

STATE OF TEXAS

# Annual Report

## Drinking Water State Revolving Fund

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



SFY 2020

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

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- A. SFY 2020 Annual Financial Report – DWSRF Financial Statements
- B. TCEQ – Small Systems Technical Assistance 2020 Annual Report
- C. TCEQ – State Management Program 2020 Annual Report
- D. TCEQ – Local Assistance 2020 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 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) 2020 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 2020, which was from September 1, 2019, through August 31, 2020.

The SFY 2020 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, 2019, 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 2020, federal DWSRF regulations, and program rules. TWDB staff reviewed, scored, and ranked all submissions based on the requirements set forth in TWDB rules and criteria established for SFY 2020. 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, all eligible projects were invited to apply for assistance and funding was awarded on a first-come, first-served basis.

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.

Despite the Coronavirus Pandemic dramatically altering the way staff at the TWDB work, staff have been able to continue normal operations for the DWSRF. The Federal Fiscal Year (FFY) 2019 Appropriations authorized a \$86,225,000 federal capitalization grant that was used for the SFY 2020 IUP. The TWDB set the SFY 2020 DWSRF program capacity at \$250,000,000. Beginning with SFY 2020, a non-equivalency funding options was offered to applicants with a reduced interest rate subsidy. Applicants for equivalency project funding, those that required compliance with all federal cross-cutter requirements, were able to receive an interest rate subsidy of 155 basis points below market rates. Non-equivalency projects, those that did not need to comply with all the federal requirements, were able to receive an interest rate subsidy of 125 basis points below market rates.

In addition to the EPA capitalization grant, the Texas DWSRF utilizes additional state funding sources to increase the program capacity. The additional available resources include the required state match of 20 percent of the grant, principal repayments from previous DWSRF loans, interest and investment earnings, and, as necessary, revenue bonds issued by the TWDB to fund project demand in excess of available cash on hand. During SFY 2020, utilizing all the funding sources mentioned, the TWDB made 64 DWSRF commitments totaling over \$470 million.

At the time of writing this annual report, the TWDB proposed amendments to the SFY 2020 IUP to adjust the interest rate subsidies awarded to projects. The proposed amendments balance the high demand for program funds, historically low interest rates, and the need to maintain the DWSRF into perpetuity. Should the Board approve the amendments, all commitments made after the effective date of the amended IUP would be subject to a minimum interest rate per maturity excluding funding offered at a zero percent (0%) interest rate or as principal forgiveness.

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.

## 2. Goals and Achievements

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

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

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

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

The TWDB continued efforts to promote the use of green infrastructure and technologies by setting a goal of committing an equivalent of 10 percent of the capitalization grant, or \$8,622,500, to approved green project costs via a Green Project Reserve. The TWDB enhanced the Green Project Reserve goal with the inclusion of a Green Subsidy category, which offered additional subsidy assistance to projects that contained green components equal to or greater than 30 percent of their total project costs. For more information on projects identified for Green Project Reserve goals and Green Subsidy amounts, please see 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 2020, 24 projects took advantage of terms greater than 20-years. Details on loan terms for these projects may be found in Appendix B.

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

On June 2, 2020, the TWDB issued bonds for the DWSRF program. The capacity remained at \$250,000,000 for SFY 2020 based on a 10-year averaged capacity from SFYs 2020-2029.

- 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.*

During SFY 2015, the TWDB secured approval from the State Legislature during the 84th Legislative Session to cross-collateralize the CWSRF with the DWSRF. The TWDB utilized cross-collateralization when issuing bonds to support both programs during SFY 2020.

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

The TWDB hosted several Financial Assistance workshops during the SFY before the Coronavirus Pandemic halted all state government travel in March 2020. In the months preceding the halt, 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 as Appendix A-19.

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

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

The TWDB continued efforts to prioritize urgent need projects through outreach efforts, technical assistance, and utilization of urgent need funding. Eligible projects could receive principal forgiveness or a reduced interest rate on financing. By offering this funding, the objective was to assist communities with projects that addressed an imminent peril to public health, safety, environment or welfare with a threat of failure in response to an emergency condition were given higher preference for immediate assistance. During SFY 2020, no projects meeting these criteria applied for DWSRF funding.

- 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 2020, staff extended outreach to these identified systems to explain the DWSRF application process and encouraging them to apply for funding. As of August 31, 2020, only one system has submitted a project information form for funding consideration. Details of the progress made may be found in Section 8, Program Initiatives.

- 8.** *Continue to implement the TWDB's AMPSS and CPA to Go initiatives.*

The TWDB continued to offer the Asset Management Program for Small Systems (AMPSS) and the CFO to Go (formerly CPA to Go) during the SFY. With AMPSS, the original six communities that received financial assistance to create asset management plans continued their progress toward completion. During SFY 2020, any eligible entity, not just small systems, was eligible to receive zero percent financing to development applicable AMPSS deliverables. During SFY 2020, TWDB staff began coordinating with three SRF borrowers under the CFO to Go initiative. These entities have received free financial consulting expertise used to identify deficiencies in operations and develop corrective plans to address them. Details of the progress made on the six AMPSS plans and the three 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.*

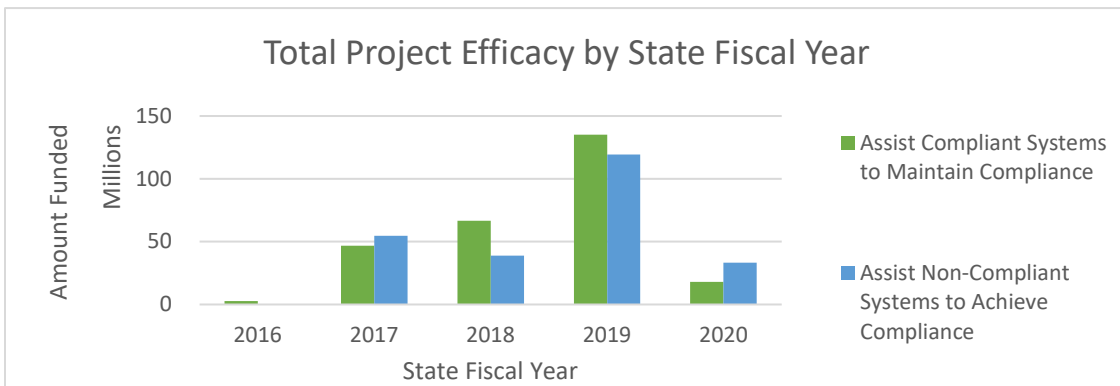
The long-term financial health of the DWSRF is monitored through ongoing cash flow and capacity analyses. Efficient and effective use of program resources remained a top priority of the program, especially given the economic pressure of low interest and investment rates. The TWDB lending rate policy 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.

At the time of writing this annual report, the TWDB has proposed amending the SFY 2020 IUP to address the demand for program funds exceeding the capacity set for the program year. The applications under the SFY 2020 IUP would be subject to a minimum interest rate per maturity. The minimum annual interest rate (per maturity for bonds or for each interest payment for loans) for the Thomson Reuters Municipal Market Data (MMD) rating scale and for Non-rated securities for both Equivalency and Non-Equivalency funding adjusted for yield to maturity is:

| AAA   | AA    | A     | Baa and Non-rated |
|-------|-------|-------|-------------------|
| 0.45% | 0.60% | 0.80% | 1.10%             |

The minimum interest rate would apply to all commitments made after the effective date of the amended IUP. The minimum interest rate would not apply to any portion of financing that is offered at zero percent (0%) under any funding option nor does it impact any eligible principal forgiveness category funding. These amendments will be presented to the Board for consideration during SFY 2021.

### 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 2020, the TWDB provided DWSRF funds totaling over \$51 million to 15 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 National Information Management System (NIMS) and Project and Benefits Reporting (PBR) databases as required. The TWDB did experience a decrease in the number of projects and the amount awarded to projects that will resolve or avoid compliance issues during SFY 2020.

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 in the form of principal forgiveness.*

The TWDB provided funding commitments during SFY 2020 to all eligible projects that submitted a complete application for assistance, except for those that withdrew or have applications still pending, thereby ensuring water systems within the state achieved or maintained compliance with the SDWA. Through the approval of leveraging and cross-collateralization with the CWSRF program, the TWDB can increase the capacity of low-interest funding options.

To encourage entities to use the DWSRF, reductions from market interest rates on financing were provided to recipients in the form of a 155 basis point reduction for equivalency projects and a 125 basis points reduction for non-equivalency projects. The resulting effects were substantial cost savings for the communities. To provide additional savings to disadvantaged communities, green projects, urgent need, and very small systems, the TWDB allocated \$30,000,000 of additional subsidy as shown in the SFY 2020 IUP.

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

Through the promotion of effective management, the TWDB provides additional prioritization points to drinking water systems that demonstrate a commitment to effective utility management practices. Categories in which systems may demonstrate their ability to maintain the level of financial, managerial and technical capacity include asset management, implementation of water plans, water conservation strategies, use of reclaimed water, and projects increasing energy efficiencies.

Additionally, the TWDB continued to support two programs to assist communities with effective financial, managerial, and technical capacity. The first is the Asset Management Program for Small Systems, or AMPSS. The program is intended to assist small, rural wastewater systems with the development and implementation of an asset management plan and other management tools through use of program funds. The second is the "CFO to Go" Initiative. The TWDB will contract with Certified Public Accountants (CPA) to provide agreed upon 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 (AMPSS) and CFO to Go Initiative, respectively.

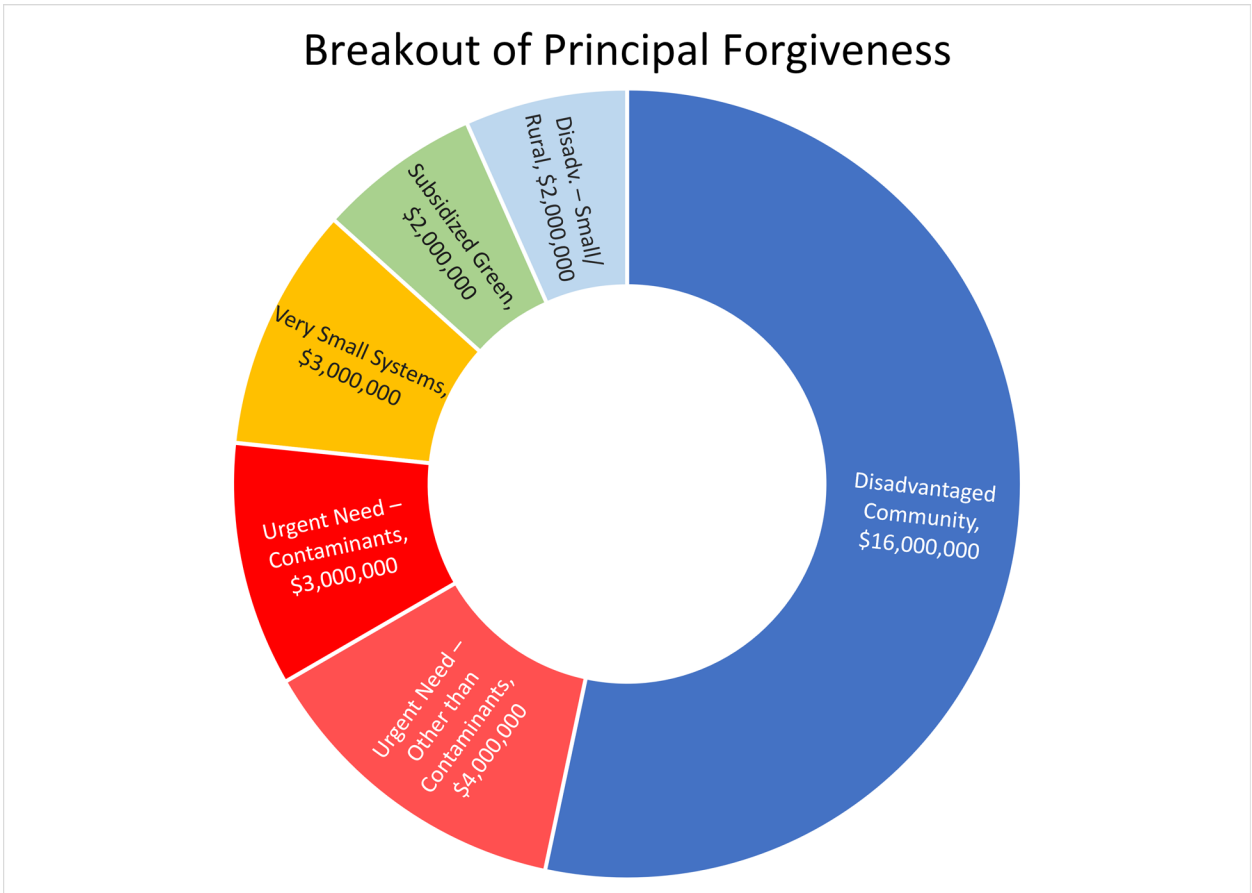
### 3. Subsidies to Promote Sustainability

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 2020, 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 subsidy for system upgrades and replacements. The TWDB initially made available \$16,000,000, of additional subsidy for qualifying disadvantaged communities. An additional \$2,000,000 were initially made available to Small/Rural disadvantaged communities. If any disadvantaged small/rural communities required a loan component to cover project costs, the TWDB offered zero percent interest. The total allocation in this category was to not exceed \$15 million from the total funds available. The TWDB also made available \$3,000,000 of additional subsidy for very small system projects (serving 1,000 or fewer in population). The other components of this guidance were fulfilled in part by awarding additional points in the project ranking criteria for entities implementing effective management that will contribute to sustainable operations.

The EPA’s sustainability strategy, which included financing alternative approaches that integrate a green component into the existing system, was prioritized through an additional subsidy for green costs. The TWDB made available \$2,000,000 of the amount required in additional subsidy for green projects in the form of principal forgiveness. No more than \$1,000,000 was offered to any project. Applicants with proposed project components that qualified as green were eligible for this additional subsidy. For further details, review Section 4, Green Project Reserve.



For the Urgent Need – Contaminants reserve, the TWDB allocated \$3,000,000 in principal forgiveness to these projects. For the Urgent Need – Other reserve, the TWDB allocated \$4,000,000 in principal forgiveness. If any Urgent Need project required a loan component to cover project costs, the TWDB offered zero percent interest. This was made available using an allocation not to exceed \$25 million from the total funds available.

Finally, starting in SFY 2020, the TWDB made available \$2,025,000 in zero percent interest loan funding to any eligible system pursuing the completion of an Asset Management plan consistent with the scope of work and deliverables for the AMPSS program. An eligible system could receive up to \$75,000.

Details of the additional subsidies provided are shown in Appendix A, Table 1.

## 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 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. All eligible projects considered as having green components received an invitation to apply for financial assistance. The TWDB committed to fund \$14,319,970 in green project costs during SFY 2020. 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 two percent (2%) of the portion of the DWSRF financial assistance that is to be repaid and is assessed in full at closing.

For SFY 2020, the TWDB collected \$9,951,736.42 in DWSRF administrative fees. Fees are budgeted as a source of revenue for financing DWSRF administration expenses. During SFY 2020, no funds were transferred from the fee account to the general fund for operations. The balance of funds within the fee account as of August 31, 2020, was \$53,477,968.51.

## 6. Method of Cash Draw

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

The TWDB demonstrates that the required state match has been deposited and utilized prior to drawing 100 percent federal funds. In accordance with statute and the FFY 2019 Capitalization Grant, the TWDB deposited \$17,245,000 into the DWSRF to fully meet its requirement to match an amount at least equal to 20 percent of the amount awarded in the capitalization grant. Of the \$17.245 million, \$5,928,171 was sourced to the \$21,000,000 bond proceeds deposit on April 26, 2018, \$8,980,658 was sourced to the \$25,000,000 bond proceeds deposit on April 24, 2019, and \$2,336,171 was sourced to state appropriations which were deposited on December 30, 2019. Remaining funds from the \$25,000,000 deposit in April 2019, totaling \$16,019,342, will be applied toward the FFY 2020 Capitalization Grant match requirement. Details of the state match are shown in Appendix A, Table 3.

## 7. Timely and Expeditious Use of Funds

As of August 31, 2020, the outstanding capitalization grant balance was \$7,577,182.38. Federal draws for SFY 2020 totaled \$87,741,407.97. The TWDB closed on 41 projects totaling \$500,143,177. Additionally, 25 projects totaling \$70,744,267 began work while 15 projects totaling \$71,739,000 were completed. The TWDB has ensured that recipients of financial assistance make sufficient progress to reasonably ensure completion of their project within the project period. Details of fund balances are shown in Appendix A, Table 4.

During SFY 2020, the TWDB did not need to support either the CWSRF or DWSRF programs with an inter-fund loan or transfer of funds.

## 8. Program Initiatives

### **Additional Subsidization**

The additional subsidization associated with the FFY 2019 grant that was allocated to closed projects and commitments totaled \$17,520,087 as of August 31, 2020. Details of the additional subsidization are shown in Appendix A, Table 1.

### **Disadvantaged Communities Funding**

In SFY 2020, the TWDB closed on four disadvantaged projects totaling \$2,977,350. A disadvantaged community is a community that meets the DWSRF's Affordability Criteria based upon income, unemployment rates, and population trends. For details on the DWSRF Affordability Criteria, please see the SFY 2020 IUP, Appendix D, Affordability Criteria to Determine Disadvantaged Community Eligibility.

### **Application Process**

The TWDB continued its invitation process whereby projects are invited in excess of the funding capacity available. The process operated such that limited time was given to applicants to respond to their invitation. This allowed those with projects further down the Project Priority List earlier access to program funds.

The first round of invitations included projects whose total costs exceeded the amount of the capitalization grant, as evidenced by the Initial Invited Projects List within the SFY 2020 IUP. Applications received by the initial deadline were considered in the priority order listed on the Project Priority List. Thereafter, applications received were allocated funding on a first-come, first-served basis.

Additionally, the TWDB utilized an open IUP to allow for the addition of new projects at any time throughout the year. This encouraged entities with projects that were not on the initial list to apply at any time during the year. Once their project was added to the SFY 2020 IUP Project Priority List, invitations were extended for them to apply for funding.

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

The SFY 2020 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.

## 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.

## Asset Management Program for Small Systems (AMPSS)

During SFY 2018, the TWDB began implementation of a pilot program for small systems to undertake asset management planning. The pilot program allows qualified contractors to work with six 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. Funding for the pilot was obtained through use of the CWSRF and DWSRF origination fees. A total of \$450,000 was authorized for use. As of August 31, 2020, all six communities had completed their asset management plans.

Details regarding the six communities to receive assistance are as follows:

| <b><u>Benefitting Small System</u></b> | <b><u>Service Type</u></b> | <b><u>Engineer</u></b>         | <b><u>Max. Amount</u></b> | <b><u>Source of Fees for Payment</u></b> |
|--|----------------------------|--------------------------------|---------------------------|--|
| City of Holland                        | Wastewater                 | BSP Engineers, Inc.            | \$75,000                  | CWSRF                                    |
| City of Elkhart                        | Water                      | KSA Engineers, Inc.            | \$75,000                  | DWSRF                                    |
| City of Three Rivers                   | Water                      | LNV, Inc.                      | \$75,000                  | DWSRF                                    |
| City of Blanco                         | Wastewater                 | HR Green, Inc.                 | \$75,000                  | CWSRF                                    |
| Town of Anthony                        | Water                      | Parkhill, Smith & Cooper, Inc. | \$75,000                  | DWSRF                                    |
| City of Pittsburg                      | Wastewater                 | KSA Engineers, Inc.            | \$75,000                  | CWSRF                                    |

**\$450,000**

## CFO to Go

Beginning in SFY 2019, the TWDB implemented a pilot program to assist CWSRF and DWSRF financial assistance recipients with agreed upon procedures and technical assistance services. The aim is to help the recipient improve or maintain adequate compliance with State Revolving Fund program requirements. The TWDB will contract with Certified Public Accountants and assign them to assist with a recipient’s tasks. Some examples of contracted activities include monitoring compliance with financial instrument covenants, monitoring allowable costs and cost principles, financial reporting, advising recipients on the design and implementation of internal control procedures, and assisting recipients in the preparation of financial statements, among many others. A total of \$200,000 was authorized for use.

During SFY 2020, the TWDB coordinated financial consulting services for three communities.

| <u>Benefitting Small System</u> | <u>Consulting Firm</u>              | <u>Max. Amount</u> | <u>Source of Fees for Payment</u> |
|---------------------------------|-------------------------------------|--------------------|-----------------------------------|
| City of Roxton                  | McConnell & Jones, Weaver & Tidwell | \$49,000           | C/DWSRF                           |
| City of Loraine                 | Weaver & Tidwell                    | \$73,000           | CWSRF                             |
| Pleasant Springs WSC            | CohnReznick                         | \$32,642           | DWSRF                             |

**\$154,642**

### **Efforts to Address Systems with Urgent Needs**

While there were several disasters that have impacted the state during SFY 2020, fewer resulted in the need for public water systems to seek urgent need funding from the DWSRF. The one project to request and receive urgent need funding was to combat contaminant issues with an immediate impact to public health.

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 infrastructure. Detailed descriptions of Urgent Need projects may be found in Appendix B, Descriptions of Closed Projects.

### **Securing Safe Water**

Beginning in SFY 2020, the TWDB began a new initiative called “Securing Safe Water” that involves 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 will be supporting EPA’s Strategic Plan goal of significantly reducing the number of public water systems with reported health violations.

At the start of the SFY, the TCEQ shared a list of over 270 public water systems with health violations. By the end of the SFY, TWDB staff had contacted and provided information on the DWSRF to the entire list of systems. The TWDB’s Outreach staff and the TCEQ’s Enforcement Division staff continue outreach efforts to these communities in hopes of resolving their chronic issues. As of August 31, 2020, no systems have submitted a financial application for consideration. A small number of systems listed already had ongoing DWSRF projects that are nearing completion.

The TWDB will continue to provide updates on the status of this initiative in future Annual Reports.



## Financial Indicators

The table below represents key indicators of the financial health of the DWSRF program. The TWDB continues to annually review these indicators to ensure the program is keeping “pace” with the national benchmarks. To date, the TWDB’s overall indicators have been comparable to the national averages.

| Financial Indicators (as of June 30, 2020) |   |        |        |        |        |        |                   |
|--|---|--------|--------|--------|--------|--------|-------------------|
| NIMS Line #                                | Financial Indicators Based on Cumulative Activity | 2016   | 2017   | 2018   | 2019   | 2020   | National Averages |
| 418  | Return on Federal Investment                      | 136.0% | 142.0% | 150.1% | 158.8% | 184.5% | 200.1%            |
| 419  | Assistance Provided as a % of Funds Available     | 82.6%  | 87.7%  | 89.0%  | 83.2%  | 93.4%  | 95.3%             |
| 420  | Disbursements as a % of Assistance Provided       | 99.1%  | 99.1%  | 99.3%  | 98.7%  | 98.9%  | 87.5%             |
| 424  | Set-Aside Spending Rate                           | 94.0%  | 95.1%  | 95.2%  | 94.0%  | 94.0%  | 90.9%             |

## 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 2019 PER onsite review was conducted June 11, 2020 – Sept. 16, 2020. The review was based upon the TWDB SFY 2019 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. Due to the Coronavirus Pandemic, the PER was not finalized as of August 31, 2020. Following EPA’s exit update for TWDB staff, the EPA did not share any recommendations and found that the TWDB appeared to remain in compliance with Section 1452 of the SDWA, 40 CFR 35.3570(c), and the capitalization grant conditions.

