected by a SWP Program and served by vulnerable water sources in twelve (12) 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 Best Management Practices (BMP) at the 2025 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, 2024, through August 31, 2025. Of the total estimated amount expended \$3,572,845 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2024, through August 31, 2025, and the remainder, or approximately \$327,155 has been or is expected to be requested during the months of September 2025 through November 2025. All work was performed during the designated Work Plan period of September 1, 2024, through August 31, 2025.

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 2025 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, 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 PWS. Specifically, TOP:</p> <ul style="list-style-type: none"> • Executed 94 individual technical assistance assignments. • Assisted 64 systems with population of Less than 10K. • Assisted 29 systems with population Greater than 10K. • Delivered 20 Direct Assistance Modules (DAMs). • Conducted 1 Special Performance Evaluation (SPE). • Conducted 1 Mandatory Comprehensive Performance Evaluations (mCPE). • Conducted 5 Contact Time Studies. • Responded to 3 Emergency Events. • Assisted with 6 Chlorine conversions. • Conducted 3 Records Trainings. • Conducted 8 Membrane Plant Evaluations. • Assisted in 3 Disinfectant Byproduct cases. • Provided 4 Treatment Plant Operation trainings. • Provided iron and manganese assistance to 3 water systems. • Assisted 16 water systems with disinfection problems. • Presented at 6 Texas Rural Water Association (TRWA) meetings. • Presented at 5 Texas Water Utilities Association (TWUA) meetings. <p>TOP staff and contractors delivered technical training to 2,300 attendees of the 2025 Annual Texas PDW Conference including presentations, and targeted workshops on:</p> <ul style="list-style-type: none"> • Chloramination Basics • Water Age in Distribution • Growing and Keeping Your Operators • Troubleshooting at a Surface Water Treatment Plant

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • Problem Solving at a Surface Water Treatment Plant • Chloramine Management • Nitrification and Nitrification Action Plans • Texas Water Infrastructure Coordination Committee: Looking for Funding • Cross Connection Control- Water System Perspective • Free Chlorine Conversion Strategies • Recordkeeping at PWS • Water Quality Issues • Basic Math for Utility Calculations • Surface Water- Jar Testing Workshop • Revised Total Coliform Rule Level 1 Assessments • Special Study: Coliform Sampling Errors • Nitrification Action Plan Workshop • Filter Assessment Workshop
<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</p>	<p>TCEQ coordinated activities with TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, TRWA, Texas section of the American Water Works Association (TAWWA), TWDB, Southwest Environmental Finance Center, Water Finance Exchange and other agencies and organizations.</p>

Work Plan Deliverable	Output Provided
<p>Administrators (ASDWA), and other organizations in support of the Capacity Development Strategy.</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, TCEQ, Communities Unlimited, TAWWA, TRWA, TWDB and USDA.</p> <p>TWICC guests included:</p> <ul style="list-style-type: none"> • A large city was seeking funding to develop groundwater sources to supplement their dwindling surface water supply. • A water supply corporation was seeking funding to permanently serve a struggling neighboring system. • A small neighborhood was seeking funding to join the adjacent water district. • A coastal municipality struggling with ongoing water and wastewater issues. • A school district had sought technical and funding assistance to replace a failing wastewater system. • A group of water systems trying to help a neighbor system who had their ground storage tank collapse. <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 General Land Office Clean Coast Texas Initiative and Moonshot Mission. TCEQ staff made presentations and assisted at workshops, conferences, and staff training events. There was a TWICC workshop at the 2025 Annual Texas PDW Conference and a panel discussion on funding. TWICC members also attended two TCEQ resiliency workshops, one in Kerrville focusing on drought issues in the Hill Country and one in Victoria focusing on both drought and hurricane preparedness in the Coastal Bend. Participants at these workshops had opportunities to talk to agencies one-on-one about their projects and funding needs.</p>

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>TCEQ staff participated in virtual and in-person training events, 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. Through the FMT Assistance program, TRWA helped plan and execute two in-person drought and hurricane resiliency workshops for the Hill Country and Coastal Bend areas. The purpose of these free workshops was to discuss the challenges facing water systems in the area 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, 90 individuals attended the workshops which were held in Kerrville and Victoria, TX.</p>
<p>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>	<p>TCEQ staff and contractors participated in the 2025 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"> • Staff assessment and assistance to PWS experiencing operational, managerial, and financial problems. • Providing training to technical assistance providers and water systems directly. • Tracking and assisting nonviable “at-risk” PWS in restructuring. • Providing free on-site assistance through the FMT contract.