# 10. Compliance Statements

## **Compliance with FFY 2019 DWSRF Grant Agreement Conditions**

The TWDB has complied with all administrative and programmatic conditions in the FFY 2019 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 2020 Tables

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| Table 1  |                      |                      |                     |                     |                                  |                      |
|--|----------------------|----------------------|---------------------|---------------------|----------------------------------|----------------------|
| Green Project Reserve and Additional Subsidization - 2019 IUP / 2018 Grant |                      |                      |                     |                     |                                  |                      |
| IUP and/or Grant Targets   | GPR: \$ 8,704,000    |                      | Add Sub Minimum     |                     |                                  | \$ 17,408,000        |
|  |                      |                      | Add Sub Maximum     |                     |                                  | \$ 43,520,000        |
| Recipient  | Amount               | Green                | Green Subsidy       | V.S.S.              | Disadvantaged                    | Urgent Need          |
| Alice  | \$ 5,499,000         | \$ -                 | \$ -                | \$ -                | \$ 1,479,000                     | \$ -                 |
| Athens   | 1,125,000            | -                    | -                   | -                   | 300,000                          | -                    |
| Brady  | 15,530,000           | -                    | -                   | -                   | 4,000,000                        | 700,000              |
| Borden County  | 1,985,000            | -                    | -                   | 200,000             | -                                | 500,000              |
| Brookshire MWD   | 2,575,000            | -                    | -                   | -                   | -                                | 300,000              |
| Cotulla  | 2,980,000            | -                    | -                   | -                   | 600,000                          | -                    |
| Comanche Co WSC  | 300,000              | -                    | -                   | -                   | -                                | 300,000              |
| Commodore Cove Improvement Dist.   | 433,000              | 360,000              | 54,000              | 100,000             | -                                | -                    |
| Eastland County WSD  | 2,919,485            | 2,919,485            | 276,982             | -                   | 1,837,503                        | -                    |
| Ellinger Sewer and WSC   | 300,000              | -                    | -                   | 300,000             | -                                | -                    |
| Everman  | 3,000,000            | -                    | -                   | -                   | -                                | 300,000              |
| Garland  | 7,645,037            | 6,500,245            | 975,037             | -                   | -                                | -                    |
| Greater Texoma UA  | 3,758,106            | -                    | -                   | -                   | 1,088,106                        | -                    |
| Groveton   | 2,164,161            | -                    | -                   | -                   | 1,504,161                        | -                    |
| Ira WSC  | 300,000              | -                    | -                   | 300,000             | -                                | -                    |
| Jefferson County WDIC # 10   | 500,000              | -                    | -                   | -                   | -                                | 500,000              |
| Kerrville  | 500,000              | -                    | -                   | -                   | -                                | 500,000              |
| Marlin   | 6,330,000            | -                    | -                   | -                   | 4,000,000                        | -                    |
| Paint Rock   | 300,000              | -                    | -                   | 300,000             | -                                | -                    |
| Palo Pinto WSC   | 1,630,593            | 1,558,991            | 231,186             | 300,000             | 484,407                          | -                    |
| Presidio County  | 300,000              | -                    | -                   | -                   | -                                | 300,000              |
| Ropseville   | 1,268,750            | -                    | -                   | 300,000             | 468,750                          | -                    |
| Rockdale   | 16,215,000           | -                    | -                   | -                   | 500,000                          | -                    |
| Roscoe   | 2,302,950            | 2,256,486            | 337,950             | -                   | -                                | -                    |
| Study Butte WSC  | 300,000              | -                    | -                   | 300,000             | -                                | -                    |
| Tom Green Co FWSD #2   | 300,000              | -                    | -                   | 300,000             | -                                | -                    |
| Wolfe City   | 4,923,103            | -                    | -                   | -                   | 988,103                          | -                    |
| Wolfforth  | 300,000              | -                    | -                   | -                   | 149,970                          | 150,030              |
| <b>Total Closed</b>  | <b>\$ 85,684,185</b> | <b>\$ 13,595,207</b> | <b>\$ 1,875,155</b> | <b>\$ 2,400,000</b> | <b>\$ 17,400,000</b>             | <b>\$ 3,550,030</b>  |
|  |                      |                      |                     |                     | <b>Total Additional Subsidy:</b> | <b>\$ 25,225,185</b> |

| 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  | Amount               | Green                | Green Subsidy       | V.S.S.              | Disadvantaged       | Urgent Need       |
| Carbon   | \$ 754,600           | \$ 285,384           | \$ 42,808           | \$ 300,000          | \$ 411,792          | \$ -              |
| Coke County WSC  | 300,000              | -                    | -                   | 300,000             | -                   | -                 |
| Commodore Cove Improvement District  | 295,000              | -                    | -                   | 295,000             | -                   | -                 |
| H2O Tech, Inc  | 53,467               | -                    | -                   | 53,467              | -                   | -                 |
| Newton   | 537,600              | -                    | -                   | 300,000             | 237,600             | -                 |
| Paducah  | 3,392,958            | -                    | -                   | -                   | 1,677,958           | -                 |
| Presidio Co. WCID/Redford  | 300,000              | -                    | -                   | -                   | -                   | 300,000           |
| Quitaque   | 1,495,000            | -                    | -                   | 300,000             | 650,000             | -                 |
| <b>Total Closed</b>  | <b>\$ 7,128,625</b>  | <b>\$ 285,384</b>    | <b>\$ 42,808</b>    | <b>\$ 1,548,467</b> | <b>\$ 2,977,350</b> | <b>\$ 300,000</b> |
| Annona   | \$ 300,000           | \$ -                 | \$ -                | \$ 300,000          | \$ -                | \$ -              |
| Eagle Pass   | 3,997,286            | 3,997,286            | 357,286             | -                   | -                   | -                 |
| Gordon   | 901,323              | 675,486              | 101,323             | 300,000             | 400,000             | -                 |
| North Alamo WSC  | 17,406,373           | 4,271,261            | 735,000             | -                   | 1,851,373           | -                 |
| Pharr  | 17,880,000           | -                    | -                   | -                   | 4,000,000           | -                 |
| Raymondville   | 2,599,412            | -                    | -                   | -                   | 1,079,412           | -                 |
| Roby   | 550,000              | -                    | -                   | 300,000             | -                   | -                 |
| Rotan  | 5,202,068            | 5,090,553            | 763,583             | -                   | 2,163,485           | -                 |
| Sandbranch Development & WSC   | -                    | -                    | -                   | 300,000             | -                   | -                 |
| <b>Total Unclosed</b>  | <b>\$ 48,836,462</b> | <b>\$ 14,034,586</b> | <b>\$ 1,957,192</b> | <b>\$ 1,200,000</b> | <b>\$ 9,494,270</b> | <b>\$ -</b>       |
| Evadale WCID #1  | \$ -                 | \$ -                 | \$ -                | \$ 300,000          | \$ -                | \$ -              |
| Streetman  | -                    | -                    | -                   | 300,000             | 780,005             | -                 |
| <b>Total Uncommitted</b>   | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ 600,000</b>   | <b>\$ 780,005</b>   | <b>\$ -</b>       |

|                     |                      |                      |                     |                     |                                  |                      |
|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------------------|----------------------|
| <b>Grand Totals</b> | <b>\$ 55,965,087</b> | <b>\$ 14,319,970</b> | <b>\$ 2,000,000</b> | <b>\$ 3,348,467</b> | <b>\$ 13,251,625</b>             | <b>\$ 300,000</b>    |
|                     |                      |                      |                     |                     | <b>Total Additional Subsidy:</b> | <b>\$ 18,900,092</b> |

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

| Table 2                                       |                      |                      |   |
|---|----------------------|----------------------|---|
| Green Project Reserve - 2019 IUP / 2018 Grant |                      |                      |   |
| Recipient                                     | Green Category(ies)  | Green Amount         | Green Project Description   |
| Commodore Cove Improvement Dist.              | Green Infrastructure | \$ 360,000           | The application of innovative treatment technologies or systems that improve environmental conditions, specifically, projects that significantly reduces the amount of chemicals needed for water treatment and that reduce the amount of chemicals and residuals in the treated water are eligible under Part B, Section 4.5-2.                              |
| Eastland County WSD                           | Green Infrastructure | 2,919,485            | This project includes improvements to high service pumps and clearwell, improvements to chlorine dioxide system, and new disinfection by-product removal system.  |
| Garland                                       | Green Infrastructure | 6,500,245            | Existing water meters will be replaced with newer radio read meter technology. The replacement of existing malfunctioning water meters or upgrading existing meters with advanced metering infrastructure technology is categorically eligible under Part B, Section 2.2-3a(i).   |
| Palo Pinto WSC                                | Water Efficiency     | 1,558,991            | Water line replacement is business case eligible under the Water Efficiency category, Part B, 2.5-2. Storage tank replacement/rehabilitation to reduce water loss is business case eligible under the Water Efficiency category, Part B, 2.5-3.   |
| Roscoe  | Green Infrastructure | 2,256,486            | The proposed project will include the installation of new water lines to eliminate leaks and reduce water loss. The green component includes saving water that is currently lost due to leaking system; saving electrical energy by elimination pumping of water lost; and replacing piping to eliminate sources of contaminants migrating into water supply. |
| <b>Total Closed</b>                           | <b>5</b>             | <b>\$ 13,595,207</b> |   |

Green Project Reserve Requirement: \$ 8,704,000  
156%

| 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.  |
| <b>Total Closed</b>                           | <b>1</b>             | <b>\$ 285,384</b>    |   |
| Eagle Pass                                    | Water Efficiency     | \$ 3,997,286         | The project consists of upgrading the metering system from AMR to AMI to quickly detect leaks and increase water conservation. Retrofitting or adding AMI capabilities is categorically eligible under Part B, Section 2.2-4.   |
| Gordon  | Water Efficiency     | 675,486              | Water line replacement is business-case eligible under Part B, Section 2.5-2. AMR/AMI replacement is categorically eligible under Part B, Section 2.2-3.  |
| North Alamo WSC                               | Energy Efficiency    | 4,271,261            | Retrofit of reverse osmosis membranes and installation of a new nano-filtration train at the Corporation's Doolittle plant, are recommended as a result of energy assessment and pilot studies. Energy assessment shows specific energy savings of 50 percent. Preliminary pilot test results show up to 59 percent specific energy savings. The project is business case eligible under Part B, Section 3.5-1. |
| Rotan   | Water Efficiency     | 5,090,553            | The water line installation is business case eligible in accordance with Part B, Section 2.4-1 for water efficiency through water saving elements. A business case is provided in accordance with 2.5-2 for distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks.   |
| <b>Total Unclosed</b>                         | <b>4</b>             | <b>\$ 14,034,586</b> |   |

|                    |          |                      |  |
|--------------------|----------|----------------------|--|
| <b>Grand Total</b> | <b>5</b> | <b>\$ 14,319,970</b> |  |
|--------------------|----------|----------------------|--|

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

| Table 3 - Grant and Match Funds |          |               |                         |                       |   |                                 |                       |                   |
|---------------------------------|----------|---------------|-------------------------|-----------------------|---|---------------------------------|-----------------------|-------------------|
| FFY                             | SFY/ IUP | Grant Award # | SRF Grant               | State Match 20%       | 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   | 21,000,000                      | 23,336,171            | -                 |
| 2018                            | 2019     | FS-99679522   | 87,040,000              | 17,408,000            | 2,336,171   | 25,000,000                      | 27,336,171            | -                 |
| 2019                            | 2020     | FS-99679523   | 86,225,000              | 17,245,000            | 2,336,171   | 20,000,000                      | 22,336,171            | 20,000            |
| <b>Totals</b>                   |          |               | <b>\$ 1,557,734,350</b> | <b>\$ 299,418,925</b> | <b>\$ 81,261,612</b>  | <b>\$ 244,594,826</b>           | <b>\$ 325,856,438</b> | <b>\$ 152,487</b> |

Notes: The State Match from Bonds is provided from Revenue and GO Bonds.

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 20% 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 TWDB was required to provide state match for the In-Kind amount awarded with the FFY 2019 Capitalization Grant.

| <b>Table 4 – Capitalization Grant Draws</b> |                          |                         |                             |
|---|--------------------------|-------------------------|-----------------------------|
|   | <b>Beginning Balance</b> | <b>Expended</b>         | <b>Balance - 08/31/2019</b> |
| <b>FS-99679522 FY 2018</b>                  |                          |                         |                             |
| Construction                                | \$ 2,541,154.60          | \$ 2,541,154.60         | \$ -                        |
| Administration                              | 333,788.10               | 333,788.10              | -                           |
| TCEQ 2% Set-Aside                           | 1,335,480.36             | 1,335,480.36            | -                           |
| TCEQ 10% Set-Aside                          | 4,457,871.38             | 4,457,871.38            | -                           |
| TCEQ 15% Set-Aside                          | 445,295.91               | 445,295.91              | -                           |
| <b>Totals</b>                               | <b>\$ 9,113,590.35</b>   | <b>\$ 9,113,590.35</b>  | <b>\$ -</b>                 |
| <b>FS-99679523 FY 2019</b>                  |                          |                         |                             |
| Construction                                | \$ 70,628,999.00         | \$ 70,628,999.00        | \$ -                        |
| Administration                              | 3,449,000.00             | 3,307,984.37            | 141,015.63                  |
| TCEQ 2% Set-Aside                           | 1,724,500.00             | 291,402.88              | 1,433,097.12                |
| TCEQ 10% Set-Aside                          | 8,602,500.00             | 2,900,800.46            | 5,701,699.54                |
| TCEQ 15% Set-Aside                          | 1,800,001.00             | 1,498,630.91            | 301,370.09                  |
| <b>Totals</b>                               | <b>\$ 86,205,000.00</b>  | <b>\$ 78,627,817.62</b> | <b>\$ 7,577,182.38</b>      |
| <b>Grand Totals</b>                         | <b>\$ 95,318,590.35</b>  | <b>\$ 87,741,407.97</b> | <b>\$ 7,577,182.38</b>      |



Table 5 – Binding Commitments Summary

| IUP             | Recipient                 | Project ID | Commitment # | Type   | Commitment Date | Status     | Closing Date | Amount           | Required Binding Commitments | Total Commitments / Quarter | % of Required |
|-----------------|---------------------------|------------|--------------|--------|-----------------|------------|--------------|------------------|------------------------------|-----------------------------|---------------|
| (1997) - (2019) | Previous SFYs             |            |              |        |                 |            |              | \$ 2,991,812,735 | \$ 1,434,028,986             | \$ 2,991,812,735            | 208.63%       |
| 2019            | Athens                    | 62848      | L1001045     | EQ     | 11/21/2019      | Active     | 02/27/2020   | 825,000          | 1,527,142,586                | 3,136,447,735               | 205.38%       |
| 2019            | Athens                    | 62848      | LF1001046    | EQ     | 11/21/2019      | Active     | 02/27/2020   | 300,000          |                              |                             |               |
| 2019            | Austin                    | 62854      | LM201040     | EQ     | 10/03/2019      | Active     | 02/27/2020   | 3,800,000        |                              |                             |               |
| 2019            | Austin                    | 62854      | LM221040     | EQ     | 10/03/2019      | Commitment |              | 15,700,000       |                              |                             |               |
| 2019            | Austin                    | 62854      | LM241040     | EQ     | 10/03/2019      | Commitment |              | 26,830,000       |                              |                             |               |
| 2019            | Austin                    | 62854      | LM211040     | EQ     | 10/03/2019      | Commitment |              | 9,400,000        |                              |                             |               |
| 2019            | Austin                    | 62854      | LM231040     | EQ     | 10/03/2019      | Commitment |              | 12,100,000       |                              |                             |               |
| 2019            | Ellinger Sewer & Water SC | 62839      | LF1000908    | EQ     | 09/05/2019      | Active     | 12/19/2019   | 300,000          |                              |                             |               |
| 2019            | Everman                   | 62849      | L1001051     | EQ     | 11/21/2019      | Active     | 04/08/2020   | 2,700,000        |                              |                             |               |
| 2019            | Everman                   | 62849      | LF1001052    | EQ     | 11/21/2019      | Active     | 04/08/2020   | 300,000          |                              |                             |               |
| 2019            | Marlin                    | 62819      | L1000994     | EQ     | 10/03/2019      | Active     | 12/19/2019   | 2,330,000        |                              |                             |               |
| 2019            | Marlin                    | 62819      | LF1000995    | EQ     | 10/03/2019      | Active     | 12/19/2019   | 4,000,000        |                              |                             |               |
| 2019            | San Angelo                | 62856      | L1001050     | EQ     | 10/03/2019      | Active     | 12/05/2019   | 65,750,000       |                              |                             |               |
| 2019            | Wolfforth                 | 62822      | LF1000959    | EQ     | 09/05/2019      | Active     | 11/06/2019   | 300,000          |                              |                             |               |
| 2020            | Bertram                   | 62865      | L1001080     | EQ     | 12/19/2019      | Active     | 04/02/2020   | 12,440,000       | 1,527,142,586                | 3,190,768,760               | 208.94%       |
| 2020            | Carbon                    | 62866      | LF1001113    | EQ     | 02/27/2020      | Active     | 04/22/2020   | 754,600          |                              |                             |               |
| 2020            | Coke County WSC           | 62861      | LF1001071    | EQ     | 12/19/2019      | Active     | 03/26/2020   | 300,000          |                              |                             |               |
| 2020            | Commodore Cove ID         | 62864      | LF1001083    | Non-EQ | 12/19/2019      | Active     | 03/10/2020   | 295,000          |                              |                             |               |
| 2019            | Cotulla                   | 62855      | L1001053     | EQ     | 12/19/2019      | Active     | 04/08/2020   | 2,380,000        |                              |                             |               |
| 2019            | Cotulla                   | 62855      | LF1001044    | EQ     | 12/19/2019      | Active     | 04/08/2020   | 600,000          |                              |                             |               |
| 2018            | FHLM Regional WSC         | 51060      | L1001015     | EQ     | 12/19/2019      | Commitment |              | 8,170,000        |                              |                             |               |
| 2018            | FHLM Regional WSC         | 51060      | LF1001016    | EQ     | 12/19/2019      | Commitment |              | 500,000          |                              |                             |               |
| 2020            | H2OTech, Inc              | 62859      | LF1001084    | Non-EQ | 12/19/2019      | Active     | 02/25/2020   | 53,467           |                              |                             |               |
| 2020            | Jourdanton                | 62870      | L1001082     | EQ     | 01/16/2020      | Active     | 06/17/2020   | 6,845,000        |                              |                             |               |
| 2020            | Paducah                   | 62867      | L1001093     | EQ     | 02/13/2020      | Active     | 05/21/2020   | 1,715,000        |                              |                             |               |
| 2020            | Paducah                   | 62867      | LF1001092    | EQ     | 02/13/2020      | Active     | 05/21/2020   | 1,677,958        |                              |                             |               |
| 2020            | Quitaque                  | 62863      | L1001065     | EQ     | 02/13/2020      | Active     | 07/07/2020   | 545,000          |                              |                             |               |
| 2020            | Quitaque                  | 62863      | LF1001097    | EQ     | 02/13/2020      | Active     | 07/21/2020   | 950,000          |                              |                             |               |
| 2019            | Rockdale                  | 62833      | L1001108     | EQ     | 02/27/2020      | Active     | 07/14/2020   | 12,650,000       |                              |                             |               |
| 2019            | Rockdale                  | 62833      | L1001109     | EQ     | 02/27/2020      | Active     | 07/14/2020   | 3,065,000        |                              |                             |               |
| 2019            | Rockdale                  | 62833      | LF1001107    | EQ     | 02/27/2020      | Active     | 07/14/2020   | 500,000          |                              |                             |               |
| 2019            | Shady Grove SUD           | 62857      | L1001049     | EQ     | 01/16/2020      | Active     | 04/14/2020   | 880,000          |                              |                             |               |
| 2020            | Blanco                    | 62748      | L1001127     | EQ     | 04/09/2020      | Active     | 05/07/2020   | 3,400,000        | 1,527,142,586                | 3,232,714,801               | 211.68%       |
| 2020            | Newton                    | 62878      | L1001096     | EQ     | 04/09/2020      | Active     | 08/24/2020   | 2,195,000        |                              |                             |               |
| 2020            | Newton                    | 62876      | LF1001095    | EQ     | 03/12/2020      | Active     | 07/15/2020   | 537,600          |                              |                             |               |
| 2020            | North Alamo WSC           | 62858      | LF201122     | EQ     | 03/12/2020      | Active     | 09/28/2020   | 2,586,373        |                              |                             |               |
| 2020            | North Alamo WSC           | 62858      | LM201121     | EQ     | 03/12/2020      | Active     | 09/28/2020   | 4,390,000        |                              |                             |               |
| 2020            | North Alamo WSC           | 62858      | LM211121     | EQ     | 03/12/2020      | Commitment |              | 7,903,000        |                              |                             |               |
| 2020            | North Alamo WSC           | 62858      | LM221121     | EQ     | 03/12/2020      | Commitment |              | 2,527,000        |                              |                             |               |
| 2020            | Rotan                     | 62868      | L1001110     | EQ     | 04/09/2020      | Active     | 09/15/2020   | 2,040,000        |                              |                             |               |
| 2020            | Rotan                     | 62868      | L1001116     | EQ     | 04/09/2020      | Active     | 09/15/2020   | 235,000          |                              |                             |               |
| 2020            | Rotan                     | 62868      | LF1001115    | EQ     | 04/09/2020      | Active     | 09/15/2020   | 2,927,068        |                              |                             |               |
| 2020            | San Antonio Water System  | 62889      | L1001135     | EQ     | 05/21/2020      | Commitment |              | 11,805,000       |                              |                             |               |
| 2020            | Westwood Shores MUD       | 62888      | L1001132     | Non-EQ | 05/21/2020      | Active     | 07/30/2020   | 1,400,000        |                              |                             |               |

**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 |
|-------------------|--|------------|--------------|------|-----------------|------------|--------------|----------------------|------------------------------|-----------------------------|---------------|
| 2020              | Annona                                   | 62884      | LF1001183    | EQ   | 08/05/2020      | Commitment |              | 300,000              | 1,527,142,586                | 3,461,966,499               | 226.70%       |
| 2020              | Eagle Pass                               | 62882      | L1001074     | EQ   | 08/05/2020      | Active     | 10/08/2020   | 3,640,000            |                              |                             |               |
| 2020              | Eagle Pass                               | 62882      | LF1001155    | EQ   | 08/05/2020      | Active     | 10/08/2020   | 357,286              |                              |                             |               |
| 2020              | Los Fresnos                              | 62627      | L1001090     | EQ   | 07/23/2020      | Active     | 10/29/2020   | 3,625,000            |                              |                             |               |
| 2020              | Pharr                                    | 62875      | L1001076     | EQ   | 06/25/2020      | Active     | 09/14/2020   | 13,880,000           |                              |                             |               |
| 2020              | Pharr                                    | 62875      | LF1001118    | EQ   | 06/25/2020      | Active     | 09/14/2020   | 4,000,000            |                              |                             |               |
| 2020              | Presidio County WID #1 dba Redford Water | 62885      | LF1001126    | EQ   | 06/25/2020      | Active     | 08/14/2020   | 300,000              |                              |                             |               |
| 2020              | Raymondville                             | 62887      | L1001142     | EQ   | 08/05/2020      | Active     | 10/29/2020   | 1,520,000            |                              |                             |               |
| 2020              | Raymondville                             | 62887      | LF1001156    | EQ   | 08/05/2020      | Active     | 10/29/2020   | 1,079,412            |                              |                             |               |
| 2020              | Riverbend Water Resources                | 62883      | LM201181     | EQ   | 08/05/2020      | Commitment |              | 10,800,000           |                              |                             |               |
| 2020              | Riverbend Water Resources                | 62883      | LM201182     | EQ   | 08/05/2020      | Commitment |              | 7,200,000            |                              |                             |               |
| 2020              | Riverbend Water Resources                | 62883      | LM211181     | EQ   | 08/05/2020      | Commitment |              | 55,800,000           |                              |                             |               |
| 2020              | Riverbend Water Resources                | 62883      | LM211182     | EQ   | 08/05/2020      | Commitment |              | 37,200,000           |                              |                             |               |
| 2020              | Riverbend Water Resources                | 62883      | LM221181     | EQ   | 08/05/2020      | Commitment |              | 8,640,000            |                              |                             |               |
| 2020              | Riverbend Water Resources                | 62883      | LM221182     | EQ   | 08/05/2020      | Commitment |              | 5,760,000            |                              |                             |               |
| 2020              | Riverbend Water Resources                | 62883      | LM231181     | EQ   | 08/05/2020      | Commitment |              | 44,580,000           |                              |                             |               |
| 2020              | Riverbend Water Resources                | 62883      | LM231182     | EQ   | 08/05/2020      | Commitment |              | 29,720,000           |                              |                             |               |
| 2020              | Roby                                     | 62890      | L1001152     | EQ   | 07/23/2020      | Commitment |              | 250,000              |                              |                             |               |
| 2020              | Roby                                     | 62890      | LF1001151    | EQ   | 07/23/2020      | Commitment |              | 300,000              |                              |                             |               |
| 2020              | Sandbranch Development & WSC             | 62871      | LF1001137    | EQ   | 08/05/2020      | Commitment |              | 300,000              |                              |                             |               |
| <b>SFY Totals</b> |  |            | <b>64</b>    |      |                 |            |              | <b>\$470,153,764</b> |                              |                             |               |

| <b>Table 6 - Federal Funds Drawn</b> |                         |
|--------------------------------------|-------------------------|
| <b>SFY</b>                           | <b>Amount</b>           |
| 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              |
| <b>Grand Total</b>                   | <b>\$ 1,550,137,168</b> |

| Table 7 – Grant Payments by Quarter  |                         |                         |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | SFY 1997 - SFY 2019     | SFY 2020                |                         |                         |                         |
|  | Total                   | 1st Quarter             | 2nd Quarter             | 3rd Quarter             | 4th Quarter             |
| <b>GRANT PAYMENTS</b>  |                         |                         |                         |                         |                         |
| All Previous Grants (including ARRA)   | \$ 1,471,509,350        | \$ -                    | \$ -                    | \$ -                    | \$ -                    |
| FS-99679523  |                         | 86,205,000              | -                       | -                       | -                       |
| FS-99679523 In-Kind  |                         | 20,000                  | -                       | -                       | -                       |
| <b>QUARTERLY TOTAL</b>   | <b>\$ 1,471,509,350</b> | <b>\$ 86,225,000</b>    | <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>             |
| <b>REQUIRED BINDING COMMITMENTS</b>  |                         |                         |                         |                         |                         |
|  | SFY 1997 - SFY 2020     | SFY 2021                |                         |                         |                         |
|  |                         | 1st Quarter             | 2nd Quarter             | 3rd Quarter             | 4th Quarter             |
| Cumulative EPA Payments  | \$ 1,471,509,350        | \$ 1,557,734,350        | \$ 1,557,734,350        | \$ 1,557,734,350        | \$ 1,557,734,350        |
| + State Match  | 282,173,925             | 299,418,925             | 299,418,925             | 299,418,925             | 299,418,925             |
| - Set-Asides   | 230,932,689             | 242,267,089             | 242,267,089             | 242,267,089             | 242,267,089             |
| <b>REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)</b> | <b>\$ 1,522,750,586</b> | <b>\$ 1,614,886,186</b> | <b>\$ 1,614,886,186</b> | <b>\$ 1,614,886,186</b> | <b>\$ 1,614,886,186</b> |

**Table 8 - Administrative Costs**

| SFY                 | Funds Received                       |                       |             |                      |             | Total Administration Expended |
|---------------------|--------------------------------------|-----------------------|-------------|----------------------|-------------|-------------------------------|
|                     | Federal Funds (including ARRA Funds) |                       |             |                      | State Funds |                               |
|                     | 4% Administration                    | Banked Administration | Other       | Total Federal Funds  |             |                               |
| 1997                | \$ -                                 | \$ -                  | \$ -        | \$ -                 | \$ -        | \$ -                          |
| 1998                | 2,806,152                            | -                     | -           | 2,806,152            | -           | 951,001                       |
| 1999                | -                                    | -                     | -           | -                    | -           | 1,222,382                     |
| 2000                | 2,160,576                            | -                     | -           | 2,160,576            | -           | 830,921                       |
| 2001                | -                                    | -                     | -           | -                    | -           | 1,525,991                     |
| 2002                | 2,264,488                            | -                     | -           | 2,264,488            | -           | 432,220                       |
| 2002                | 2,353,460                            | -                     | -           | 2,353,460            | -           | -                             |
| 2003                | -                                    | -                     | -           | -                    | -           | 1,853,449                     |
| 2004                | 2,363,192                            | -                     | -           | 2,363,192            | -           | 1,259,843                     |
| 2005                | 2,480,948                            | -                     | -           | 2,480,948            | -           | 2,487,202                     |
| 2006                | 2,466,040                            | -                     | -           | 2,466,040            | -           | 3,295,962                     |
| 2007                | 2,711,982                            | -                     | -           | 2,711,982            | -           | 3,851,198                     |
| 2008                | 2,712,040                            | 1,123,737             | -           | 3,835,777            | -           | 3,909,161                     |
| 2009                | 2,684,480                            | 1,722,671             | -           | 4,407,151            | -           | 4,084,522                     |
| 2009                | 6,426,240                            | -                     | -           | 6,426,240            | -           | -                             |
| 2010                | 2,684,480                            | -                     | -           | 2,684,480            | -           | 6,439,595                     |
| 2011                | 3,450,160                            | -                     | -           | 3,450,160            | -           | 5,162,897                     |
| 2012                | 2,394,160                            | -                     | -           | 2,394,160            | -           | 3,268,839                     |
| 2013                | 2,149,153                            | -                     | -           | 2,149,153            | -           | 3,443,891                     |
| 2014                | 2,140,680                            | -                     | -           | 2,140,680            | -           | 3,075,565                     |
| 2015                | 2,558,120                            | -                     | -           | 2,558,120            | -           | 2,558,120                     |
| 2016                | 2,541,280                            | -                     | -           | 2,541,280            | -           | 2,541,280                     |
| 2017                | 2,404,160                            | -                     | -           | 2,404,160            | -           | 2,316,747                     |
| 2018                | 2,383,600                            | -                     | -           | 2,383,600            | -           | 2,471,013                     |
| 2019                | 3,481,600                            | -                     | -           | 3,481,600            | -           | 3,147,212                     |
| 2020                | 3,449,000                            | -                     | -           | 3,449,000            | -           | 3,642,372                     |
| <b>Grand Totals</b> | <b>\$ 61,065,991</b>                 | <b>\$ 2,846,408</b>   | <b>\$ -</b> | <b>\$ 63,912,399</b> | <b>\$ -</b> | <b>\$ 63,771,383</b>          |

| <b>Table 9 - DBE Utilization</b> |                  |                         |                         |                  |                        |                         |
|----------------------------------|------------------|-------------------------|-------------------------|------------------|------------------------|-------------------------|
|                                  | <b>MBE Goals</b> | <b>MBE Actual</b>       | <b>% of Procurement</b> | <b>WBE Goals</b> | <b>WBE Actual</b>      | <b>% of Procurement</b> |
| Construction                     | 19.44%           | \$ 19,333,559.67        | 7.04%                   | 9.17%            | \$ 2,906,315.76        | 1.06%                   |
| Supplies                         | 25.34%           | 1,395,367.07            | 0.51%                   | 8.82%            | 2,206,183.29           | 0.80%                   |
| Equipment                        | 16.28%           | 1,528.70                | 0.00%                   | 11.45%           | 19,020.69              | 0.01%                   |
| Services                         | 20.41%           | 4,058,534.83            | 1.48%                   | 13.66%           | 2,785,830.29           | 1.01%                   |
| <b>Totals</b>                    |                  | <b>\$ 24,788,990.27</b> | <b>9.03%</b>            |                  | <b>\$ 7,917,350.03</b> | <b>2.88%</b>            |

Total Procurements in the DWSRF: \$ 274,541,152.74

Overall DBE Procurements: 11.91%

| Table 10 - Multi-Year Funding |            |                        |                 |                          |                       |
|-------------------------------|------------|------------------------|-----------------|--------------------------|-----------------------|
| Recipient                     | Project ID | Commitment #           | Commitment Date | Anticipated Closing Date | Commitment Amount     |
| Austin                        | 62854      | LM211040               | 10/03/2019      | 01/30/2021               | \$ 9,400,000          |
| Austin                        | 62854      | LM221040               | 10/03/2019      | 01/15/2022               | 15,700,000            |
| Austin                        | 62854      | LM231040               | 10/03/2019      | 01/15/2023               | 12,100,000            |
| Austin                        | 62854      | LM241040               | 10/03/2019      | 01/15/2024               | 26,830,000            |
| Boyd                          | 62772      | LM19800                | 06/21/2018      | 10/29/2020               | 5,120,000             |
| Creedmoor Maha WSC            | 62805      | LM20876                | 10/16/2018      | 08/03/2021               | 4,667,500             |
| Dallas                        | 62741      | LM20066                | 05/31/2017      | 05/13/2021               | 44,000,000            |
| Dallas                        | 62741      | LM21066                | 05/31/2017      | 05/13/2022               | 44,000,000            |
| Del Rio                       | 61580      | LM21690                | 02/15/2018      | 02/01/2021               | 3,000,000             |
| North Alamo WSC               | 62858      | LM201121               | 03/12/2020      | 09/28/2020               | 4,390,000             |
| North Alamo WSC               | 62858      | LM211121               | 03/12/2020      | 06/01/2021               | 7,903,000             |
| North Alamo WSC               | 62858      | LM221121               | 03/12/2020      | 06/01/2022               | 2,527,000             |
| River Acres WSC               | 62773      | LM20765                | 03/21/2018      | 01/16/2021               | 1,785,000             |
| Riverbend Water Resources     | 62883      | LM201181               | 08/05/2020      | 11/30/2020               | 10,800,000            |
| Riverbend Water Resources     | 62883      | LM201182               | 08/05/2020      | 11/30/2020               | 7,200,000             |
| Riverbend Water Resources     | 62883      | LM211181               | 08/05/2020      | 11/30/2021               | 55,800,000            |
| Riverbend Water Resources     | 62883      | LM211182               | 08/05/2020      | 11/30/2021               | 37,200,000            |
| Riverbend Water Resources     | 62883      | LM221181               | 08/05/2020      | 11/30/2022               | 8,640,000             |
| Riverbend Water Resources     | 62883      | LM221182               | 08/05/2020      | 11/30/2022               | 5,760,000             |
| Riverbend Water Resources     | 62883      | LM231181               | 08/05/2020      | 11/30/2023               | 44,580,000            |
| Riverbend Water Resources     | 62883      | LM231182               | 08/05/2020      | 11/30/2023               | 29,720,000            |
| Terrell                       | 62808      | LM21881                | 10/30/2018      | 04/15/2021               | 1,535,000             |
| Terrell                       | 62808      | LM22881                | 10/30/2018      | 04/15/2022               | 4,150,000             |
| <b>Grand Totals</b>           | <b>9</b>   | <b>unique projects</b> |                 |                          | <b>\$ 386,807,500</b> |

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

|  |               |                             |
|--|---------------|-----------------------------|
| <b>Cash Available:</b>   | \$            | <b>424,024,214.84</b>       |
| <br><b>SOURCES:</b>  |               |                             |
| Federal Grants Drawn   | \$            | 87,741,407.97               |
| State Match Deposited  |               | 2,336,171.00                |
| Principal Repayments   |               | 123,951,257.56              |
| Interest Repayments  |               | 19,749,965.31               |
| Investment Earnings on Funds                                   |               | 3,330,231.15                |
| DWSRF Revenue Bond Proceeds                                    |               | 120,006,425.82              |
| <b>TOTAL SOURCES:</b>  | <b>\$</b>     | <b>357,115,458.81</b>       |
| <br><b>USES:</b>   |               |                             |
| <b><u>Set-Asides Used</u></b>                                  |               |                             |
| Administration Expenses - 4% Set-Aside                         | \$            | 3,642,372.47                |
| TCEQ Small Systems Technical Assistance Program - 2% Set-Aside |               | 1,626,883.24                |
| TCEQ Texas State Management Program - 10% Set-Aside            |               | 7,358,671.84                |
| TCEQ Capacity Development - 15% Set-Aside                      |               | 1,943,926.82                |
| <b>Total Set-Asides:</b>                                       | <b>\$</b>     | <b>14,571,854.37</b>        |
| <br><b><u>Projects Funded</u></b>                              |               |                             |
| Funds Disbursed  | \$            | 500,143,177.00              |
| <b>Total Projects Funded:</b>                                  | <b>\$</b>     | <b>500,143,177.00</b>       |
| <br><b><u>Debt Service</u></b>                                 |               |                             |
| Revenue Bonds - Principal Paid                                 | \$            | 10,210,000.00               |
| Match General Obligation Bonds - Principal Paid                |               | 9,850,792.30                |
| Total Interest Paid  |               | 16,880,324.21               |
| <b>Total Debt Service:</b>                                     | <b>\$</b>     | <b>36,941,116.51</b>        |
| <br><b>TOTAL USES:</b>   | <br><b>\$</b> | <br><b>551,656,147.88</b>   |
| <br><b>NET SOURCES (USES):</b>                                 | <br><b>\$</b> | <br><b>(194,540,689.07)</b> |
| <br><b>Cash - Ending Balance (8/31/2020):</b>                  | <br><b>\$</b> | <br><b>229,483,525.77</b>   |

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

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



**TEXAS WATER DEVELOPMENT BOARD  
DRINKING WATER STATE REVOLVING FUND**

PROJECTED ANNUAL CASH FLOW  
COVERAGE(1) AS OF AUGUST 31, 2020

Operational Minimum DSC: **1.10**  
Lowest Total DSC: **1.72**

| Fiscal Year (2) | Balance & Loan Receipt  |  | Debt Service         |                      | Balance & Pledged Principal & Non-Pledged Loan Receipts |                               | Revenue Bond              |                      | Total                     |                        | Annual Excess Revenue |
|-----------------|-------------------------|--|----------------------|----------------------|---|-------------------------------|---------------------------|----------------------|---------------------------|------------------------|-----------------------|
|                 | Interest 7/1 - 6/30 (3) |  | for Match (4)        | Match Excess         | 7/1 - 6/30 (5)  | Revenue Bond Debt Service (6) | Debt Service Coverage (7) | Debt Service         | Debt Service Coverage (8) |                        |                       |
| 2021            | \$16,920,062            |  | \$19,923,498         | \$ -                 | \$58,317,012  | \$23,826,050                  | 2.45                      | \$43,749,548         | 1.72                      | \$31,487,526           |                       |
| 2022            | 17,513,697              |  | 19,235,679           | -                    | 72,552,346  | 23,829,100                    | 3.04                      | 43,064,779           | 2.09                      | 47,001,264             |                       |
| 2023            | 17,012,715              |  | 18,413,879           | -                    | 72,579,539  | 23,824,100                    | 3.05                      | 42,237,979           | 2.12                      | 47,354,275             |                       |
| 2024            | 16,462,629              |  | 17,546,635           | -                    | 72,725,428  | 23,824,100                    | 3.05                      | 41,370,735           | 2.16                      | 47,817,321             |                       |
| 2025            | 15,870,889              |  | 16,410,236           | -                    | 72,899,029  | 23,827,600                    | 3.06                      | 40,237,836           | 2.21                      | 48,532,083             |                       |
| 2026            | 15,228,261              |  | 15,233,013           | -                    | 73,721,274  | 23,828,100                    | 3.09                      | 39,061,113           | 2.28                      | 49,888,422             |                       |
| 2027            | 14,540,485              |  | 14,142,259           | 398,226              | 74,512,480  | 23,829,350                    | 3.14                      | 37,971,609           | 2.35                      | 51,081,356             |                       |
| 2028            | 13,796,846              |  | 12,068,479           | 1,728,368            | 75,169,993  | 23,824,850                    | 3.23                      | 35,893,329           | 2.48                      | 53,073,510             |                       |
| 2029            | 13,043,061              |  | 9,658,092            | 3,384,969            | 72,000,522  | 23,828,350                    | 3.16                      | 33,486,442           | 2.54                      | 51,557,141             |                       |
| 2030            | 12,323,720              |  | 6,203,866            | 6,119,854            | 71,614,241  | 23,822,850                    | 3.26                      | 30,026,716           | 2.80                      | 53,911,245             |                       |
| 2031            | 11,573,442              |  | 2,468,221            | 9,105,221            | 69,754,531  | 23,827,100                    | 3.31                      | 26,295,321           | 3.09                      | 55,032,653             |                       |
| 2032            | 10,800,245              |  | 1,411,575            | 9,388,670            | 69,119,268  | 23,828,850                    | 3.29                      | 25,240,425           | 3.17                      | 54,679,088             |                       |
| 2033            | 9,977,745               |  | 810,755              | 9,166,990            | 70,104,768  | 23,826,350                    | 3.33                      | 24,637,105           | 3.25                      | 55,445,408             |                       |
| 2034            | 9,103,719               |  | 682,739              | 8,420,980            | 66,792,443  | 23,822,850                    | 3.16                      | 24,505,589           | 3.10                      | 51,390,573             |                       |
| 2035            | 8,276,272               |  | -                    | 8,276,272            | 64,302,189  | 23,828,800                    | 3.05                      | 23,828,800           | 3.05                      | 48,749,661             |                       |
| 2036            | 7,531,287               |  | -                    | 7,531,287            | 57,216,929  | 23,832,100                    | 2.72                      | 23,832,100           | 2.72                      | 40,916,116             |                       |
| 2037            | 6,833,750               |  | -                    | 6,833,750            | 52,941,337  | 23,824,800                    | 2.51                      | 23,824,800           | 2.51                      | 35,950,287             |                       |
| 2038            | 6,142,550               |  | -                    | 6,142,550            | 51,352,449  | 23,829,450                    | 2.41                      | 23,829,450           | 2.41                      | 33,665,548             |                       |
| 2039            | 5,483,308               |  | -                    | 5,483,308            | 47,416,944  | 20,406,750                    | 2.59                      | 20,406,750           | 2.59                      | 32,493,502             |                       |
| 2040            | 4,898,405               |  | -                    | 4,898,405            | 41,337,174  | 6,128,500                     | 7.54                      | 6,128,500            | 7.54                      | 40,107,079             |                       |
| 2041            | 4,330,429               |  | -                    | 4,330,429            | 39,590,752  | -                             | -                         | -                    | -                         | 43,921,181             |                       |
| 2042            | 3,747,751               |  | -                    | 3,747,751            | 40,014,137  | -                             | -                         | -                    | -                         | 43,761,888             |                       |
| 2043            | 3,145,104               |  | -                    | 3,145,104            | 39,945,886  | -                             | -                         | -                    | -                         | 43,090,990             |                       |
| 2044            | 2,556,393               |  | -                    | 2,556,393            | 38,474,048  | -                             | -                         | -                    | -                         | 41,030,441             |                       |
| 2045            | 1,987,107               |  | -                    | 1,987,107            | 37,932,368  | -                             | -                         | -                    | -                         | 39,919,475             |                       |
| 2046            | 1,428,769               |  | -                    | 1,428,769            | 31,905,846  | -                             | -                         | -                    | -                         | 33,334,615             |                       |
| 2047            | 992,319                 |  | -                    | 992,319              | 27,968,771  | -                             | -                         | -                    | -                         | 28,961,090             |                       |
| 2048            | 606,665                 |  | -                    | 606,665              | 26,293,728  | -                             | -                         | -                    | -                         | 26,900,393             |                       |
| 2049            | 296,025                 |  | -                    | 296,025              | 19,896,244  | -                             | -                         | -                    | -                         | 20,192,269             |                       |
| 2050            | 110,161                 |  | -                    | 110,161              | 12,322,090  | -                             | -                         | -                    | -                         | 12,432,251             |                       |
| 2051            | 24,903                  |  | -                    | 24,903               | 5,500,000   | -                             | -                         | -                    | -                         | 5,524,903              |                       |
| 2052            | 3,030                   |  | -                    | 3,030                | 505,000   | -                             | -                         | -                    | -                         | 508,030                |                       |
| 2053            | -                       |  | -                    | -                    | -   | -                             | -                         | -                    | -                         | -                      |                       |
| 2054            | -                       |  | -                    | -                    | -   | -                             | -                         | -                    | -                         | -                      |                       |
| 2055            | -                       |  | -                    | -                    | -   | -                             | -                         | -                    | -                         | -                      |                       |
|                 | <b>\$252,561,743</b>    |  | <b>\$154,208,927</b> | <b>\$106,107,503</b> | <b>\$1,626,778,767</b>                                  | <b>\$455,420,000</b>          |                           | <b>\$609,628,927</b> |                           | <b>\$1,269,711,583</b> |                       |

- (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 debt service fund balances designated for state match repayments, pledged loan interest repayments received from July 1st through August 31st from the previous fiscal year, and pledged loan interest repayments from September 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 debt service fund balances not designated for state match repayments, pledged loan principal repayments and non-pledged principal and interest repayments received from July 1st through August 31st from the previous fiscal year, pledged loan principal and non-pledged principal and interest repayments from September 1st through June 30th.
- (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 beginning debt service fund balances, and loan repayments for the 12 month period ending on June 30th of the Fiscal Year noted.