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;	Under this grant, TCEQ, through its FMT Assistance contractor, completed 610 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 31 FMT Assistance assignments for the purpose of training and assisting PWS on specific FMT weaknesses identified during FMT Capacity Assessments.
2. Assessment and reporting on DWSRF applicants; and	Under this grant, TCEQ's FMT Contractor conducted 38 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 61 TCEQ-administered special assignments that ranged from providing a system with hands-on leak detection training to presenting on NAPs at a Texas Water Utilities Association (TWUA) Citrus District 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
<p>1. Review, evaluation and technical assistance related to Emergency Preparedness Plans (EPP);</p>	<p>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 2025, TCEQ received 347 EPPs (of which 336 were small systems). TCEQ’s WSD received 308 requests to update emergency contact information electronically. In FY 2026, all PWS will be sent a notification request to verify current emergency contact information and to submit updates, if 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. The Emergency Drinking Water Taskforce met monthly. As of September 1, 2025, the taskforce is tracking 11 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. TCEQ held six (6) in-person training courses across the state to update staff. RM training was provided to the Beaumont, Central Office, Corpus Christi, Dallas Fort Worth, Houston, and Midland Regions for a total of 147 attendees. Attendees included staff from multiple agencies: TCEQ, Texas General Land Office, Coast Guard, and Texas Parks and Wildlife. WSD also provided support to the Texas NDOW by participating in the phone bank RM exercise which was conducted the week of March 31, 2025. The phone bank exercise is part of the annual Full-Scale Hurricane Exercise which was held in Corpus Christi, 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</p>

Work Plan Deliverable	Output Provided
	<p>and document when PWS are impacted by disasters.</p> <p>Attendees to all RM training events 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 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 2025 trainings and conferences attended:</p> <ul style="list-style-type: none"> • EPA Water Security Test Bed: Critical Infrastructure Research • EPA Water Cybersecurity Assessment Tool: Training • EPA How to Prepare Your Wastewater Utility for Disasters Webinar • EPA Preparing for Round 2 of AWIA Webinar • EPA Texas Hybrid Power Resilience Workshop • EPA WICRD Updating Your AWIA RRA and ERP Webinar • EPA Cybersecurity 103 • EPA ORD Emergency Response Lithium-ion Battery Disposal & Emission in an Emergency Response • EPA Incorporating Supply Chain Resilience in RRAs & ERPs • EPA Cybersecurity Refresher • EPA Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Grant Program • DIR Cyber Awareness webinar: Deepfakes in the Wild - How to Prepare Your Users! • H2OsecCon 2025 Cybersecurity Training • TEEX OSHA 8 HR Refresher 2025 • TCEQ Hill Country Drought Workshop • TCEQ Waco Cybersecurity Workshop • TAWWA webcast, A Leak Proof Plan: OT Cybersecurity Guidance for Water Utilities • 2025 South Texas All Hazards Conference • 2025 TDEM Conference <p>TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and</p>

Work Plan Deliverable	Output Provided
	to maintain a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.
<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 Back to the Basics. The workshops covered an overview of Intro to Cybersecurity, Supply Chain Risk Management, Workplace Safety and Physical Security, and had a total of 109 attendees.</p> <p>In addition, CDM Smith also conducted a Cybersecurity Tabletop & Workshop exercise which had 25 attendees and was well received. TCEQ also promoted additional resiliency training for water utilities at the 2025 Public Drinking Water Conference held in August. The resiliency training included presentations on cybersecurity, drought, Texas water infrastructure, water system safety, emergency preparedness plans and what to do after a disaster this year the conference had 2,300 attendees. The Public Drinking Water Conference is held each year in person and virtually. 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). 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. 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</p>

Work Plan Deliverable	Output Provided
	these meetings has presentations, the information covered during each meeting and promotes any upcoming drinking water related training provided by TCEQ, EPA, and other providers.