**TEXAS WATER DEVELOPMENT BOARD  
DRINKING WATER STATE REVOLVING FUND  
PROJECTED SOURCES OF REVENUES  
AS OF AUGUST 31, 2020**

| Fiscal<br>Year (1) | Loan Receipts                    | Loan Receipts                   | Loan Receipts               | Loan Receipts              | Total Non-Pledged                         | Total Projected<br>Income to Pay<br>Debt Service (4) |
|--------------------|----------------------------------|---------------------------------|-----------------------------|----------------------------|---|--|
|                    | Principal<br>From 7/1 - 8/31 (2) | Interest<br>From 7/1 - 8/31 (2) | Principal<br>9/1 - 6/30 (2) | Interest<br>9/1 - 6/30 (2) | Annual<br>Loan Receipts<br>7/1 - 6/30 (3) |  |
| 2021               | \$11,112,000                     | \$3,488,349                     | \$50,723,000                | \$14,261,996               | \$2,810,819                               | \$67,795,815   |
| 2022               | 11,158,000                       | 3,405,603                       | 57,778,000                  | 14,025,348                 | 3,662,346                                 | 90,066,044   |
| 2023               | 11,829,000                       | 3,311,308                       | 57,781,000                  | 13,607,112                 | 3,640,539                                 | 89,592,254   |
| 2024               | 12,013,000                       | 3,203,304                       | 57,221,000                  | 13,151,321                 | 3,675,428                                 | 89,188,056   |
| 2025               | 12,550,000                       | 3,089,153                       | 57,049,000                  | 12,667,586                 | 3,837,029                                 | 88,769,918   |
| 2026               | 12,751,000                       | 2,961,149                       | 57,342,000                  | 12,139,108                 | 3,829,274                                 | 88,949,535   |
| 2027               | 13,072,000                       | 2,822,376                       | 57,935,000                  | 11,579,337                 | 3,826,480                                 | 89,052,966   |
| 2028               | 12,759,000                       | 2,675,041                       | 58,228,000                  | 10,974,471                 | 3,869,993                                 | 88,966,839   |
| 2029               | 13,162,000                       | 2,552,402                       | 55,277,000                  | 10,368,021                 | 3,964,522                                 | 85,043,583   |
| 2030               | 13,209,000                       | 2,420,391                       | 54,909,000                  | 9,771,318                  | 3,543,241                                 | 83,937,961   |
| 2031               | 13,562,000                       | 2,285,534                       | 53,855,000                  | 9,153,051                  | 2,690,531                                 | 81,327,974   |
| 2032               | 14,096,000                       | 2,142,427                       | 53,021,000                  | 8,514,711                  | 2,536,268                                 | 79,919,512   |
| 2033               | 14,350,000                       | 1,987,399                       | 53,543,000                  | 7,835,318                  | 2,465,768                                 | 80,082,513   |
| 2034               | 14,301,000                       | 1,832,477                       | 50,115,000                  | 7,116,320                  | 2,327,443                                 | 75,896,162   |
| 2035               | 14,082,000                       | 1,674,645                       | 47,130,000                  | 6,443,795                  | 2,871,189                                 | 72,578,461   |
| 2036               | 12,019,000                       | 1,513,533                       | 41,728,000                  | 5,856,642                  | 1,406,929                                 | 64,748,216   |
| 2037               | 11,344,000                       | 1,352,552                       | 39,634,000                  | 5,320,217                  | 1,288,337                                 | 59,775,087   |
| 2038               | 9,524,000                        | 1,194,174                       | 38,730,000                  | 4,789,998                  | 1,278,449                                 | 57,494,998   |
| 2039               | 8,185,000                        | 1,063,584                       | 36,788,000                  | 4,289,134                  | 1,104,944                                 | 52,900,252   |
| 2040               | 8,110,000                        | 945,007                         | 32,096,000                  | 3,834,821                  | 1,056,174                                 | 46,235,579   |
| 2041               | 8,225,000                        | 824,616                         | 30,522,000                  | 3,385,422                  | 958,752                                   | 43,921,181   |
| 2042               | 8,390,000                        | 699,876                         | 30,832,000                  | 2,923,135                  | 957,137                                   | 43,761,888   |
| 2043               | 8,265,000                        | 571,113                         | 30,701,000                  | 2,445,228                  | 854,886                                   | 43,090,990   |
| 2044               | 8,030,000                        | 446,930                         | 29,412,000                  | 1,985,280                  | 797,048                                   | 41,030,441   |
| 2045               | 8,185,000                        | 331,446                         | 29,208,000                  | 1,540,177                  | 694,368                                   | 39,919,475   |
| 2046               | 5,105,000                        | 222,085                         | 23,032,000                  | 1,097,323                  | 688,846                                   | 33,334,615   |
| 2047               | 5,195,000                        | 149,127                         | 22,181,000                  | 770,234                    | 682,771                                   | 28,961,090   |
| 2048               | 4,255,000                        | 77,511                          | 20,575,000                  | 457,538                    | 523,728                                   | 26,900,393   |
| 2049               | 2,820,000                        | 27,710                          | 15,290,000                  | 218,513                    | 351,244                                   | 20,192,269   |
| 2050               | 145,000                          | 1,850                           | 9,472,000                   | 82,451                     | 30,090                                    | 12,432,251   |
| 2051               | -                                | -                               | 5,355,000                   | 23,053                     | -   | 5,524,903  |
| 2052               | -                                | -                               | 505,000                     | 3,030                      | -   | 508,030  |
| 2053               | -                                | -                               | -                           | -                          | -   | -  |
| 2054               | -                                | -                               | -                           | -                          | -   | -  |
| 2055               | -                                | -                               | -                           | -                          | -   | -  |
|                    | <b>\$301,803,000</b>             | <b>\$49,272,669</b>             | <b>\$1,257,968,000</b>      | <b>\$200,631,008</b>       | <b>\$62,224,574</b>                       | <b>\$1,871,899,250</b>                               |

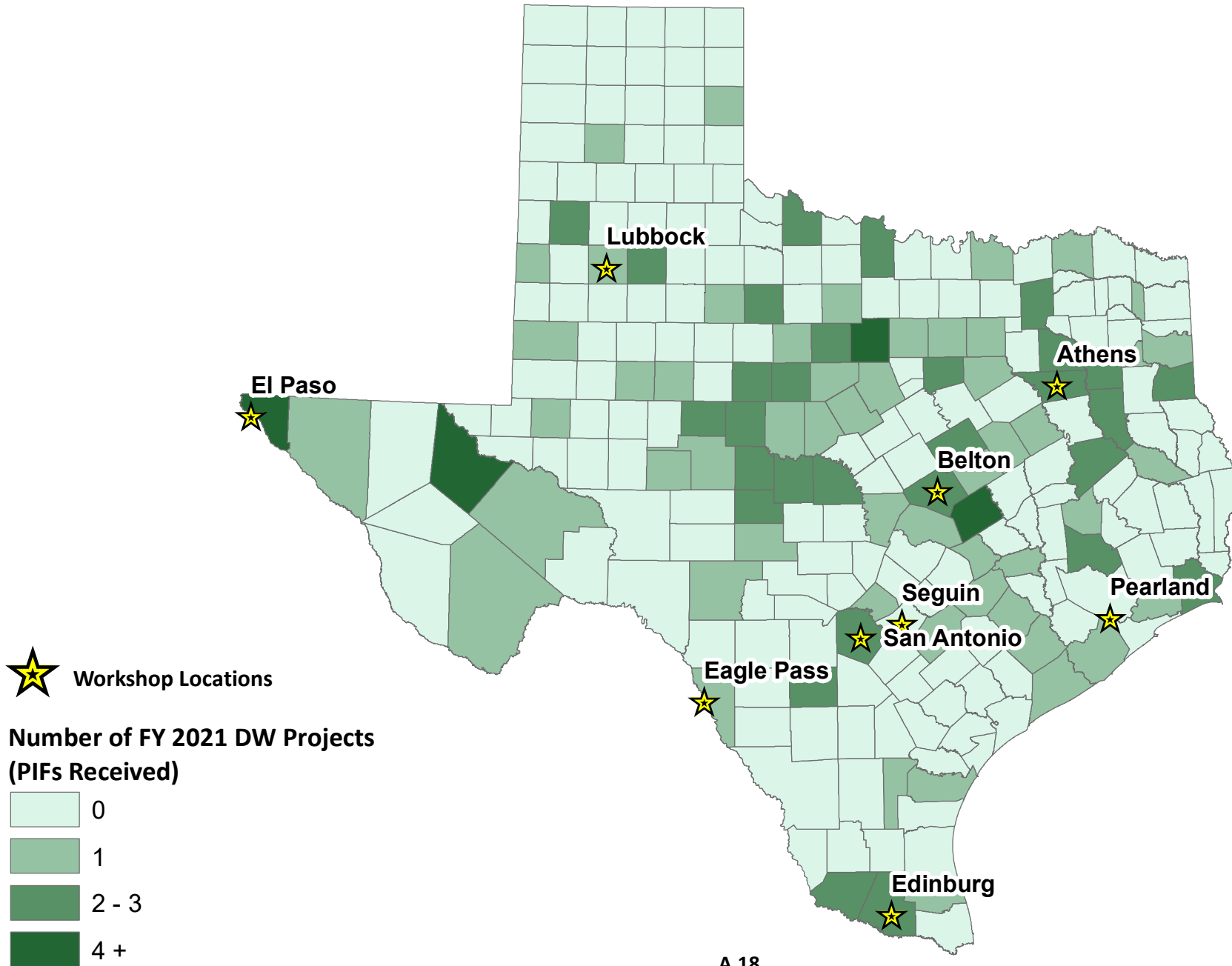
- (1) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
- (2) Represents scheduled repayments on \$1,559,771,000 of outstanding pledged Political Subdivision Bonds as of August 31, 2020.
- (3) Represents scheduled repayments on \$51,326,530 of outstanding non-pledged Political Subdivision Bonds as of August 31, 2020.
- (4) Reflects that for projecting revenue available to pay debt service due within a fiscal year, revenues received for the period ending 6/30 in the same fiscal year are used.

**TEXAS WATER DEVELOPMENT BOARD  
DRINKING WATER STATE REVOLVING FUND  
DEBT SERVICE ON OUTSTANDING BONDS  
AS OF AUGUST 31, 2020**

| Fiscal<br>Year (1) | Revenue Bonds |               |               | Revenue Bonds (Match Portion) (2) |              |              | State Match<br>Fixed Rate Bonds (2) |              |              | Total<br>Debt<br>Service |
|--------------------|---------------|---------------|---------------|-----------------------------------|--------------|--------------|-------------------------------------|--------------|--------------|--------------------------|
|                    | Principal     | Interest      | Total         | Principal                         | Interest     | Total        | Principal                           | Interest     | Total        |                          |
| 2021               | \$9,665,000   | \$14,161,050  | \$23,826,050  | \$4,735,000                       | \$2,549,200  | \$7,284,200  | \$9,623,536                         | \$3,015,762  | \$12,639,298 | \$43,749,548             |
| 2022               | 10,100,000    | 13,729,100    | 23,829,100    | 4,945,000                         | 2,338,750    | 7,283,750    | 9,308,009                           | 2,643,921    | 11,951,929   | 43,064,779               |
| 2023               | 10,600,000    | 13,224,100    | 23,824,100    | 5,185,000                         | 2,091,500    | 7,276,500    | 8,861,140                           | 2,276,240    | 11,137,379   | 42,237,979               |
| 2024               | 11,130,000    | 12,694,100    | 23,824,100    | 5,445,000                         | 1,832,250    | 7,277,250    | 8,353,406                           | 1,915,979    | 10,269,385   | 41,370,735               |
| 2025               | 11,690,000    | 12,137,600    | 23,827,600    | 5,720,000                         | 1,560,000    | 7,280,000    | 7,565,373                           | 1,564,863    | 9,130,236    | 40,237,836               |
| 2026               | 12,275,000    | 11,553,100    | 23,828,100    | 6,010,000                         | 1,274,000    | 7,284,000    | 6,673,812                           | 1,275,201    | 7,949,013    | 39,061,113               |
| 2027               | 12,890,000    | 10,939,350    | 23,829,350    | 6,305,000                         | 973,500      | 7,278,500    | 5,841,908                           | 1,021,851    | 6,863,759    | 37,971,609               |
| 2028               | 13,530,000    | 10,294,850    | 23,824,850    | 6,620,000                         | 658,250      | 7,278,250    | 4,015,564                           | 774,665      | 4,790,229    | 35,893,329               |
| 2029               | 14,210,000    | 9,618,350     | 23,828,350    | 4,545,000                         | 327,250      | 4,872,250    | 4,196,943                           | 588,900      | 4,785,842    | 33,486,442               |
| 2030               | 14,915,000    | 8,907,850     | 23,822,850    | 2,000,000                         | 100,000      | 2,100,000    | 3,712,324                           | 391,542      | 4,103,866    | 30,026,716               |
| 2031               | 15,665,000    | 8,162,100     | 23,827,100    | -                                 | -            | -            | 2,249,716                           | 218,505      | 2,468,221    | 26,295,321               |
| 2032               | 16,450,000    | 7,378,850     | 23,828,850    | -                                 | -            | -            | 1,299,143                           | 112,432      | 1,411,575    | 25,240,425               |
| 2033               | 17,270,000    | 6,556,350     | 23,826,350    | -                                 | -            | -            | 755,423                             | 55,332       | 810,755      | 24,637,105               |
| 2034               | 18,130,000    | 5,692,850     | 23,822,850    | -                                 | -            | -            | 657,169                             | 25,570       | 682,739      | 24,505,589               |
| 2035               | 18,995,000    | 4,833,800     | 23,828,800    | -                                 | -            | -            | -                                   | -            | -            | 23,828,800               |
| 2036               | 19,870,000    | 3,962,100     | 23,832,100    | -                                 | -            | -            | -                                   | -            | -            | 23,832,100               |
| 2037               | 20,775,000    | 3,049,800     | 23,824,800    | -                                 | -            | -            | -                                   | -            | -            | 23,824,800               |
| 2038               | 21,765,000    | 2,064,450     | 23,829,450    | -                                 | -            | -            | -                                   | -            | -            | 23,829,450               |
| 2039               | 19,375,000    | 1,031,750     | 20,406,750    | -                                 | -            | -            | -                                   | -            | -            | 20,406,750               |
| 2040               | 5,950,000     | 178,500       | 6,128,500     | -                                 | -            | -            | -                                   | -            | -            | 6,128,500                |
| 2041               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2042               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2043               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2044               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2045               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2046               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2047               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2048               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2049               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2050               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2051               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2052               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2053               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2054               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
| 2055               | -             | -             | -             | -                                 | -            | -            | -                                   | -            | -            | -                        |
|                    | \$295,250,000 | \$160,170,000 | \$455,420,000 | \$51,510,000                      | \$13,704,700 | \$65,214,700 | \$73,113,464                        | \$15,880,763 | \$88,994,227 | \$609,628,927            |

(1) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.  
(2) GO State Match Bonds and SRF Revenue Bonds designated for state match are paid only from interest repayments.

# Map of Workshops Conducted in SFY 2020



## Appendix B: DWSRF SFY 2020 Projects

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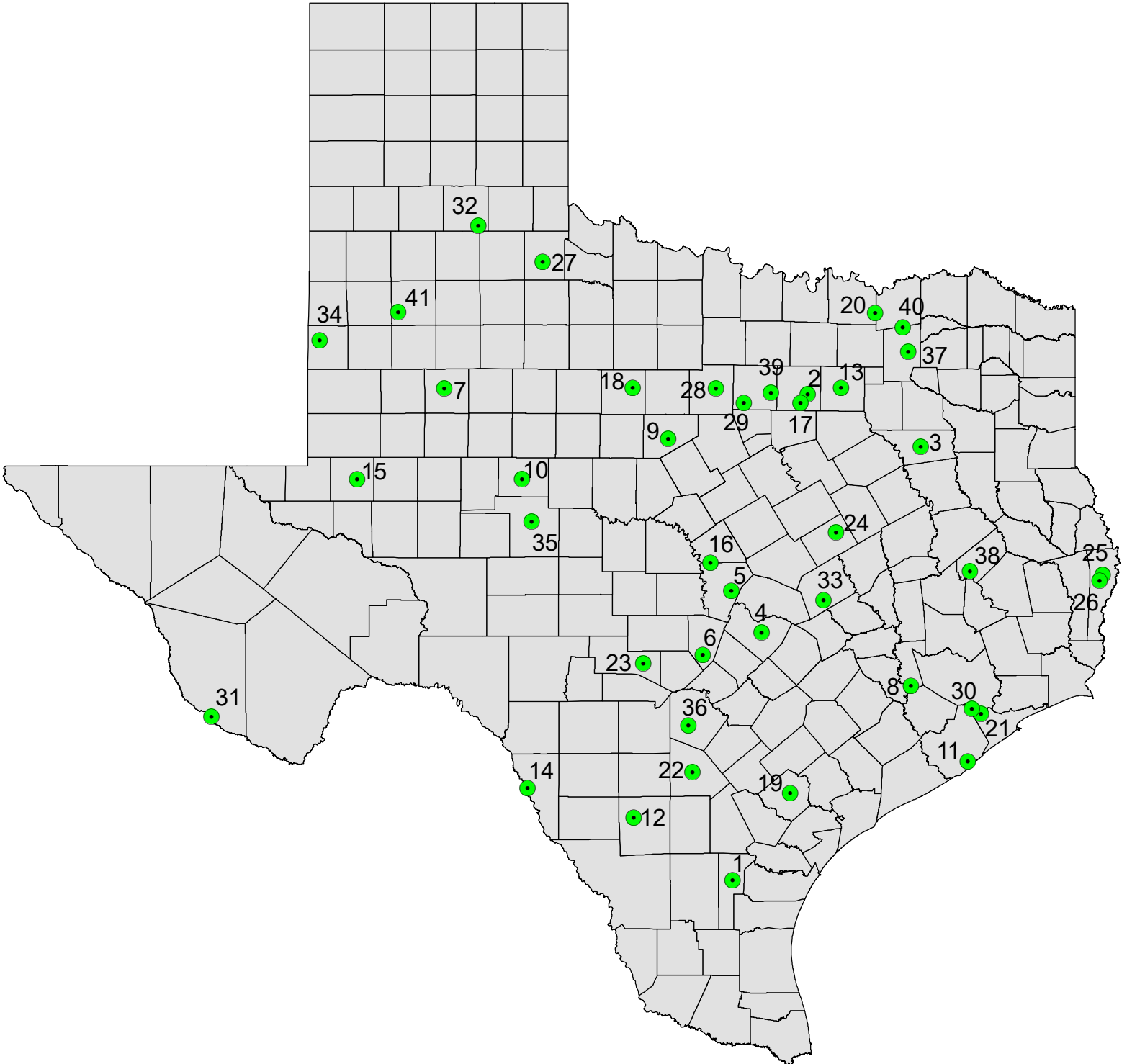
| Commitments Closed |  |              |              |                    |              |             |                         |                        |               |          |                 |
|--------------------|--|--------------|--------------|--------------------|--------------|-------------|-------------------------|------------------------|---------------|----------|-----------------|
| Map ID             | Entity                                   | Commitment # | Loan Amount  | Principal Forgiven | Total Closed | Equivalency | First Principal Payment | Last Principal Payment | Interest Rate | IUP Year | Small Community |
| 1                  | Alice                                    | L1000931     | \$ 2,995,000 | \$ -               | \$ 2,995,000 | EQ          | 2/1/2020                | 2/1/2039               | 0.26%         | 2019     |                 |
| 1                  | Alice                                    | L1000985     | 1,025,000    | -                  | 1,025,000    | EQ          | 2/1/2020                | 2/1/2039               | 0.00%         | 2019     |                 |
| 1                  | Alice                                    | LF1000984    | -            | 1,479,000          | 1,479,000    | EQ          |                         |                        |               | 2019     |                 |
| 2                  | Arlington                                | L1000898     | 79,500,000   | -                  | 79,500,000   | EQ          | 6/1/2020                | 6/1/2039               | 0.11%         | 2018     |                 |
| 3                  | Athens                                   | L1001045     | 825,000      | -                  | 825,000      | EQ          | 8/1/2020                | 8/1/2029               | 0.18%         | 2019     |                 |
| 3                  | Athens                                   | LF1001046    | -            | 300,000            | 300,000      | EQ          |                         |                        |               | 2019     |                 |
| 4                  | Austin                                   | LM201040     | 3,800,000    | -                  | 3,800,000    | EQ          | 11/15/2020              | 11/15/2049             | 0.38%         | 2019     |                 |
| 5                  | Bertram                                  | L1001080     | 12,440,000   | -                  | 12,440,000   | EQ          | 3/15/2023               | 3/15/2052              | 0.34%         | 2020     | YES             |
| 6                  | Blanco                                   | L1001127     | 3,400,000    | -                  | 3,400,000    | EQ          | 2/15/2022               | 2/15/2051              | 1.48%         | 2020     | YES             |
| 7                  | Borden County                            | L1000961     | 1,285,000    | -                  | 1,285,000    | EQ          | 10/15/2020              | 10/15/2044             | 0.00%         | 2019     | YES             |
| 7                  | Borden County                            | LF1000962    | -            | 700,000            | 700,000      | EQ          |                         |                        |               | 2019     | YES             |
| 8                  | Brookshire MWD                           | L1000912     | 1,025,000    | -                  | 1,025,000    | EQ          | 8/1/2020                | 8/1/2048               | 0.00%         | 2019     | YES             |
| 8                  | Brookshire MWD                           | L1000956     | 1,250,000    | -                  | 1,250,000    | EQ          | 8/1/2021                | 8/1/2048               | 0.75%         | 2019     | YES             |
| 8                  | Brookshire MWD                           | LF1000954    | -            | 300,000            | 300,000      | EQ          |                         |                        |               | 2019     | YES             |
| 9                  | Carbon                                   | LF1001113    | -            | 754,600            | 754,600      | EQ          |                         |                        |               | 2020     | YES             |
| 10                 | Coke County WSC                          | LF1001071    | -            | 300,000            | 300,000      | EQ          |                         |                        |               | 2020     | YES             |
| 11                 | Commodore Cove ID                        | LF1001083    | -            | 295,000            | 295,000      | Non-EQ      |                         |                        |               | 2020     | YES             |
| 12                 | Cotulla                                  | L1001053     | 2,380,000    | -                  | 2,380,000    | EQ          | 2/1/2021                | 2/1/2050               | 0.00%         | 2019     | YES             |
| 12                 | Cotulla                                  | LF1001044    | -            | 600,000            | 600,000      | EQ          |                         |                        |               | 2019     | YES             |
| 13                 | Dallas                                   | LM19066      | 44,000,000   | -                  | 44,000,000   | EQ          | 10/1/2021               | 10/1/2049              | 0.27%         | 2017     |                 |
| 14                 | Eagle Pass                               | LM18100561   | 15,075,000   | -                  | 15,075,000   | EQ          | 12/1/2020               | 12/1/2048              | 0.76%         | 2016     |                 |
| 15                 | Ector County UD                          | L1001021     | 45,275,000   | -                  | 45,275,000   | EQ          | 8/1/2020                | 8/1/2049               | 0.83%         | 2019     |                 |
| 16                 | Ellinger Sewer & Water SC                | LF1000908    | -            | 300,000            | 300,000      | EQ          |                         |                        |               | 2019     | YES             |
| 17                 | Everman                                  | L1001051     | 2,700,000    | -                  | 2,700,000    | EQ          | 2/1/2021                | 2/1/2040               | 0.08%         | 2019     | YES             |
| 17                 | Everman                                  | LF1001052    | -            | 300,000            | 300,000      | EQ          |                         |                        |               | 2019     | YES             |
| 18                 | Fort Griffin SUD                         | L1000936     | 1,525,000    | -                  | 1,525,000    | EQ          | 8/1/2021                | 8/1/2050               | 0.75%         | 2019     | YES             |
| 19                 | Goliad                                   | L1000878     | 1,000,000    | -                  | 1,000,000    | EQ          | 2/15/2021               | 2/15/2039              | 0.53%         | 2018     | YES             |
| 20                 | Greater Texoma UA                        | L1001017     | 1,645,000    | -                  | 1,645,000    | EQ          | 10/1/2020               | 10/1/2049              | 1.19%         | 2019     | YES             |
| 20                 | Greater Texoma UA                        | L1001018     | 1,025,000    | -                  | 1,025,000    | EQ          | 10/1/2020               | 10/1/2049              | 0.00%         | 2019     | YES             |
| 20                 | Greater Texoma UA                        | LF1001019    | -            | 1,088,106          | 1,088,106    | EQ          |                         |                        |               | 2019     | YES             |
| 21                 | H2OTech, Inc                             | LF1001084    | -            | 53,467             | 53,467       | Non-EQ      |                         |                        |               | 2020     | YES             |
| 22                 | Jourdanton                               | L1001082     | 6,845,000    | -                  | 6,845,000    | EQ          | 2/1/2021                | 2/1/2049               | 0.26%         | 2020     | YES             |
| 23                 | Kerrville                                | LF1001010    | -            | 500,000            | 500,000      | EQ          |                         |                        |               | 2019     |                 |
| 24                 | Marlin                                   | L1000994     | 2,330,000    | -                  | 2,330,000    | EQ          | 7/1/2021                | 7/1/2050               | 0.00%         | 2019     | YES             |
| 24                 | Marlin                                   | LF1000995    | -            | 4,000,000          | 4,000,000    | EQ          |                         |                        |               | 2019     | YES             |
| 25                 | Newton                                   | LF1001095    | -            | 537,600            | 537,600      | EQ          |                         |                        |               | 2020     | YES             |
| 26                 | Newton                                   | L1001096     | 2,195,000    | -                  | 2,195,000    | EQ          | 3/1/2021                | 3/1/2040               | 0.81%         | 2020     | YES             |
| 27                 | Paducah                                  | L1001093     | 1,715,000    | -                  | 1,715,000    | EQ          | 2/15/2021               | 2/15/2050              | 0.00%         | 2020     | YES             |
| 27                 | Paducah                                  | LF1001092    | -            | 1,677,958          | 1,677,958    | EQ          |                         |                        |               | 2020     | YES             |
| 28                 | Palo Pinto WSC                           | L1000905     | 615,000      | -                  | 615,000      | EQ          | 2/1/2021                | 2/1/2050               | 0.00%         | 2019     | YES             |
| 28                 | Palo Pinto WSC                           | LF1000989    | -            | 1,015,593          | 1,015,593    | EQ          |                         |                        |               | 2019     | YES             |
| 29                 | Parker County SUD                        | L1000979     | 15,080,000   | -                  | 15,080,000   | Non-EQ      | 12/1/2021               | 12/1/2050              | 0.84%         | 2019     | YES             |
| 30                 | Pearland                                 | LM20100563   | 107,600,000  | -                  | 107,600,000  | Non-EQ      | 9/1/2021                | 9/1/2050               | 0.26%         | 2016     |                 |
| 31                 | Presidio County WID #1 dba Redford Water | LF1001126    | -            | 300,000            | 300,000      | EQ          |                         |                        |               | 2020     | YES             |
| 32                 | Quitaque                                 | L1001065     | 545,000      | -                  | 545,000      | EQ          | 2/15/2021               | 2/15/2050              | 0.00%         | 2020     | YES             |
| 32                 | Quitaque                                 | LF1001097    | -            | 950,000            | 950,000      | EQ          |                         |                        |               | 2020     | YES             |
| 33                 | Rockdale                                 | L1001108     | 12,650,000   | -                  | 12,650,000   | EQ          | 6/15/2021               | 6/15/2050              | 1.33%         | 2019     | YES             |
| 33                 | Rockdale                                 | L1001109     | 3,065,000    | -                  | 3,065,000    | EQ          | 6/15/2021               | 6/15/2050              | 0.00%         | 2019     | YES             |
| 33                 | Rockdale                                 | LF1001107    | -            | 500,000            | 500,000      | EQ          |                         |                        |               | 2019     | YES             |
| 34                 | Ropesville                               | L1000974     | 500,000      | -                  | 500,000      | EQ          | 2/15/2020               | 2/15/2049              | 0.00%         | 2019     | YES             |
| 34                 | Ropesville                               | LF1000975    | -            | 768,750            | 768,750      | EQ          |                         |                        |               | 2019     | YES             |
| 35                 | San Angelo                               | L1001050     | 56,075,000   | -                  | 56,075,000   | EQ          | 2/15/2021               | 2/15/2045              | 0.33%         | 2019     |                 |
| 36                 | San Antonio Water System                 | L1000887     | 30,765,000   | -                  | 30,765,000   | EQ          | 5/15/2020               | 5/15/2049              | 0.35%         | 2018     |                 |
| 37                 | Shady Grove SUD                          | L1001049     | 880,000      | -                  | 880,000      | EQ          | 2/15/2021               | 2/15/2040              | 0.24%         | 2019     | YES             |

| 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 |
| 38                 | Westwood Shores MUD | L1001132     | 1,400,000             | -                    | 1,400,000             | Non-EQ      | 5/1/2021                | 5/1/2040               | 1.08%         | 2020     | YES             |
| 39                 | Willow Park         | L1001032     | 13,770,000            | -                    | 13,770,000            | EQ          | 2/15/2021               | 2/15/2050              | 0.54%         | 2019     | YES             |
| 40                 | Wolfe City          | L1000948     | 3,065,000             | -                    | 3,065,000             | EQ          | 3/1/2022                | 3/1/2051               | 0.00%         | 2019     | YES             |
| 40                 | Wolfe City          | L1001007     | 870,000               | -                    | 870,000               | EQ          | 3/1/2022                | 3/1/2051               | 0.00%         | 2019     | YES             |
| 40                 | Wolfe City          | LF1001008    | -                     | 988,103              | 988,103               | EQ          |                         |                        |               | 2019     | YES             |
| 41                 | Wolfforth           | LF1000959    | -                     | 300,000              | 300,000               | EQ          |                         |                        |               | 2019     | YES             |
| <b>Totals</b>      |                     | <b>60</b>    | <b>\$ 482,135,000</b> | <b>\$ 18,008,177</b> | <b>\$ 500,143,177</b> |             |                         |                        |               |          |                 |

"EQ" = equivalency' "Non-EQ" = non-equivalency



# Map of Project Locations



## Descriptions of Closed Projects

| <b>Alice</b><br>Supplemental Water Resource<br>Project # 62835   |                                  |              |            |
|--|----------------------------------|--------------|------------|
| Commitment Amount  | \$5,499,000                      | Closing Date | 11/19/2019 |
| Commitment Code(s)   | L1000931, L1000985,<br>LF1000984 | Map Location | 1          |
| <p>Need: The City of Alice intends to develop a second water source to ensure a reliable, drought resistant water supply and to reduce costs associated with the purchase and pumping of raw water from its current sole-source, the City of Corpus Christi.</p> <p>Description: The project includes two phases: the first phase includes planning and design of two groundwater wells, each with a 2.0 million-gallon-per-day (MGD) capacity, and a 3.0 MGD Reverse Osmosis (RO) brackish groundwater treatment plant; and construct one groundwater well. The second phase, which is the current funding request, will include construction of the second groundwater well and the RO treatment plant.</p>  |                                  |              |            |
| <b>Arlington</b><br>Pierce Burch WTP Improvements<br>Project # 62813   |                                  |              |            |
| Commitment Amount  | \$79,500,000                     | Closing Date | 09/20/2019 |
| Commitment Code(s)   | L1000898                         | Map Location | 2          |
| <p>Project Need: Elements driving the project need; There are hydraulic limitations preventing the Pierce Burch Water Treatment Plant (PBWTP) from treating its design capacity of 75MD. The inability to operate the clear-wells independently and take individual clear-wells out of service for maintenance. The clear-wells have structural deficiencies. The overflow structures lack TCEQ required roof slopes at the existing clear wells. Short circuiting has been identified within the existing clear-wells. There are aging pumps and operational issues not meeting the hydraulic standards of the South Pierce Burch pressure plane.</p> <p>Project Description: Pierce Burch Water Treatment Plant (PBWTP) Improvements includes upgrades and improvements for the clear-well and on-site pump station, and the flocculation/sedimentation, basin, filter, flow metering and flow pacing. Project description also requires decommissioning of the existing three clear-wells, including chemical, electrical, recycling basin, filter control and SCADA equipment.</p> |                                  |              |            |
| <b>Athens</b><br>2019 Athens Water Line Replacement Program<br>Project # 62848   |                                  |              |            |
| Commitment Amount  | \$1,125,000                      | Closing Date | 02/27/2020 |
| Commitment Code(s)   | L1001045, LF1001046              | Map Location | 3          |
| <p>Project Need: Portions of the city's water distribution system service older residential neighborhoods. Aging steel and asbestos water lines in these areas has resulted in frequent line brakes resulting in water quality, pressure, and elevated maintenance issues.</p> <p>Project Description: The City will utilize funds from the DWSRF program for Design and replacement of approximately 2,500 linear feet of 8-inch waterline along portions of South Prairieville Street, Park Drive, East Clinton Avenue, and South Palestine in Athens Texas.</p>   |                                  |              |            |

| <b>Austin</b>   |              |              |            |
|---|--------------|--------------|------------|
| North Austin Reservoir & Pump Station Replacement   |              |              |            |
| Project # 62854   |              |              |            |
| Commitment Amount   | \$3,800,000  | Closing Date | 02/27/2020 |
| Commitment Code(s)  | LM201040     | Map Location | 4          |
| <p>The City of Austin (City) needs to rehabilitate and upgrade water system facilities at the North Austin Reservoir and Ullrich Pump Station that are at the end of their useful lives. The upgrades will improve reliability, safety, and allow for repairs with parts that meet current industry standards.</p> <p>At the City's North Austin Reservoir, the City proposes to decommission existing infrastructure and construct a new facility that will include a new 8-million-gallon ground storage tank and a pump station. At the Ullrich Pump Station, the City proposes to construct a new electrical building, including site work, and replace electrical equipment and a generator.</p>   |              |              |            |
| <b>Bertram</b>  |              |              |            |
| 2019 Water Transmission Main and Elevated Storage Tank Project  |              |              |            |
| Project # 62865   |              |              |            |
| Commitment Amount   | \$12,440,000 | Closing Date | 04/02/2020 |
| Commitment Code(s)  | L1001080     | Map Location | 5          |
| <p>The City of Bertram (City) is 10 miles west of the City of Liberty Hill, which is a part of the Austin- Round Rock Metropolitan Statistical Area and has grown from a population of approximately 1,000 in 2014 to 2,400 in 2018. The City is currently adding approximately 380 new homes and anticipates at least an additional 785 within its current service area by 2040. The City's 50,000-gallon elevated storage tank and 8-inch transmission main that connects its system to a wellfield 12 miles west of the City are aging and undersized for the additional demand.</p> <p>The City proposes to replace the existing transmission line with a new 12 or 16-inch transmission main and the existing storage tank with a 500,000-gallon elevated storage tank. The City will also prepare an asset management plan for the water system.</p>  |              |              |            |
| <b>Blanco</b>   |              |              |            |
| Rehabilitation of Water Treatment Plant Facility  |              |              |            |
| Project # 62748   |              |              |            |
| Commitment Amount   | \$3,400,000  | Closing Date | 05/07/2020 |
| Commitment Code(s)  | L1001127     | Map Location | 6          |
| <p>Project Need: The City of Blanco (City) water treatment plant facilities were originally constructed in 1955 with subsequent piecemeal upgrades. Many components of the water treatment process are aging, unreliable, and in some cases a potential safety hazard for employees. The facilities are located along the Blanco River and are susceptible to flooding. During a May 2015 flood event, the raw water pumps, transfer pumps, and clearwell were submerged by about four feet of water. Recent issues with trihalomethane (THM) have been detected in the potable water and require resolution by the City. Some facilities have inadequate access and are difficult for employees to maintain.</p> <p>Project Description: The City proposes to rehabilitate and, in some cases, replace old components, elevate facilities out of the 100-year floodplain, and demolish abandoned components, including a clear well, transfer pump building, filters, 3 small buildings, and a recycle pumping station. These modifications will not only address the reliability issues, but also improve access to facilities. The City will also obtain a new TCEQ permit to discharge some of the processed water to the Blanco River. The permit expired in 2008 and needs to be renewed. The proposed work will require the City to shut-down the plant for up to nine months. The City has an agreement to purchase water from Canyon Lake Water Supply Corporation during this period. The cost of this purchased water is included in the project budget.</p> |              |              |            |

| <b>Borden County</b>   |                               |              |            |
|--|-------------------------------|--------------|------------|
| Borden County Water Treatment Project  |                               |              |            |
| Project # 62828  |                               |              |            |
| Commitment Amount  | \$1,985,000                   | Closing Date | 10/21/2019 |
| Commitment Code(s)   | L1000961, LF1000962           | Map Location | 7          |
| <p>Need: The Borden County water supply exceeds maximum contaminant levels of arsenic and fluoride and is under a compliance order with the Environmental Protection Agency (EPA) to address these violations.</p> <p>Description: Borden County proposes to install an arsenic and fluoride ion exchange treatment system, related controls, piping and appurtenances to address water quality issues. Pilot testing is completed and the Texas Commission on Environmental Quality (TCEQ) has approved the proposed treatment system.</p>  |                               |              |            |
| <b>Brookshire MWD</b>  |                               |              |            |
| Asbestos Cement Public Water Supply Line Replacement   |                               |              |            |
| Project # 62829  |                               |              |            |
| Commitment Amount  | \$2,575,000                   | Closing Date | 09/27/2019 |
| Commitment Code(s)   | L1000912, L1000956, LF1000954 | Map Location | 8          |
| <p>The Brookshire Municipal Water District (MWD) proposes to replace asbestos cement pipe with PVC C900 pipe in order to reduce water losses from existing antiquated and brittle asbestos cement pipe, reduce energy consumption and improve water pressure in the system.</p> <p>The project includes replacement of approximately 55,380 LF of 12-, 8-, 6-, and 2-inch diameter asbestos cement pipe with PVC C900 pipe. Borings under roadways and driveways, valves and customer reconnections are also included as part of the proposed project.</p>   |                               |              |            |
| <b>Carbon</b>  |                               |              |            |
| Pump Station Improvements and Radio Read Meters  |                               |              |            |
| Project # 62866  |                               |              |            |
| Commitment Amount  | \$754,600                     | Closing Date | 04/22/2020 |
| Commitment Code(s)   | LF1001113                     | Map Location | 9          |
| <p>Project Need: The City is experiencing insufficient drinking water storage and pumping capacities to meet current needs and Texas Commission Environmental on Quality requirements. Additionally, the City is unable to remotely monitor their pumping facilities for efficiencies and service levels.</p> <p>Project Description: The City's proposed project consists of pump station improvements to increase the storage and pumping capacities to meet compliance. The pump station improvements also include upgrading electrical, controls, and installing a supervisory control and data acquisition (SCADA) system. The City also proposes to install a drive-by radio read metering system.</p> |                               |              |            |
| <b>Coke County WSC</b>   |                               |              |            |
| AMR Meter & Valve Replacement (VSS)  |                               |              |            |
| Project # 62861  |                               |              |            |
| Commitment Amount  | \$300,000                     | Closing Date | 03/26/2020 |
| Commitment Code(s)   | LF1001071                     | Map Location | 10         |
| <p>Need: The Coke County Water Supply Corporation (Corporation) is experiencing high water loss due to aged water meter inaccuracy and breaks of existing water lines. The water meters currently in use average 20 years in age and are at the normal end of their lifespan. Additionally, the existing isolation valves date back to the 1970s and have begun to fail. A lack of isolation valves leads to high water loss and service outages when lines break or</p>   |                               |              |            |

leaks occur, and the pump station must then be shut down during line repair.

Description: The Corporation is proposing to plan, design, and construct an automatic meter reading (AMR) and valve replacement project. Proposed work includes replacement of existing water meters in the distribution system with a new AMR drive-by system, replacement of existing aging isolation valves, and addition of new valves to allow isolation of line segments for future line repairs and improvements.

**Commodore Cove ID**  
 Fresh water pressure tank and secondary water line replacement  
 Project # 62864

|                    |           |              |            |
|--------------------|-----------|--------------|------------|
| Commitment Amount  | \$295,000 | Closing Date | 03/10/2020 |
| Commitment Code(s) | LF1001083 | Map Location | 11         |

Project Need: Commodore Cove Improvement District's (District) existing hydropneumatic tank is over 40 years old and does not meet new Texas Commission on Environmental Quality (TCEQ) requirements. The tank does not have an access port that allows for internal cleaning and is in need of replacement. Additionally, an existing water line will be replaced to meet the District's projected need.

Project Description: The District intends to remove and replace the existing hydropneumatic tank and replace an existing 2-inch water line with a 4-inch water line.

**Cotulla**  
 Urgent Need Well Rehabilitation  
 Project # 62855

|                    |                     |              |            |
|--------------------|---------------------|--------------|------------|
| Commitment Amount  | \$2,980,000         | Closing Date | 04/08/2020 |
| Commitment Code(s) | L1001053, LF1001044 | Map Location | 12         |

Drought conditions in 2018 and a sudden decrease in the water table due to increased demand from industry in the area have resulted in the failure of one of the wells and others to be operated at reduced capacity. The City attempted to rehabilitate Well No. 5, which is operating at about 47 percent of capacity, but after encountering additional problems, determined that a new well would be more reliable and reduce the risk of a severe water supply shortage.

The City is constructing a new water well (No. 9) with a design flow of between 500 and 700 gallons per minute on property currently owned by the City. The City is also constructing a new water main and chemical feed facilities. Construction started in April 2019 and is expected to be completed in April 2020.

**Dallas**  
 Water Distribution System Improvements (5 Year)  
 Project # 62741

|                    |              |              |            |
|--------------------|--------------|--------------|------------|
| Commitment Amount  | \$44,000,000 | Closing Date | 05/12/2020 |
| Commitment Code(s) | LM19066      | Map Location | 13         |

Dallas Water Utilities' small diameter water main replacement program provides for the rehabilitation or replacement of approximately 40 miles of small diameter water main every year. The purpose of the program is to maintain integrity of the water distribution system, thereby reducing main breaks, maintenance costs, water losses and impacts to the public.

The City of Dallas will utilize DWSRF funds to construct multiple segments of small diameter water main (less than 20-inch) replacements totaling nearly 40 miles/year.

| <b>Eagle Pass</b>  |              |              |            |
|--|--------------|--------------|------------|
| Upgrade and Expansion of the Water Treatment and Distribution System   |              |              |            |
| Project # 62556  |              |              |            |
| Commitment Amount  | \$15,075,000 | Closing Date | 10/24/2019 |
| Commitment Code(s)   | LM18100561   | Map Location | 14         |
| <p>Need: The City of Eagle Pass (City) needs to replace deteriorated and undersized pipe, rehabilitate aging water storage tanks, add water storage capacity, replace old and inaccurate water meters, and replace water plant filters' membranes that are reaching their expected service life. In addition, the City must expand its water treatment plant because, per the Texas Commission of Environmental Quality (TCEQ) rules, it has exceeded 85% of its permitted capacity.</p> <p>Project Description: The proposed project consists of planning, design, and construction of improvements to and expansion of the existing membrane surface water treatment plant (WTP) from 15 million gallons per day (mgd) to 18 mgd; replacement of deteriorated cast iron water lines; replacement of the water distribution system in Las Quintas, and Jardines Verdes subdivisions; water tank rehabilitation; and construction of a new ground storage tank at College Hills. In addition, the project includes a leak detection study, a water audit, water modeling, and a GIS-based asset management plan.</p> |              |              |            |
| <b>Ector County UD</b>   |              |              |            |
| Water System Improvements  |              |              |            |
| Project # 62853  |              |              |            |
| Commitment Amount  | \$45,275,000 | Closing Date | 10/22/2019 |
| Commitment Code(s)   | L1001021     | Map Location | 15         |
| <p>Ector County Utility District (District) has less than 85% of the minimum total storage and elevated storage required by TCEQ. Additionally, the District has experienced water outages, low chlorine residuals, and water pressures below 35 psi.</p> <p>The proposed project will add 2,500,000 gallons of elevated storage, 4,000,000 gallons of ground storage, approximately 11,000,000 gallons per day of pumping capacity, and approximately 76,800 linear feet (14.5 miles) of 16-inch to 30-inch pipe. The proposed improvements will bring the District into compliance with TCEQ criteria and increase the reliability of the system.</p>  |              |              |            |
| <b>Ellinger Sewer &amp; Water SC</b>   |              |              |            |
| Water Plant Improvements   |              |              |            |
| Project # 62839  |              |              |            |
| Commitment Amount  | \$300,000    | Closing Date | 12/19/2019 |
| Commitment Code(s)   | LF1000908    | Map Location | 16         |
| <p>The Ellinger Sewer and Water Supply Corporation (Corporation) serves the unincorporated area of Ellinger, which is approximately 80 miles west of Houston on State Highway 71. The Corporation must comply with Texas Commission on Environmental Quality (TCEQ) requirements for arsenic in their water distribution system. The Corporation recently received a loan from the United States Department of Agriculture for a new well and intends to blend groundwater from the new well to reduce arsenic and bring the system into compliance with the TCEQ.</p> <p>As part of this strategy, the Corporation needs to replace an aging and deteriorated standpipe. The new ground storage tank will add an estimated 50,000 gallons of storage and provide reliable, long-term storage for the blended water.</p>   |              |              |            |

| <b>Everman</b>  |                                  |              |            |
|---|----------------------------------|--------------|------------|
| 2018 Water System Improvements  |                                  |              |            |
| Project # 62849   |                                  |              |            |
| Commitment Amount   | \$3,000,000                      | Closing Date | 04/08/2020 |
| Commitment Code(s)  | L1001051, LF1001052              | Map Location | 17         |
| <p>Removal and replacement of existing water mains within developed neighborhoods that are well past their service life in order to eliminate water loss in the city's system.</p> <p>Replacing water mains that are past their service age, that when needing repairs, leave residential neighborhoods without water and fire service. Replacing mains will immediately improve water and fire service in the area, eliminating water loss as well.</p>  |                                  |              |            |
| <b>Fort Griffin SUD</b>   |                                  |              |            |
| Water Supply Improvements   |                                  |              |            |
| Project # 62823   |                                  |              |            |
| Commitment Amount   | \$1,525,000                      | Closing Date | 10/16/2019 |
| Commitment Code(s)  | L1000936                         | Map Location | 18         |
| <p>Project Need: Fort Griffin Special Utility District (District) was cited by the Texas Commission on Environmental Quality for drinking water standards violation due to excessive concentrations of disinfection byproducts occurring along their transmission line after the point of connection to the City of Albany treated water system.</p> <p>Project Description: The proposed project would construct approximately 45,000 linear feet of 8-inch raw water transmission line to serve a proposed 0.3 million gallon per day (MGD) membrane water treatment plant (WTP) on the west side of Hubbard Creek Reservoir. The WTP will be funded by USDA-Rural Development. Raw water is contracted through the Brazos River Authority and includes transmission of the raw water to the point of connection.</p> |                                  |              |            |
| <b>Goliad</b>   |                                  |              |            |
| New Groundwater Well  |                                  |              |            |
| Project # 62807   |                                  |              |            |
| Commitment Amount   | \$1,000,000                      | Closing Date | 10/09/2019 |
| Commitment Code(s)  | L1000878                         | Map Location | 19         |
| <p>The City of Goliad's (City) two functioning water wells are more than 30 years old and in deteriorating condition. The wells are currently functioning but may become unreliable soon. The City seeks to maintain a reliable water source.</p> <p>The City proposes to construct a new groundwater well, storage tank, and appurtenances at its Ward Street elevated storage tank location. The proposed well would produce approximately 120 acre-feet per year of additional capacity and could replace one of the old wells.</p>  |                                  |              |            |
| <b>Greater Texoma UA</b>  |                                  |              |            |
| City of Whitewright Water System Improvements Project   |                                  |              |            |
| Project # 62831   |                                  |              |            |
| Commitment Amount   | \$3,758,106                      | Closing Date | 12/20/2019 |
| Commitment Code(s)  | L1001017, L1001018,<br>LF1001019 | Map Location | 20         |
| <p>Project Need: The City of Whitewright water distribution system has experienced service outages, capacity and water loss issues and disinfection issues, due to and aging and undersized water lines. The City also has an existing well that has gone out of service and needs to be replaced.</p>  |                                  |              |            |



Project Description: The City will utilize DWSRF funds for Planning, Design, and Construction of approximately 30,000 linear feet of water lines, construction of a new 230,000 GPM production water well, a new 200,000 gallon Ground Storage Tank, a new high service pump station, as well as SCADA, disinfection, and electrical components, and improvements to the three existing elevated storage tanks.

**H2OTech, Inc**  
 Water System Improvements  
 Project # 62859

|                    |           |              |            |
|--------------------|-----------|--------------|------------|
| Commitment Amount  | \$53,467  | Closing Date | 02/25/2020 |
| Commitment Code(s) | LF1001084 | Map Location | 21         |

Project Need: H2O Tech, Inc. (Utility)'s system is located in the floodway, which is subject to repetitive flooding, jeopardizing the water system's integrity. The frequent flooding events have suspended operations, destroyed well site equipment, accelerated corrosion and triggered systemic boil water notices during repairs. The Utility's well is over 40 years old and after Hurricane Harvey has experienced additional damage to equipment and increased calcium carbonate and alkalinity levels.

Project Description: The Utility is seeking financial assistance for replacement of water meters and system tie-in to an existing water line owned by the City of League City (City). The Utility will then transfer the water system and Certificate of Convenience and Necessity (CCN) to the City and to integrate the service area with the City's municipal water supply.

**Jourdanton**  
 City of Jourdanton Water System Improvements  
 Project # 62870

|                    |             |              |            |
|--------------------|-------------|--------------|------------|
| Commitment Amount  | \$6,845,000 | Closing Date | 06/17/2020 |
| Commitment Code(s) | L1001082    | Map Location | 22         |

New water production site to include well, ground storage, new elevated storage tank, and new transmission main from new well to Pecan Well. Install an additional proposed ground storage at the Whittler production facility. City-wide water meter replacement to automatic meter reading (AMR) meters. Project includes the preparation of an asset management plan.

New water production well will include a proposed 300,000-gallon ground storage and a 500,000-gallon elevated storage tank. A proposed 300,000-gallon ground storage tank is proposed to be installed at the Whittler production facility. City-wide water meter replacement to automatic meter reading (AMR) meters. New transmission main from new well to Pecan well.

**Kerrville**  
 Infrastructure Removal and Replacement - Urgent Need  
 Project # 62852

|                    |           |              |            |
|--------------------|-----------|--------------|------------|
| Commitment Amount  | \$500,000 | Closing Date | 09/11/2019 |
| Commitment Code(s) | LF1001010 | Map Location | 23         |

Urgent Need - Remove the pipe and steel support infrastructure located at the Guadalupe River just downstream of the SH Loop 534 bridge in Kerrville. Also, planning and design of a permanent replacement.

In October of 2018, the Guadalupe River in Kerrville flooded causing significant damage and complete failure of the potable water pipeline and associated steel bridge frame assembly suspending the pipe above the Guadalupe River just downstream of the Veterans Highway (SH Loop 534) crossing. Three bridge frame sections broke away from their supporting concrete shafts and were washed downstream varying distances from original location. The City requests Urgent Need funding from the Drinking Water State Revolving Fund (DWSRF) to remove a 12-inch ductile iron potable water pipeline and steel bridge frame assembly from the Guadalupe River



immediately. The City also requests urgent need funding for the planning, easement acquisition, design, and construction of a permanent replacement of the potable waterline and river crossing alternative for the three pipelines, and for the rehabilitation of two existing reuse and potable water lines currently hung from the SH Loop 534 bridge which will become a portion of the permanent solution.

**Marlin**  
Water System Improvements  
Project # 62819

|                    |                     |              |            |
|--------------------|---------------------|--------------|------------|
| Commitment Amount  | \$6,330,000         | Closing Date | 12/19/2019 |
| Commitment Code(s) | L1000994, LF1000995 | Map Location | 24         |

**Project Need:** The City of Marlin (City) needs improvements to its water treatment plant and distribution system to address Texas Commission on Environmental Quality (TCEQ) violations for failing to maintain a minimum disinfectant residual in the water distribution system, excess turbidity, water lines above the frost line, and pipelines with diameters below the minimum required size. The City also has a water loss of 25 percent.

**Project Description:** The City's proposed project is to rehabilitate its water treatment plant including the clarifier, pumps, piping, and electrical system; remove an abandoned clear well; establish a pressure plane for the City's Depot elevated storage tank (EST) to enable the EST to connect to the distribution system effectively; and, replace approximately 37,500 linear feet of deteriorated and undersized water lines to achieve a reduction of unaccounted-for water and meet TCEQ requirements.

**Newton**  
East Newton W.S.C Interim Improvements  
Project # 62876

|                    |           |              |            |
|--------------------|-----------|--------------|------------|
| Commitment Amount  | \$537,600 | Closing Date | 07/15/2020 |
| Commitment Code(s) | LF1001095 | Map Location | 25         |

**Project Need:** East Newton Water Supply Corporation's (WSC) well failed in April 2017 and a temporary transfer tank, pump, and interconnection to the City of Newton (City) were constructed. The temporary system has a limited capacity and the WSC remains on a boil water notice due to low pressure.

**Project Description:** The City, on behalf of the WSC, will construct a waterline and upgrade the interim storage and booster pump station to allow a sustained 35 psi minimum pressure throughout the WSC, lifting the boil water notice. The City will supply water and perform operation and maintenance for the WSC, creating a regional system.

**Newton**  
Water System Improvements  
Project # 62878

|                    |             |              |            |
|--------------------|-------------|--------------|------------|
| Commitment Amount  | \$2,195,000 | Closing Date | 08/24/2020 |
| Commitment Code(s) | L1001096    | Map Location | 26         |

**Project Need:** The City of Newton (City) has two aging water wells that have reduced production capacity due to past rehabilitations.

**Project Description:** The City intends to replace the capacity of the two current water wells by purchasing a new well site, drilling a new groundwater well, and constructing water treatment facilities.

| <b>Paducah</b>   |                     |              |            |
|--|---------------------|--------------|------------|
| Paducah Water System Improvements  |                     |              |            |
| Project # 62867  |                     |              |            |
| Commitment Amount  | \$3,392,958         | Closing Date | 05/21/2020 |
| Commitment Code(s)   | L1001093, LF1001092 | Map Location | 27         |
| <p>Project Need: The City of Paducah has aging infrastructure, leading to decaying water quality and service capacity. Deteriorated waterlines have contributed to water loss and are a potential source of cross-contamination. At the well field, sand traps and ground storage tanks have become rusted, with the traps reaching the end of their useful life. Repair of these issues will diminish the risk of leaks and breaks along with giving the system a more reliable and effective distribution capability.</p> <p>Project Description: The proposed project includes replacement of sections of the aging and inefficient distribution system; replacement of the main transmission line that transports the water from the City's well field to the water treatment plant; replacement of two sand traps that capture sand produced from its wells and keep it from entering the distribution system; and rehabilitation of the three ground storage tanks at the well field to stop the corrosion that is prevalent on each of the three tanks.</p>   |                     |              |            |
| <b>Palo Pinto WSC</b>  |                     |              |            |
| Elevated Tank and Water Distribution Lines   |                     |              |            |
| Project # 62821  |                     |              |            |
| Commitment Amount  | \$1,630,593         | Closing Date | 09/27/2019 |
| Commitment Code(s)   | L1000905, LF1000989 | Map Location | 28         |
| <p>Need: The Palo Pinto Water Supply Corporation water distribution system encompassing the town of Palo Pinto and surrounding areas contains old and deteriorated water lines leading to high water losses and line breaks that are further aggravated by pump induced surges. The existing elevated storage tank is also deteriorated.</p> <p>Description: At this time the WSC proposes to use Board funds for planning, design, and construction project phases to replace water lines, construct a new elevated storage tank, and install new feed pumps to the elevated tank.</p>  |                     |              |            |
| <b>Parker County SUD</b>   |                     |              |            |
| Phase I Water System Improvements  |                     |              |            |
| Project # 62843  |                     |              |            |
| Commitment Amount  | \$15,080,000        | Closing Date | 10/29/2019 |
| Commitment Code(s)   | L1000979            | Map Location | 29         |
| <p>Project Need: The Parker County Special Utility District (District) has faced multiple operational challenges since the initial construction of its water treatment plant (WTP). District staff have observed significant fouling effects on its micro-filtration (MF) and reverse osmosis (RO) treatment processes, as well as challenges with internal buildup of manganese and organics from the water in the Brazos River. Furthermore, ongoing development within the District's service area continue to stress current water supplies, which is further exacerbated by the existing operational challenges at the WT. Significant growth in the service area has resulted in water demands approaching 80% of the water system capacity (1.10 mgd). In accordance with the Texas commission on Environmental Quality (TCEQ) capacity rules under Title 30 of the Texas Administrative Code (TAC) Chapter §291.93(3), the District has begun planning for improvements to the District's existing WTP to address current operational issues as well as identifying necessary improvements to support expansion of the WTP in the future.</p> <p>Project Description: Parker County Special Utility District will utilize DWSRF loan found for Planning, Design, and Construction for improvements to the District's WTP. Include modifications to the intake structure, expansion to the raw water pump station upgrades, installation of preliminary treatment, MF and RO system improvements, and high service pump station expansion at the existing WTP site.</p> |                     |              |            |

| <b>Pearland</b>  |                     |               |                              |
|--|---------------------|---------------|------------------------------|
| 10 MGD Surface Water Treatment Plant   |                     |               |                              |
| Project # 62712  |                     |               |                              |
| Commitment Amount  | \$107,600,000       | Closing Date  | 06/16/2020                   |
| Commitment Code(s)   | LM20100563          | Map Location  | 30                           |
| <p>NEED: Due to continued and sustained growth in residential, commercial and industrial sectors within the City of Pearland (City), the City requires additional potable water to meet the growing demand. The City currently receives potable water from the City of Houston's Southeast Water Purification Plant (SEWPP) and from ground water wells. As there is no additional source water available from the SEWPP, the new Plant will be beneficial in efforts to implement a diversification of source water.</p> <p>DESCRIPTION: TWDB funds will be used for Planning, Acquisition, Design and Construction with pilot testing, of a 10 MGD Surface Water Treatment Plant (Plant) including 36" diameter transmission lines to various points and the replacement of existing aging customer water meters. The Plant will treat raw water from the GCWA canal for distribution throughout the City's water system. The Plant will be located on City property on CR48 adjacent to the GCWA canal. The project activities are scheduled over a five-year period with new potable water capacity available by 2022. The City currently has agreements in place with Gulf Coast Water Authority (GCWA) to access 10 MGD of raw water from the American Canal</p> |                     |               |                              |
| <b>Presidio County WID #1 dba Redford Water</b>  |                     |               |                              |
| Arsenic Removal Treatment  |                     |               |                              |
| Project # 62885  |                     |               |                              |
| Commitment Amount  | \$300,000           | Closing Date  | 08/14/2020                   |
| Commitment Code(s)   | LF1001126           | Map Location  | 31                           |
| <p>The Presidio Water District dba Redford Water Supply (District) is currently under enforcement with the Texas Commission on Environmental Quality for exceeding the maximum contaminant level (MCL) for arsenic. The District has attempted blending water from their two existing wells but has been unsuccessful at consistently meeting the MCL.</p> <p>The District proposes to plan, design, and construct an arsenic removal treatment plant to bring the District into compliance with the MCL for arsenic. An asset management plan will also be developed.</p>   |                     |               |                              |
| <b>Quitaque</b>  |                     |               |                              |
| EDR Water Treatment Plant  |                     |               |                              |
| Project # 62863  |                     |               |                              |
| Commitment Amount  | \$545,000           | Closing Dates | 07/07/2020 and<br>07/21/2020 |
| Commitment Code(s)   | L1001065, LF1001097 | Map Location  | 32                           |
| <p>The City of Quitaque (City) is currently under enforcement with the United States Environmental Protection Agency (USEPA) for exceeding the maximum contaminant limitation (MCL) for nitrate. The City currently has no treatment for nitrates.</p> <p>The City proposes to plan, design, and construct an electro dialysis reversal (EDR) water treatment plant for nitrate removal. The proposed project will bring the City into compliance with the MCL for nitrate.</p>  |                     |               |                              |

| <b>Rockdale</b>   |                                  |              |            |
|---|----------------------------------|--------------|------------|
| Water Distribution Improvements   |                                  |              |            |
| Project # 62833   |                                  |              |            |
| Commitment Amount   | \$16,215,000                     | Closing Date | 07/14/2020 |
| Commitment Code(s)  | L1001108, L1001109,<br>LF1001107 | Map Location | 33         |
| <p><b>Project Need:</b> The City has received a corrective action notice from the Texas Commission on Environmental Quality (TCEQ) regarding outstanding water treatment plant and distribution system violations. Outstanding issues include failure to meet the Secondary Maximum Contaminant Level for corrosivity, water leaving treatment plant with lower pH than EPA recommended, inappropriate sample taps, inability to measure iron and manganese levels throughout the treatment process, and an outdated distribution system map. Currently, the high corrosivity of the City's water is eroding the waterlines, leaching iron into the drinking water, rendering it unsafe to drink and visibly red. Additionally, the City has identified areas of inadequate water main capacity, a need for increased water storage, and a desire to replace obsolete pipe materials.</p> <p><b>Project Description:</b> The City identified the immediate water infrastructure need as replacement of the failing cast iron water lines. Replacement of these lines is anticipated reduce leached iron from the cast iron pipes, production load on the water treatment facility, and produce an overall increase in water quality, color, and availability.</p> |                                  |              |            |
| <b>Ropesville</b>   |                                  |              |            |
| Fluoride Removal Water Treatment Project  |                                  |              |            |
| Project # 62836   |                                  |              |            |
| Commitment Amount   | \$1,268,750                      | Closing Date | 09/05/2019 |
| Commitment Code(s)  | L1000974, LF1000975              | Map Location | 34         |
| <p><b>Project Need:</b> The City of Ropesville (City) is wholly reliant on groundwater withdrawn from shallow wells, which in this area contains naturally occurring fluoride in concentrations exceeding the maximum contaminant levels. The existing water treatment facility is incapable of removing fluoride and the City has been cited repeatedly for non-compliance with the drinking water standards.</p> <p><b>Project Description:</b> The City proposes to install a reverse osmosis (RO) or an electro dialysis reversal (EDR) system to address the excess fluoride in the water, construct a building to house the equipment, add a head tank; and develop infrastructure to discharge the treatment effluent. The City plans to discharge the effluent to the wastewater collection system.</p>   |                                  |              |            |
| <b>San Angelo</b>   |                                  |              |            |
| Hickory Aquifer Wellfield Phase II  |                                  |              |            |
| Project # 62856   |                                  |              |            |
| Commitment Amount   | \$56,075,000                     | Closing Date | 12/05/2019 |
| Commitment Code(s)  | L1001050                         | Map Location | 35         |
| <p><b>Need:</b> In an effort to offset surface water production, the City of San Angelo (City) began developing a groundwater supply and treatment system to add the Hickory Aquifer to its water supply portfolio. Phase I development of the Hickory Aquifer Wellfield was completed in February of 2018. Phase II development is to achieve a production rate of 12,000 acre-feet per year (10.7 MGD) which requires improvements to the City's wellfield, raw water collection system, transmission line, and groundwater treatment plant (GWTP).</p> <p><b>Description:</b> To achieve the Phase II design production rate of 12,000 acre-feet per year (10.7 MGD), the wellfield, raw water collection system, transmission line, and GWTP will be upgraded to ensure the production rate can reliably be achieved. To accomplish this, five new wells are proposed at the wellfield, bringing the total production capacity to 10,000 gallons per minute (14.4 MGD). This will allow for approximately 25 percent</p>  |                                  |              |            |

equipment downtime without affecting the intended Phase II production rate. New interconnecting piping will tie the new wells into the existing collection system infrastructure, with several improvements recommended to improve the reliability of the collection system. Similarly, an additional pump will be installed at the booster pump station and the existing 200 horsepower pumps will be upgraded to provide sufficient flow while allowing for equipment downtime. Analysis of the transmission line showed that the existing infrastructure can accommodate the Phase II design flow. Minor improvements are proposed to protect the transmission line during potential surge events. At the GWTP, additional equipment including an extra oxidation contactor unit, an additional pressure filtration unit, and two additional ion exchange treatment trains will be installed to build out the facility as intended during the initial Phase I project; however, the existing equipment capacities will be evaluated in more detail during the design phase to ensure the GWTP can accommodate the higher Phase II flows. Additional optimization efforts will also be evaluated to improve the service life of the existing filter media and minimize influent groundwater iron concentrations. Completion of the proposed improvements will also include the development of an asset management plan.

**San Antonio Water System**

La Rosa Pump Station Upgrade

Project # 62811

|                    |              |              |            |
|--------------------|--------------|--------------|------------|
| Commitment Amount  | \$30,765,000 | Closing Date | 09/25/2019 |
| Commitment Code(s) | L1000887     | Map Location | 36         |

The San Antonio Water System (System) needs to rehabilitate and upgrade their water system facilities at four locations. The System has determined it is more cost-effective to rehabilitate at these locations rather than continue to maintain piping, valves and electrical components that in many cases are not compliant with current industry standards. The Wurzbach Pump Station was originally constructed in the late 1960s with later improvements in the 1970s. The La Rosa Pump Station was constructed in 1978. The facilities at both locations are nearing the end of their useful life. The Pleasanton Road water main needs to be upgraded to meet current pipe standards and efficiently deliver water based on current conditions. The Pitluk Wellfield needs a new tank and feed pumps and currently does not have a fluoride system.

The system proposes these improvements: 1) La Rosa Pump Station- construct a new pump station, site improvements, a new electrical building, and install a new fluoride feed system2) Wurzbach Pump Station- replace the existing electrical systems, below-ground piping and valves, electrical switchgear, Supervisory Control and Data Acquisition systems, and add a new fluoride system3) Pleasanton Road- replace approximately 5.7 miles of existing water mains with pipe sizes ranging from 2-inches to 8-inches in diameter with 12-inch water pipeline

**Shady Grove SUD**

CR 4108 Elevated Storage Tank

Project # 62857

|                    |           |              |            |
|--------------------|-----------|--------------|------------|
| Commitment Amount  | \$880,000 | Closing Date | 04/14/2020 |
| Commitment Code(s) | L1001049  | Map Location | 37         |

Need: The Shady Grove SUD needs to construct additional storage capacity to enhance system operation and reliability.

Description: The City will utilize DWSRF funding for the Planning, Design and Construction phases of its water system project to construct a new elevated storage tank.

**Westwood Shores MUD**

New Groundwater Wells, Plant GST Recoating, Valves replacement and installation

Project # 62888

|                    |             |              |            |
|--------------------|-------------|--------------|------------|
| Commitment Amount  | \$1,400,000 | Closing Date | 07/30/2020 |
| Commitment Code(s) | L1001132    | Map Location | 38         |

Need: The Westwood Shores Municipal Utility District (District) currently relies completely on purchased water from Trinity Rural Water Supply Corporation (TRWSC) and Trinity River Authority (TRA). The primary need of the District is assurance of a reliable long-term water supply. The District's current water supply capacity of 304 gallons per minute (GPM) for 701 connections is considered deficient based on the Texas Commission of Environmental Quality (TCEQ) requirement of 0.6 GPM per connection requiring a supply capacity of 421 GPM. The District regularly locates valves which are inoperable, thus preventing the water supply operators from isolating system segments during emergency repairs or maintenance. The water quality of the system has routinely met all TCEQ requirements, but occasionally has violations of TCEQ Secondary Standards due to the quality of water received from its suppliers.

Description: The District's proposed project includes the construction of four drinking water wells within the existing service area to supplement and partially replace the water currently purchased from TWRSC and TRA. These wells will be operated by the District and all treatment of the water supply will be performed at the existing water treatment plant and operated by the District's water supply operators. The addition of the new wells will allow the District to meet the TCEQ's requirement of 0.6 GPM per connection. Additionally, to preserve the existing storage capacity the District proposes the recoating of the interior and exterior of the existing ground storage tank (GST), the replacement of all inoperable valves throughout the system to limit the systems down time, and the extension of the water main line. All of this will improve the District's water supply capacity, quality of water, and water conservation.

**Willow Park**

Fort Worth Wholesale Water

Project # 62850

|                    |              |              |            |
|--------------------|--------------|--------------|------------|
| Commitment Amount  | \$13,770,000 | Closing Date | 12/12/2019 |
| Commitment Code(s) | L1001032     | Map Location | 39         |

Project Need: The City of Willow Park current and projected water usage has exceeded 85% of the City's well capacity. Per TCEQ rules, the city must develop an additional water source to ensure sufficient capacity.

Project Description: The City of Willow park has entered into an interlocal agreement with the City of Fort Worth and Hutson Oaks to fund the construction of a regional wholesale water supply line. The project will bring wholesale drinking water from the City of Fort Worth to the Cities of Willow Park and Hudson Oaks. Project consists of engineering and construction for an approximate 5 miles long, 18 and 16-inch diameter pipeline, meter station, storage, and pumping. Also includes land acquisition, and other startup costs.

**Wolfe City**

Wolfe City Water Distribution System Improvements

Project # 62827

|                    |                                  |              |            |
|--------------------|----------------------------------|--------------|------------|
| Commitment Amount  | \$4,923,103                      | Closing Date | 10/03/2019 |
| Commitment Code(s) | L1000948, L1001007,<br>LF1001008 | Map Location | 40         |

Project Need: Wolfe City has an active agreed order with TCEQ citing that the City has failed to provide two or more wells having a total capacity of 0.6 gpm per connection. In addition, the majority of the City's existing water lines are deteriorating, causing excessive water loss.

Project Description: The city will utilize DWSRF funds for Planning, Acquisition, Design, and Construction for construction of a new water well, ground storage tank, and pump station. This project also includes the rehabilitation of the existing ground storage tanks, improvements to an existing pump station, electrical improvements, as well as the replacement of approximately 25,000 linear feet of water lines and appurtenances throughout the city.

**Wolfforth**  
Wolfforth Place Consolidation  
Project # 62822

|                    |           |              |            |
|--------------------|-----------|--------------|------------|
| Commitment Amount  | \$300,000 | Closing Date | 11/06/2019 |
| Commitment Code(s) | LF1000959 | Map Location | 41         |

Need: The City of Wolfforth (City) currently provides potable water service to 4,352 residents utilizing groundwater from the Ogallala Aquifer. By 2040, the population is projected to grow to 6,569, a 49 percent increase. To meet expected demand, the City must increase its raw-water supply. An opportunity to address this issue was presented indirectly when the water system of a contiguous community, Wolfforth Place/AIM Water, was placed under Texas Commission on Environmental Quality (TCEQ) enforcement for exceeding the maximum contaminant levels of fluoride and arsenic. Wolfforth Place/AIM Water has an excess raw-water supply (also from the Ogallala Aquifer), sufficient for the City’s needs. The City’s treatment facility is capable of removing arsenic and fluoride and has sufficient capacity to satisfy the requirements of both systems. The City has entered into a water supply contract with Wolfforth Place/AIM Water to provide treated water to Wolfforth Place and intends to purchase the system in the future.

The City proposes the planning, design, and construction of both a raw water pipeline and a treated water pipeline to connect the City of Wolfforth and Wolfforth Place water systems.



| Project Funding Considered "Equivalency" - SFY 2020 |            |              |                       |                 |                |
|---|------------|--------------|-----------------------|-----------------|----------------|
| Recipient   | Project ID | Commitment # | Amount                | Commitment Date | Closing Date   |
| Annona  | 62884      | LF1001183    | \$ 300,000            | 08/05/2020      | Not Yet Closed |
| Bertram   | 62865      | L1001080     | 12,440,000            | 12/19/2019      | 04/02/2020     |
| Blanco  | 62748      | L1001127     | 3,400,000             | 04/09/2020      | 05/07/2020     |
| Carbon  | 62866      | LF1001113    | 754,600               | 02/27/2020      | 04/22/2020     |
| Coke County WSC                                     | 62861      | LF1001071    | 300,000               | 12/19/2019      | 03/26/2020     |
| Eagle Pass  | 62882      | L1001074     | 3,640,000             | 08/05/2020      | Not Yet Closed |
| Eagle Pass  | 62882      | LF1001155    | 357,286               | 08/05/2020      | Not Yet Closed |
| Jourdanton  | 62870      | L1001082     | 6,845,000             | 01/16/2020      | 06/17/2020     |
| Los Fresnos   | 62627      | L1001090     | 3,625,000             | 07/23/2020      | Not Yet Closed |
| Newton  | 62876      | LF1001095    | 537,600               | 03/12/2020      | 07/15/2020     |
| Newton  | 62878      | L1001096     | 2,195,000             | 04/09/2020      | 08/24/2020     |
| North Alamo WSC                                     | 62858      | LF201122     | 2,586,373             | 03/12/2020      | Not Yet Closed |
| North Alamo WSC                                     | 62858      | LM201121     | 4,390,000             | 03/12/2020      | Not Yet Closed |
| North Alamo WSC                                     | 62858      | LM211121     | 7,903,000             | 03/12/2020      | Not Yet Closed |
| North Alamo WSC                                     | 62858      | LM221121     | 2,527,000             | 03/12/2020      | Not Yet Closed |
| Paducah   | 62867      | L1001093     | 1,715,000             | 02/13/2020      | 05/21/2020     |
| Paducah   | 62867      | LF1001092    | 1,677,958             | 02/13/2020      | 05/21/2020     |
| Pharr   | 62875      | L1001076     | 13,880,000            | 06/25/2020      | Not Yet Closed |
| Pharr   | 62875      | LF1001118    | 4,000,000             | 06/25/2020      | Not Yet Closed |
| Presidio County WID #1 dba Redford Water            | 62885      | LF1001126    | 300,000               | 06/25/2020      | 08/14/2020     |
| Quitaque  | 62863      | L1001065     | 545,000               | 02/13/2020      | 07/07/2020     |
| Quitaque  | 62863      | LF1001097    | 950,000               | 02/13/2020      | 07/21/2020     |
| Raymondville  | 62887      | L1001142     | 1,520,000             | 08/05/2020      | Not Yet Closed |
| Raymondville  | 62887      | LF1001156    | 1,079,412             | 08/05/2020      | Not Yet Closed |
| Riverbend Water Resources                           | 62883      | LM201181     | 10,800,000            | 08/05/2020      | Not Yet Closed |
| Riverbend Water Resources                           | 62883      | LM201182     | 7,200,000             | 08/05/2020      | Not Yet Closed |
| Riverbend Water Resources                           | 62883      | LM211181     | 55,800,000            | 08/05/2020      | Not Yet Closed |
| Riverbend Water Resources                           | 62883      | LM211182     | 37,200,000            | 08/05/2020      | Not Yet Closed |
| Riverbend Water Resources                           | 62883      | LM221181     | 8,640,000             | 08/05/2020      | Not Yet Closed |
| Riverbend Water Resources                           | 62883      | LM221182     | 5,760,000             | 08/05/2020      | Not Yet Closed |
| Riverbend Water Resources                           | 62883      | LM231181     | 44,580,000            | 08/05/2020      | Not Yet Closed |
| Riverbend Water Resources                           | 62883      | LM231182     | 29,720,000            | 08/05/2020      | Not Yet Closed |
| Roby  | 62890      | L1001152     | 250,000               | 07/23/2020      | Not Yet Closed |
| Roby  | 62890      | LF1001151    | 300,000               | 07/23/2020      | Not Yet Closed |
| Rotan   | 62868      | L1001110     | 2,040,000             | 04/09/2020      | Not Yet Closed |
| Rotan   | 62868      | L1001116     | 235,000               | 04/09/2020      | Not Yet Closed |
| Rotan   | 62868      | LF1001115    | 2,927,068             | 04/09/2020      | Not Yet Closed |
| San Antonio Water System                            | 62889      | L1001135     | 11,805,000            | 05/21/2020      | Not Yet Closed |
| Sandbranch Development & WSC                        | 62871      | LF1001137    | 300,000               | 08/05/2020      | Not Yet Closed |
| <b>Totals</b>                                       | <b>21</b>  |              | <b>\$ 295,025,297</b> |                 |                |

"Equivalency" funding as defined in the SFY 2020 Intended Use Plan.

Amount of Grant (2019 Appropriations): \$86,225,000  
Percentage: 342%



| DWSRF Project Starts           |           |                        |              |            |                      |
|--------------------------------|-----------|------------------------|--------------|------------|----------------------|
| Entity                         | Project # | Commitment #           | Closing Date | Start Date | Net Amount           |
| Alice                          | 62835     | L1000931               | 11/19/2019   | 07/20/2020 | \$ 2,995,000         |
| Alice                          | 62835     | L1000985               | 11/19/2019   | 07/20/2020 | 1,025,000            |
| Alice                          | 62835     | LF1000984              | 11/19/2019   | 07/20/2020 | 1,479,000            |
| Austin                         | 62854     | LM201040               | 02/27/2020   | 06/19/2020 | 3,800,000            |
| Bevil Oaks                     | 62806     | LF1000874              | 12/20/2018   | 09/04/2019 | 500,000              |
| Chandler                       | 62752     | L1000654               | 03/13/2018   | 09/16/2019 | 750,000              |
| Corix Utilities                | 62665     | LF1000428              | 12/16/2015   | 01/27/2020 | 153,000              |
| Corix Utilities                | 62666     | LF1000427              | 12/16/2015   | 01/27/2020 | 200,000              |
| Cotulla                        | 62713     | L1000559               | 08/17/2017   | 06/26/2020 | 3,920,000            |
| Cotulla                        | 62713     | LF1000666              | 08/17/2017   | 06/26/2020 | 1,625,400            |
| Craft-Turney WSC               | 62755     | L1000733               | 08/22/2018   | 08/03/2020 | 1,625,000            |
| Crystal Clear SUD              | 62742     | L1000615               | 11/03/2017   | 12/16/2019 | 15,000,000           |
| D & M WSC                      | 62753     | L1000655               | 01/12/2018   | 11/25/2019 | 1,900,000            |
| Goliad                         | 62807     | L1000878               | 10/09/2019   | 02/03/2020 | 1,000,000            |
| Greater Texoma UA              | 62791     | L1000783               | 08/02/2018   | 04/30/2020 | 935,000              |
| Greater Texoma UA              | 62791     | LF1000799              | 09/26/2018   | 04/30/2020 | 300,000              |
| Greater Texoma UA              | 62797     | L1000819               | 01/30/2019   | 11/06/2019 | 3,415,000            |
| Greater Texoma UA              | 62810     | L1000880               | 01/30/2019   | 11/25/2019 | 7,490,000            |
| H20Tech, Inc                   | 62859     | LF1001084              | 02/25/2020   | 03/23/2020 | 53,467               |
| Holiday Beach WSC              | 62784     | LF1000701              | 03/20/2018   | 10/28/2019 | 700,000              |
| Llano                          | 62766     | L1000683               | 06/20/2018   | 01/27/2020 | 890,000              |
| McAllen                        | 62790     | L1000746               | 11/06/2018   | 10/21/2019 | 12,000,000           |
| Paradise                       | 62762     | LF1000711              | 03/21/2018   | 04/30/2020 | 300,000              |
| Ramirez Common School District | 62786     | LF1000803              | 09/21/2018   | 11/18/2019 | 800,000              |
| River Acres WSC                | 62773     | LF1000736              | 09/20/2018   | 11/21/2019 | 623,400              |
| River Acres WSC                | 62773     | LM18763                | 09/20/2018   | 11/21/2019 | 3,620,000            |
| Valley MUD # 2                 | 62781     | L1000695               | 06/27/2018   | 01/07/2020 | 1,495,000            |
| Whiteface                      | 62803     | L1000873               | 04/18/2019   | 09/06/2019 | 450,000              |
| Woodbranch Village             | 62740     | L1000616               | 09/14/2017   | 11/11/2019 | 1,500,000            |
| Woodloch                       | 62737     | LF1000614              | 07/31/2017   | 05/14/2020 | 200,000              |
| <b>Totals</b>                  | <b>25</b> | <b>unique projects</b> |              |            | <b>\$ 70,744,267</b> |

| <b>DWSRF Project Completions</b> |                  |                        |                     |                        |                      |
|----------------------------------|------------------|------------------------|---------------------|------------------------|----------------------|
| <b>Entity</b>                    | <b>Project #</b> | <b>Commitment #</b>    | <b>Closing Date</b> | <b>Completion Date</b> | <b>Net Amount</b>    |
| Beeville                         | 62684            | L1000489               | 06/23/2016          | 07/01/2020             | \$ 3,300,000         |
| Bevil Oaks                       | 62806            | LF1000874              | 12/20/2018          | 05/28/2020             | 500,000              |
| Chandler                         | 62752            | L1000654               | 03/13/2018          | 04/28/2020             | 750,000              |
| Eldorado                         | 62785            | L1000754               | 04/12/2018          | 04/13/2020             | 1,200,000            |
| Greater Texoma UA                | 62648            | L1000456               | 12/17/2015          | 11/18/2019             | 27,310,000           |
| Greater Texoma UA                | 62648            | L1000558               | 01/25/2017          | 11/18/2019             | 7,155,000            |
| Liberty                          | 62678            | L1000444               | 04/19/2016          | 01/09/2020             | 915,000              |
| Loop WSC                         | 62690            | L1000587               | 03/17/2017          | 12/18/2019             | 200,000              |
| Loop WSC                         | 62690            | LF1000482              | 04/29/2016          | 12/18/2019             | 170,000              |
| Malone                           | 62668            | LF1000403              | 01/13/2016          | 05/13/2020             | 179,000              |
| Mustang SUD                      | 62747            | L1000637               | 10/25/2017          | 09/23/2019             | 3,555,000            |
| Opdyke West                      | 62686            | LF1000483              | 04/25/2016          | 11/01/2019             | 200,000              |
| Pleasant Springs WSC             | 21737            | L1000810               | 02/25/2019          | 05/11/2020             | 150,000              |
| Pleasant Springs WSC             | 21737            | LF1000811              | 02/25/2019          | 05/11/2020             | 300,000              |
| Rogers                           | 62723            | L1000572               | 07/14/2017          | 12/23/2019             | 2,205,000            |
| Rogers                           | 62723            | LF1000663              | 07/14/2017          | 12/23/2019             | 200,000              |
| San Antonio Water System         | 62703            | L1000547               | 12/15/2016          | 12/06/2019             | 12,500,000           |
| San Antonio Water System         | 62756            | L1000652               | 06/14/2018          | 11/22/2019             | 10,500,000           |
| Whiteface                        | 62803            | L1000873               | 04/18/2019          | 03/11/2020             | 450,000              |
| <b>Totals</b>                    | <b>15</b>        | <b>unique projects</b> |                     |                        | <b>\$ 71,739,000</b> |

## Project Benefits Reporting Statement

The Texas Water Development Board (TWDB) complied with the FFY 2019 Capitalization Grant requirement to report all use of funds into the Drinking Water Project Benefits Reporting system (PBR). This reporting was completed before the last day of the month following the month of closing on TWDB financial assistance. All projects listed as “commitments closed” (see table on page B.3) were reported to PBR and the National Information Management System (NIMS) accordingly.

## Special Appropriations Act Program

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

The TWDB has assisted the EPA with 37 projects under this program. A few of the SAAP projects have received additional funding from TWDB Financial Assistance Programs. As of August 31, 2020, 35 projects have been completed.

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

Below is a list of the current Texas SAAP projects:

| <b>Project Name</b>  | <b>Project #</b> | <b>Estimated Completion Date</b> |
|--|------------------|----------------------------------|
| Fort Bend Co FWSD 1 CWSRF-GR-SAAP                          | 21524            | 07/30/2021                       |
| Joshua Mountain Valley/Village Creek Drainage Improvements | 80036            | 01/15/2021                       |

# **Texas Water Development Board**

## **DRINKING WATER STATE REVOLVING FUND**

### **Annual Financial Report**

For the Year Ended  
August 31, 2020

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### Combining Statements:

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

### Schedule 1 – Loans and Contracts

# General Purpose Financial Statements

UNAUDITED

**Drinking Water State Revolving Fund**  
**Exhibit I - Combined Statement of Net Position - Enterprise Funds**  
 August 31, 2020

|                                      | <b>Total Enterprise<br/>Funds<br/>(Exhibit F-1)</b> |
|--------------------------------------|---|
| <b>ASSETS</b>                        |   |
| Current Assets:                      |   |
| Cash and Cash Equivalents:           |   |
| Cash in Bank (Note 3)                | \$ -  |
| Cash Equivalents                     | 122,174,460.76                                      |
| Short Term Investments               | 152,995,782.43                                      |
| Receivables from:                    |   |
| Federal                              | 2,161,847.67  |
| Interest and Dividends               | 4,751,523.43  |
| Loans and Contracts                  | 64,466,334.94                                       |
| <b>Total Current Assets</b>          | <b>346,549,949.23</b>                               |
| Non-Current Assets:                  |   |
| Loans and Contracts                  | 1,546,631,195.11                                    |
| Investments                          | -   |
| <b>Total Non-Current Assets</b>      | <b>1,546,631,195.11</b>                             |
| <b>Total Assets</b>                  | <b>1,893,181,144.34</b>                             |
| <b>LIABILITIES</b>                   |   |
| Current Liabilities:                 |   |
| Payables from:                       |   |
| Accounts Payable                     | -   |
| Interest Payable                     | 1,392,520.83  |
| Interfund Payables                   | 9,623,535.73  |
| Due to Other Funds                   | 526,363.03  |
| Due to Other Agencies                | 2,020,832.04  |
| Revenue Bonds Payable                | 18,273,506.12                                       |
| <b>Total Current Liabilities</b>     | <b>31,836,757.75</b>                                |
| Non-Current Liabilities:             |   |
| Interfund Payables                   | 63,489,928.34                                       |
| Revenue Bonds Payable                | 393,185,114.27                                      |
| <b>Total Non-Current Liabilities</b> | <b>456,675,042.61</b>                               |
| <b>Total Liabilities</b>             | <b>488,511,800.36</b>                               |
| <b>NET POSITION</b>                  |   |
| Restricted for:                      |   |
| Other                                | 1,404,669,343.98                                    |
| <b>Total Net Position</b>            | <b>\$ 1,404,669,343.98</b>                          |

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



UNAUDITED

**Drinking Water State Revolving Funds**  
**Exhibit II - Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position - Enterprise Funds**  
For the Fiscal Year Ended August 31, 2020

|  | <b>Total Enterprise<br/>Funds<br/>(Exhibit F-2)</b> |
|--|---|
|  |   |
| <b>OPERATING REVENUES:</b>   |   |
| Interest and Investment Income   | \$ 23,371,377.10                                    |
| Net Increase (Decrease) Fair Market Value  | (9,387.68)  |
| Other Operating Revenue  | 9,951,736.42  |
| <b>Total Operating Revenues</b>  | <b>33,313,725.84</b>                                |
| <b>OPERATING EXPENSES:</b>   |   |
| Salaries and Wages   | 6,723,281.08  |
| Payroll Related Costs  | 2,021,453.54  |
| Professional Fees and Services   | 774,835.15  |
| Travel   | 105,974.83  |
| Materials and Supplies   | 79,671.89   |
| Communication and Utilities  | 11,712.92   |
| Rentals and Leases   | 29,153.22   |
| Printing and Reproduction  | 442.26  |
| Interest   | 13,937,539.46                                       |
| Other Operating Expenses   | 3,945,014.21  |
| <b>Total Operating Expenses</b>  | <b>27,629,078.56</b>                                |
| <b>Operating Income (Loss)</b>   | <b>5,684,647.28</b>                                 |
| <b>NONOPERATING REVENUE (EXPENSES):</b>  |   |
| Federal Revenue  | 87,639,797.96                                       |
| Federal Grant Pass-Through Revenue (Expense)                                     | (1,391,587.18)                                      |
| Other Benefit Payments   | (2,036,573.00)                                      |
| Other Intergovernmental Payments   | (15,971,604.00)                                     |
| <b>Total Nonoperating Revenue (Expenses)</b>                                     | <b>68,240,033.78</b>                                |
| <b>Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers</b> | <b>73,924,681.06</b>                                |
| <b>OTHER REVENUES, EXPENSES, GAINS/LOSSES<br/>AND TRANSFERS:</b>                 |   |
| Transfers In   | 2,336,171.00  |
| <b>Total Other Revenue, Expenses, Gain/Losses and Transfers</b>                  | <b>2,336,171.00</b>                                 |
| <b>Change in Net Position</b>  | <b>76,260,852.06</b>                                |
| Total Net Position - Beginning   | 1,328,408,491.92                                    |
| <b>Total Net Position, August 31, 2020</b>                                       | <b>\$ 1,404,669,343.98</b>                          |

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

**UNAUDITED**

**Drinking Water State Revolving Fund**  
**Exhibit III - Combining Statement of Cash Flows - Enterprise Funds**  
For the Fiscal Year Ended August 31, 2020

|   | <u>Total<br/>Enterprise<br/>Fund</u> |
|---|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                                      |
| Payments to Suppliers for Goods and Services                | (205,515.39)                         |
| Payments to Employees                                       | (3,425,789.66)                       |
| <b>Net Cash Provided by Operating Activities</b>            | <u><b>(3,631,305.05)</b></u>         |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>      |                                      |
| Proceeds from Debt Issuance                                 | 120,179,761.02                       |
| Proceeds from State Appropriations                          | 2,336,171.00                         |
| Proceeds from Transfers from Other Funds                    | 740,970,868.98                       |
| Proceeds from Grant Receipts                                | 87,741,407.97                        |
| Payments of Principal on Debt Issuance                      | (20,060,792.30)                      |
| Payments of Interest  | (16,880,324.21)                      |
| Payments of Other Costs of Debt Issuance                    | (295,158.84)                         |
| Payments for Transfers to Other Funds                       | (740,970,868.98)                     |
| Payments for Grant Disbursements                            | (28,937,658.90)                      |
| Payments for Other Uses                                     | (11,067.42)                          |
| <b>Net Cash Provided by Noncapital Financing Activities</b> | <u><b>144,072,338.32</b></u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                                      |
| Proceeds from Interest and Investment Income                | 677,065,341.37                       |
| Proceeds from Principal Payments on Non-Program Loans       | 123,951,257.56                       |
| Payments to Acquire Investments                             | (73,968,653.78)                      |
| Payments for Non-program Loans Provided                     | (941,457,632.21)                     |
| <b>Net Cash Provided by Investing Activities</b>            | <u><b>(214,409,687.06)</b></u>       |
| Net (Decrease) in Cash and Cash Equivalents                 | (73,968,653.79)                      |
| Cash and Cash Equivalents--September 1, 2019                | <u>196,143,114.55</u>                |
| <b>Cash and Cash Equivalents--August 31, 2020</b>           | <u><b>\$ 122,174,460.76</b></u>      |

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

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**Clean Water State Revolving Fund**  
**Exhibit III - Combining Statement of Cash Flows - Enterprise Funds (cont.)**  
For the Fiscal Year Ended August 31, 2020

|   | <u>Total<br/>Enterprise<br/>Fund</u> |
|---|--------------------------------------|
| <b>Reconciliation of Operating Income to<br/>Net Cash Provided by Operating Activities</b>        |                                      |
| <b>Operating Income (Loss)</b>  | \$ 15,298,212.11                     |
| <b>Adjustments to Reconcile Operating Income<br/>to Net Cash Provided by Operating Activities</b> |                                      |
| Operating Income and Cash Flow Categories:  |                                      |
| Classification Differences  | -                                    |
| Changes in Assets and Liabilities:  |                                      |
| (Increase) Decrease in Receivables  | 720,949.87                           |
| (Increase) Decrease in Loans & Contracts  | (358,183,742.44)                     |
| Increase (Decrease) in Payables   | 107,393,215.63                       |
| Increase (Decrease) in Deposits   | 241,140,978.37                       |
| Increase (Decrease) in Unearned Revenues  | (225,796.40)                         |
| Increase (Decrease) in Other Liabilities  | (9,775,122.19)                       |
| <b>Total Adjustments</b>  | <u><b>(18,929,517.16)</b></u>        |
| <b>Net Cash Provided by Operating Activities</b>  | <u><b>\$ (3,631,305.05)</b></u>      |
| <b>Non-Cash Transactions</b>  |                                      |
| Net Increase (Decrease) in Fair Value of Investments  | \$ (9,387.68)                        |

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

Notes  
to the  
Financial  
Statements

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

|  |
|--|
| <b>NOTE 1: <i>Summary of Significant Accounting Policies</i></b> |
|--|

### **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.

### **Impact of COVID-19 on TWDB Programs**

COVID-19 has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic growth and financial markets worldwide. Due to the unprecedented nature of the spread of COVID-19, the duration and extent of its impact on the Board cannot be quantified at this time. The COVID-19 outbreak may have an adverse impact on political subdivisions' ability to collect taxes, rates, charges and assessments, and to pay debt service. To date, the Board has not experienced any payment defaults on any bonds held in its portfolios and will continue to have its Financial Compliance staff actively engaged in monitoring outstanding obligations.

To date, the Board's operations and financial condition have not been materially impacted by COVID-19. Like many other state agencies, COVID-19 required TWDB to transition to a virtual work environment for most of its staff. However, due to pre-COVID management decisions to promote telecommuting, staff was able to transition quickly to continue ongoing functions and operate remotely.

## UNAUDITED

### Texas Water Development Board (580)

#### **Fund Structure**

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 similar to 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.

- 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.

## UNAUDITED

### Texas Water Development Board (580)

#### 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 1 for a detailed listing of all outstanding loans and contracts receivable by program.

#### 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 represents 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 are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the 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 proprietary funds are classified as restricted 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.

## UNAUDITED

### Texas Water Development Board (580)

#### Net Position Components

The potential categories for net position include

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

#### ***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 thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current".

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

### **Statement of Cash Flows**

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

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##### Non-program Loans

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

##### Classification Differences

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



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Texas Water Development Board (580)

|  |
|--|
| <b>NOTE 2: Deposits, Investments and Repurchase Agreements</b> |
|--|

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.

**Investments**

As of August 31, 2020, the fair value of investments is as presented below.

| Government and Business-Type Activities                                | Fair Value Hierarchy |         |         | Total                    |
|--|----------------------|---------|---------|--------------------------|
|  | Level 1              | Level 2 | Level 3 |                          |
| <b>INVESTMENTS AT FAIR VALUE</b>                                       |                      |         |         |                          |
| Commercial Paper (Texas Treasury Safekeeping Trust Co)                 | \$ 72,618,898.62     | \$ -    | \$ -    | \$ 72,618,898.62         |
| U.S. Government Agency Obligations (Texas Treas. Safekeeping Trust Co) | 69,324,973.49        |         |         | 69,324,973.49            |
| Total Investment at Fair Value   | \$ 141,943,872.11    | \$ -    | \$ -    | \$ 141,943,872.11        |
| <b>INVESTMENTS AT AMORTIZED COST</b>                                   |                      |         |         |                          |
| Repurchase Agreement (Texas Treasury Safekeeping Trust Co)             |                      |         |         | \$ 133,226,371.08        |
| Total Investment at Amortized Cost                                     |                      |         |         | \$ 133,226,371.08        |
| <b>Total Investments-Gov't &amp; Business Type</b>                     |                      |         |         | <b>\$ 275,170,243.19</b> |

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or 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, 2020, investments were not exposed to custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As required by the agency's investment policy, obligations of states, agencies, counties, cities and other political subdivisions must be rated as to investment quality by a nationally recognized investment rating firm with a minimum of an 'A' rating, commercial paper must be rated not less than A-1 or P-1, and no-load money market mutual funds must be AAA-rated. The investment policy requires that repurchase agreements be collateralized by obligations of the U.S. Government or U.S. Government Agencies, but does not limit credit risk, nor does it limit credit risk for obligations of the United States or its agencies or instrumentalities, direct obligations of the State of Texas, or pooled funds of state agencies in the Texas State Treasury or the Texas Treasury Safekeeping Trust Company. The following schedule lists S & P

**UNAUDITED**

**Texas Water Development Board (580)**

and/or Moody's credit rating by investment by investment type as of August 31, 2020 for those investments subject to credit risk.

| <b>Fund Type</b> | <b>GAAP Fund</b> | <b>Investment Type</b>   | <b>Amount</b>     | <b>S&amp;P</b> |
|------------------|------------------|--|-------------------|----------------|
| 05               | 3050             | Commercial Paper (Texas Treasury Safekeeping Trust Co)                   | \$ 72,618,898.62  | A1, A1+        |
| 05               | 3050             | Repurchase Agreement (Texas Treasury Safekeeping Trust Co)               | \$ 133,226,371.08 | Not rated      |
| 05               | 3050             | U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co) | \$ 69,324,973.49  | AA+            |

**NOTE 3: Long-Term Liabilities**

**Changes in Long-Term Liabilities**

During the year ended August 31, 2020, the following changes occurred in long-term liabilities:

| <b>Business-Type Activities</b>       | <b>Balance 09-01-19</b> | <b>Additions</b>        | <b>Reductions</b>      | <b>Balance 08-31-20</b> | <b>Amounts Due Within One Year</b> | <b>Amounts Due Thereafter</b> |
|---------------------------------------|-------------------------|-------------------------|------------------------|-------------------------|------------------------------------|-------------------------------|
| Notes & Loans Payable (Interfund)     | \$82,964,256.37         | \$0.00                  | \$9,850,792.30         | \$73,113,464.07         | \$13,882,036.28                    | \$87,864,156.91               |
| Revenue Bonds Payable                 | \$ 304,389,063.01       | \$ 133,134,318.40       | \$ 26,064,761.02       | \$ 411,458,620.39       | \$ 18,273,506.12                   | \$393,185,114.27              |
| <b>Total Business-Type Activities</b> | <b>\$387,353,319.38</b> | <b>\$133,134,318.40</b> | <b>\$35,915,553.32</b> | <b>\$484,572,084.46</b> | <b>\$32,155,542.40</b>             | <b>\$481,049,271.18</b>       |

**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.

| <b>Pledged Future Revenue</b>  |                           |
|--|---------------------------|
| <b>Business-Type Activities</b>  |                           |
|  | <b>SRF Revenue Bonds*</b> |
| Pledged Revenue Required for Future Principal and Interest on Existing Bonds | \$1,242,646,650.00        |
| Term of Commitment Year Ending Aug. 31                                       | 2040                      |
| Percentage of Revenue Pledged  | 100%                      |
| Current Year Pledged Revenue   | \$584,133,331.02          |
| Current Year Principal and Interest Paid                                     | \$47,351,788.75           |

\*SRF Revenue Bonds support both the Clean Water and Drinking Water SRF's

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**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, 2020, were as follows:

|   | <b>Interfund Receivables</b>                     | <b>Interfund Payables</b>                       | <b>Current</b>        | <b>Noncurrent</b>       | <b>Purpose</b>   |
|---|--|---|-----------------------|-------------------------|------------------|
| Enterprise (05)                           | DFUND (FT05)<br>Appd Fund 0371,<br>D23 Fund 0371 | DWSRF (FT05)<br>Appd Fund 9999<br>D23 Fund 0951 | \$9,623,535.73        | \$ 63,489,928.34        | State Match Loan |
| <b>Total Interfund Receivable/Payable</b> |  |   | <b>\$9,623,535.73</b> | <b>\$ 63,489,928.34</b> |                  |

*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)**

|  |
|--|
| <b>NOTE 5: Contingencies and Commitments</b> |
|--|

**Disclosure of Contingent Liabilities**

**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, 2020, there were no disallowed costs.

**Outstanding Loan and Grant Commitments**

As of August 31, 2020, 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                                      | For Loans                | For Grants             | Total                   |
|--|--------------------------|------------------------|-------------------------|
| Drinking Water State Revolving Fund (DWSRF)* | 434,244,500.00           | 12,350,139.00          | 446,594,639.00          |
| <b>Total Commitments</b>                     | <b>\$ 434,244,500.00</b> | <b>\$12,350,139.00</b> | <b>\$446,594,639.00</b> |

\*DWSRF Grants shown here represent Principal Forgiveness

|                                    |
|------------------------------------|
| <b>NOTE 6: Bonded Indebtedness</b> |
|------------------------------------|

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

| Miscellaneous Bond Information (Amounts in Thousands) |                      |             |                         |        |            |           |                 |
|---|----------------------|-------------|-------------------------|--------|------------|-----------|-----------------|
| Description of Issue                                  | Bonds Issued to Date | Date Issued | Range of Interest Rates |        | Maturities |           | First Call Date |
|   |                      |             |                         |        | First Year | Last Year |                 |
| <b>STATE REVOLVING FUND*</b>                          |                      |             |                         |        |            |           |                 |
| State Revolving Fund Rev Bds New Ser '18              | 288,395,000          | 04/26/2018  | 4.000%                  | 5.000% | 2019       | 2038      | 08/01/2027      |
| State Revolving Fund Rev Bds New Ser '19              | 221,005,000          | 04/24/2019  | 4.000%                  | 5.000% | 2020       | 2039      | 08/01/2029      |
| State Revolving Fund Rev Bds New Ser '20              | 352,590,000          | 06/02/2020  | 3.000%                  | 5.000% | 2021       | 2040      | 08/01/2030      |

\*State Revolving Fund support both the Clean Water and Drinking Water SRF's

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#### 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 three revenue bond issues outstanding at August 31, 2020.

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 2020, the TWDB issued State Revolving Fund Revenue Bonds, New Series 2020, in a par amount of \$352,590,000 with a premium of \$79,212,924.85. The bonds were issued to finance the acquisition of political subdivision bonds, including state match requirements, and to pay issuance costs of \$635,158.50 and underwriter's discount of \$1,167,766.35. State Revolving Fund Revenue Bonds support both the Clean Water and Drinking Water SRF's.

|                                    |
|------------------------------------|
| <b>NOTE 7: Loans and Contracts</b> |
|------------------------------------|

The Board purchases bonds from political subdivisions (including private water supply corporations). As of August 31, 2020, the balance of these bonds owned by the Board was \$1,611,097,530.05. In general, the majority of these bonds pays interest semi-annually 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 2051. It is the opinion of management that all bonds are fully collectible; therefore, no provision for uncollectible amounts is included in these financial statements.

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**NOTE 8: Available Federal Funds**

As of August 31, 2020, there was \$7,577,182.38 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 \$ 9,951,736.42 earned during the fiscal year ending August 31, 2020 with a total balance in the account of \$ 53,477,968.51 as of August 31, 2020. The administrative account had expenses totaling \$121,823.64 in Fiscal Year 2020.

**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 \$325,856,438.00.

# Combining Statements

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Drinking Water State Revolving Fund  
 Exhibit F-1 - Combining Statement of Net Position - Enterprise Funds  
 August 31, 2020

|                                      | Drinking Water<br>Loan Program | Administration<br>(Federal) | Administration<br>(Fees) | Set Asides<br>(Exhibit SA-2) | Totals<br>(Exhibit I)      |
|--------------------------------------|--------------------------------|-----------------------------|--------------------------|------------------------------|----------------------------|
| <b>ASSETS</b>                        |                                |                             |                          |                              |                            |
| Current Assets:                      |                                |                             |                          |                              |                            |
| Cash and Cash Equivalents:           |                                |                             |                          |                              |                            |
| Cash in Bank (Note 3)                | \$ -                           | \$ -                        | \$ -                     | \$ -                         | \$ -                       |
| Cash Equivalents                     | 114,307,622.48                 | -                           | 7,866,838.28             | -                            | 122,174,460.76             |
| Short Term Investments               | 107,384,652.20                 | -                           | 45,611,130.23            | -                            | 152,995,782.43             |
| Receivables from:                    |                                |                             |                          |                              |                            |
| Federal                              | -                              | 141,015.63                  | -                        | 2,020,832.04                 | 2,161,847.67               |
| Interest and Dividends               | 4,707,865.27                   | -                           | 43,658.16                | -                            | 4,751,523.43               |
| Loans and Contracts                  | 64,466,334.94                  | -                           | -                        | -                            | 64,466,334.94              |
| <b>Total Current Assets</b>          | <b>290,866,474.89</b>          | <b>141,015.63</b>           | <b>53,521,626.67</b>     | <b>2,020,832.04</b>          | <b>346,549,949.23</b>      |
| Non-Current Assets:                  |                                |                             |                          |                              |                            |
| Loans and Contracts                  | 1,546,631,195.11               | -                           | -                        | -                            | 1,546,631,195.11           |
| Investments                          | -                              | -                           | -                        | -                            | -                          |
| <b>Total Non-Current Assets</b>      | <b>1,546,631,195.11</b>        | <b>-</b>                    | <b>-</b>                 | <b>-</b>                     | <b>1,546,631,195.11</b>    |
| <b>Total Assets</b>                  | <b>1,837,497,670.00</b>        | <b>141,015.63</b>           | <b>53,521,626.67</b>     | <b>2,020,832.04</b>          | <b>1,893,181,144.34</b>    |
| <b>LIABILITIES</b>                   |                                |                             |                          |                              |                            |
| Current Liabilities:                 |                                |                             |                          |                              |                            |
| Payables from:                       |                                |                             |                          |                              |                            |
| Accounts Payable                     | -                              | -                           | -                        | -                            | -                          |
| Interest Payable                     | 1,392,520.83                   | -                           | -                        | -                            | 1,392,520.83               |
| Interfund Payables                   | 9,623,535.73                   | -                           | -                        | -                            | 9,623,535.73               |
| Due to Other Funds                   | 526,363.03                     | -                           | -                        | -                            | 526,363.03                 |
| Due to Other Agencies                | (141,015.63)                   | 141,015.63                  | -                        | 2,020,832.04                 | 2,020,832.04               |
| Revenue Bonds Payable                | 18,273,506.12                  | -                           | -                        | -                            | 18,273,506.12              |
| <b>Total Current Liabilities</b>     | <b>29,674,910.08</b>           | <b>141,015.63</b>           | <b>-</b>                 | <b>2,020,832.04</b>          | <b>31,836,757.75</b>       |
| Non-Current Liabilities:             |                                |                             |                          |                              |                            |
| Interfund Payables                   | 63,489,928.34                  | -                           | -                        | -                            | 63,489,928.34              |
| Revenue Bonds Payable                | 393,185,114.27                 | -                           | -                        | -                            | 393,185,114.27             |
| <b>Total Non-Current Liabilities</b> | <b>456,675,042.61</b>          | <b>-</b>                    | <b>-</b>                 | <b>-</b>                     | <b>456,675,042.61</b>      |
| <b>Total Liabilities</b>             | <b>486,349,952.69</b>          | <b>141,015.63</b>           | <b>-</b>                 | <b>2,020,832.04</b>          | <b>488,511,800.36</b>      |
| <b>NET POSITION</b>                  |                                |                             |                          |                              |                            |
| Restricted for:                      |                                |                             |                          |                              |                            |
| Other                                | 1,351,147,717.31               | -                           | 53,521,626.67            | -                            | 1,404,669,343.98           |
| <b>Total Net Position</b>            | <b>\$ 1,351,147,717.31</b>     | <b>\$ -</b>                 | <b>\$ 53,521,626.67</b>  | <b>\$ -</b>                  | <b>\$ 1,404,669,343.98</b> |

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



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**Drinking Water State Revolving Funds  
Exhibit F-2 - Combining Statement of Revenues, Expenses, and  
Changes in Fund Net Position - Enterprise Funds**

For the Fiscal Year Ended August 31, 2020

|  | Drinking Water<br>Loan Program | Administration<br>(Federal) | Administration<br>(Fees) | Set Asides<br>(Exhibit SA-2) | Totals<br>(Exhibit II)     |
|--|--------------------------------|-----------------------------|--------------------------|------------------------------|----------------------------|
| <b>OPERATING REVENUES:</b>   |                                |                             |                          |                              |                            |
| Interest and Investment Income   | \$ 22,844,918.84               | \$ -                        | \$ 526,458.26            | \$ -                         | \$ 23,371,377.10           |
| Net Increase (Decrease) Fair Market Value  | (9,387.68)                     | -                           | -                        | -                            | (9,387.68)                 |
| Other Operating Revenue  | -                              | -                           | 9,951,736.42             | -                            | 9,951,736.42               |
| <b>Total Operating Revenues</b>  | <b>22,835,531.16</b>           | <b>-</b>                    | <b>10,478,194.68</b>     | <b>-</b>                     | <b>33,313,725.84</b>       |
| <b>OPERATING EXPENSES:</b>   |                                |                             |                          |                              |                            |
| Salaries and Wages   | -                              | 2,748,114.32                | -                        | 3,975,166.76                 | 6,723,281.08               |
| Payroll Related Costs  | -                              | 485,051.59                  | -                        | 1,536,401.95                 | 2,021,453.54               |
| Professional Fees and Services   | 495,095.27                     | 162,395.49                  | 117,344.39               | -                            | 774,835.15                 |
| Travel   | -                              | 15,343.63                   | -                        | 90,631.20                    | 105,974.83                 |
| Materials and Supplies   | -                              | 2,253.76                    | -                        | 77,418.13                    | 79,671.89                  |
| Communication and Utilities  | -                              | 11,712.92                   | -                        | -                            | 11,712.92                  |
| Rentals and Leases   | -                              | 29,153.22                   | -                        | -                            | 29,153.22                  |
| Printing and Reproduction  | 442.26                         | -                           | -                        | -                            | 442.26                     |
| Interest   | 13,937,539.46                  | -                           | -                        | -                            | 13,937,539.46              |
| Other Operating Expenses   | -                              | 11,067.42                   | -                        | 3,933,946.79                 | 3,945,014.21               |
| <b>Total Operating Expenses</b>  | <b>14,433,076.99</b>           | <b>3,465,092.35</b>         | <b>117,344.39</b>        | <b>9,613,564.83</b>          | <b>27,629,078.56</b>       |
| <b>Operating Income (Loss)</b>   | <b>8,402,454.17</b>            | <b>(3,465,092.35)</b>       | <b>10,360,850.29</b>     | <b>(9,613,564.83)</b>        | <b>5,684,647.28</b>        |
| <b>NONOPERATING REVENUE (EXPENSES):</b>  |                                |                             |                          |                              |                            |
| Federal Revenue  | 74,561,140.78                  | 3,465,092.35                | -                        | 9,613,564.83                 | 87,639,797.96              |
| Federal Grant Pass-Through Revenue (Expense)                                     | (1,391,587.18)                 | -                           | -                        | -                            | (1,391,587.18)             |
| Other Benefit Payments   | (2,036,573.00)                 | -                           | -                        | -                            | (2,036,573.00)             |
| Other Intergovernmental Payments   | (15,971,604.00)                | -                           | -                        | -                            | (15,971,604.00)            |
| Other Nonoperating Revenue (Expenses)  | -                              | -                           | -                        | -                            | -                          |
| <b>Total Nonoperating Revenue (Expenses)</b>                                     | <b>55,161,376.60</b>           | <b>3,465,092.35</b>         | <b>-</b>                 | <b>9,613,564.83</b>          | <b>68,240,033.78</b>       |
| <b>Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers</b> | <b>63,563,830.77</b>           | <b>-</b>                    | <b>10,360,850.29</b>     | <b>-</b>                     | <b>73,924,681.06</b>       |
| <b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:</b>                     |                                |                             |                          |                              |                            |
| Transfers In   | 2,336,171.00                   | -                           | -                        | -                            | 2,336,171.00               |
| <b>Total Other Revenue, Expenses, Gain/Losses and Transfers</b>                  | <b>2,336,171.00</b>            | <b>-</b>                    | <b>-</b>                 | <b>-</b>                     | <b>2,336,171.00</b>        |
| <b>Change in Net Position</b>  | <b>65,900,001.77</b>           | <b>-</b>                    | <b>10,360,850.29</b>     | <b>-</b>                     | <b>76,260,852.06</b>       |
| Total Net Position - Beginning   | 1,285,247,715.54               | -                           | 43,160,776.38            | -                            | 1,328,408,491.92           |
| <b>Total Net Position, August 31, 2020</b>                                       | <b>\$ 1,351,147,717.31</b>     | <b>\$ -</b>                 | <b>\$ 53,521,626.67</b>  | <b>\$ -</b>                  | <b>\$ 1,404,669,343.98</b> |

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

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**Drinking Water State Revolving Fund**  
**Exhibit SA-2 - Combining Statement of Expenses - Set Aside Programs**  
 For the Fiscal Year Ended August 31, 2020

|                                 | <b>PWSS<br/>Program<br/>Administration</b> | <b>PWSS<br/>Enforcement</b> | <b>PWSS<br/>Homeland<br/>Security</b> | <b>Source<br/>Water<br/>Protection</b> | <b>Capacity<br/>Development</b> | <b>Inspection and<br/>Investigation</b> | <b>Technical<br/>Assistance</b> | <b>Laboratory<br/>Accrediation</b> | <b>Support<br/>Services</b> | <b>Totals<br/>(Exhibit F-2)</b> |
|---------------------------------|--|-----------------------------|---------------------------------------|--|---------------------------------|---|---------------------------------|------------------------------------|-----------------------------|---------------------------------|
| <b>OPERATING EXPENSES:</b>      |  |                             |                                       |  |                                 |   |                                 |                                    |                             |                                 |
| Salaries and Wages              | \$ 132,510.64                              | \$ 106,506.34               | \$ 34,923.77                          | \$ 71,501.71                           | \$ 2,094,522.81                 | \$ 1,411,493.83                         | \$ 13,682.85                    | \$ 110,024.81                      | \$ -                        | \$ 3,975,166.76                 |
| Payroll Related Costs           | \$ 51,215.36                               | 41,164.72                   | 13,498.04                             | 27,635.43                              | 809,533.04                      | 545,542.35                              | 5,288.42                        | 42,524.59                          | -                           | 1,536,401.95                    |
| Travel                          | \$ 43,084.87                               | -                           | 990.83                                | -                                      | 24,151.93                       | 14,319.57                               | -                               | 8,084.00                           | -                           | 90,631.20                       |
| Materials and Supplies          | \$ 25,498.21                               | -                           | -                                     | -                                      | 12,650.45                       | 39,269.47                               | -                               | -                                  | -                           | 77,418.13                       |
| Contracts                       | \$ -                                       | -                           | -                                     | 106,574.01                             | 344,191.48                      | 13,056.00                               | 427,339.00                      | -                                  | -                           | 891,160.49                      |
| Other Operating Expenses        | \$ 456,406.73                              | -                           | 524.00                                | 33,045.34                              | 1,196,353.59                    | 29,436.58                               | -                               | -                                  | 5,277.13                    | 1,721,043.37                    |
| Indirect                        | \$ 44,059.79                               | 35,413.36                   | 11,612.16                             | 23,774.33                              | 696,428.81                      | 469,321.70                              | 4,549.54                        | 36,583.24                          | -                           | 1,321,742.93                    |
| <b>Total Operating Expenses</b> | <b>\$ 752,775.60</b>                       | <b>\$ 183,084.42</b>        | <b>\$ 61,548.80</b>                   | <b>\$ 262,530.82</b>                   | <b>\$ 5,177,832.11</b>          | <b>\$ 2,522,439.50</b>                  | <b>\$ 450,859.81</b>            | <b>\$ 197,216.64</b>               | <b>\$5,277.13</b>           | <b>\$ 9,613,564.83</b>          |

# Schedules

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**Texas Water Development Board**  
**Schedule 1 - Loans and Contracts**  
 For the Fiscal Year Ended August 31, 2020

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

| Recipient                                  | Original Amount | Outstanding Balance | Date From  | Date To    |
|--|-----------------|---------------------|------------|------------|
| <b>Drinking Water State Revolving Fund</b> |                 |                     |            |            |
| Abilene                                    | \$ 2,500,000.00 | \$ 1,660,000.00     | 02/15/2014 | 02/15/2033 |
| Agua SUD                                   | 3,535,000.00    | 0.00                | 08/01/2011 | 08/01/2040 |
| Agua SUD                                   | 3,565,000.00    | 2,630,000.00        | 08/01/2015 | 08/01/2034 |
| Alice                                      | 2,995,000.00    | 2,855,000.00        | 02/01/2020 | 02/01/2039 |
| Alice                                      | 1,025,000.00    | 1,000,000.00        | 02/01/2020 | 02/01/2039 |
| Alpine                                     | 4,131,000.00    | 2,199,000.00        | 03/01/2007 | 03/01/2036 |
| Altoga WSC                                 | 1,059,999.96    | 719,999.96          | 06/01/2013 | 06/01/2032 |
| Alvord                                     | 360,000.00      | 90,000.00           | 10/01/2004 | 10/01/2023 |
| Alvord                                     | 360,000.00      | 130,000.00          | 10/01/2006 | 10/01/2025 |
| Amarillo                                   | 1,310,000.00    | 405,000.00          | 04/01/2014 | 04/01/2023 |
| Amarillo                                   | 17,195,000.00   | 13,045,000.00       | 04/01/2016 | 04/01/2035 |
| Amarillo                                   | 18,075,000.00   | 9,955,000.00        | 05/15/2012 | 05/15/2031 |
| Anahuac                                    | 700,000.00      | 0.00                | 08/01/2006 | 08/01/2025 |
| Anahuac                                    | 5,175,000.00    | 4,965,000.00        | 10/15/2018 | 10/15/2047 |
| Anthony                                    | 980,000.00      | 905,000.00          | 02/15/2018 | 02/15/2046 |
| Anthony                                    | 735,000.00      | 306,000.00          | 02/15/2015 | 02/15/2024 |
| Arlington                                  | 11,445,000.00   | 10,235,000.00       | 06/01/2019 | 06/01/2037 |
| Arlington                                  | 79,500,000.00   | 75,525,000.00       | 06/01/2020 | 06/01/2039 |
| Athens                                     | 825,000.00      | 790,000.00          | 08/01/2020 | 08/01/2029 |
| Austin                                     | 3,800,000.00    | 3,800,000.00        | 11/15/2020 | 11/15/2049 |
| Ballinger                                  | 1,035,000.00    | 1,035,000.00        | 06/01/2021 | 06/01/2030 |
| Ballinger                                  | 3,865,000.00    | 2,305,000.00        | 06/01/2009 | 06/01/2038 |
| Ballinger                                  | 605,000.00      | 365,000.00          | 06/01/2017 | 06/01/2026 |
| Bandera                                    | 3,000,000.00    | 3,000,000.00        | 02/01/2021 | 02/01/2048 |
| Bandera Co FWSD # 1                        | 585,000.00      | 478,000.00          | 08/15/2016 | 08/15/2035 |
| Bangs                                      | 1,760,000.00    | 1,715,000.00        | 02/15/2020 | 02/15/2049 |
| Bangs                                      | 231,000.00      | 34,000.00           | 02/15/2015 | 02/15/2021 |
| Baytown Area WA                            | 9,975,000.00    | 1,425,000.00        | 05/01/2007 | 05/01/2026 |
| Beechwood WSC                              | 1,369,000.00    | 850,000.00          | 07/01/2009 | 07/01/2038 |
| Beeville                                   | 3,300,000.00    | 2,680,000.00        | 02/15/2017 | 02/15/2036 |
| Bertram                                    | 12,440,000.00   | 12,440,000.00       | 03/15/2023 | 03/15/2052 |
| Bistone Municipal WSD                      | 6,130,000.00    | 4,505,000.00        | 06/01/2015 | 06/01/2034 |
| Blanco                                     | 3,150,000.00    | 2,960,000.00        | 08/15/2019 | 08/15/2047 |
| Blanco                                     | 3,400,000.00    | 3,400,000.00        | 02/15/2022 | 02/15/2051 |
| Blossom                                    | 600,000.00      | 530,000.00          | 01/01/2011 | 01/01/2039 |
| Bolivar Peninsula SUD                      | 5,070,000.00    | 4,210,000.00        | 02/15/2010 | 02/15/2038 |
| Bolivar Peninsula SUD                      | 1,200,000.00    | 795,000.00          | 02/15/2010 | 02/15/2027 |
| Bolivar Peninsula SUD                      | 2,360,000.00    | 1,635,000.00        | 02/15/2010 | 02/15/2028 |
| Bonham                                     | 9,830,000.00    | 9,560,000.00        | 02/15/2020 | 02/15/2049 |
| Bonham                                     | 7,355,000.00    | 3,920,000.00        | 02/15/2007 | 02/15/2036 |
| Booker                                     | 455,000.00      | 395,000.00          | 08/15/2018 | 08/15/2037 |
| Borden County                              | 1,285,000.00    | 1,285,000.00        | 10/15/2020 | 10/15/2044 |
| Boyd                                       | 720,000.00      | 700,000.00          | 09/01/2019 | 09/01/2048 |
| Brady                                      | 10,830,000.00   | 10,830,000.00       | 09/01/2021 | 09/01/2050 |
| Brady                                      | 6,115,000.00    | 2,310,000.00        | 05/01/2002 | 05/01/2031 |
| Brady                                      | 350,000.00      | 175,000.00          | 09/01/2015 | 09/01/2024 |
| Brazosport WA                              | 15,500,000.00   | 11,905,000.00       | 09/01/2015 | 09/01/2034 |
| Breckenridge                               | 2,380,000.00    | 2,130,000.00        | 03/15/2016 | 03/15/2045 |
| Breckenridge                               | 1,680,000.00    | 1,410,000.00        | 03/15/2015 | 03/15/2044 |
| Bright Star-Salem SUD                      | 5,930,000.00    | 0.00                | 09/01/2011 | 09/01/2030 |
| Brookshire MWD                             | 1,025,000.00    | 1,005,000.00        | 08/01/2020 | 08/01/2048 |
| Brookshire MWD                             | 1,250,000.00    | 1,250,000.00        | 08/01/2021 | 08/01/2048 |
| Brown Co WID # 1                           | 20,490,000.00   | 9,450,000.00        | 02/01/2009 | 02/01/2028 |
| Brownwood                                  | 6,335,000.00    | 2,005,000.00        | 03/15/2006 | 03/15/2025 |
| Burleson Co MUD # 1                        | 1,440,000.00    | 904,000.00          | 06/01/2005 | 06/01/2034 |
| Burleson Co MUD # 1                        | 120,000.00      | 68,000.00           | 06/01/2006 | 06/01/2035 |
| Burnet                                     | 110,000.00      | 30,000.00           | 08/15/2013 | 08/15/2022 |
| Cameron                                    | 9,305,000.00    | 7,985,000.00        | 03/01/2017 | 03/01/2042 |
| Carbon                                     | 95,000.00       | 79,000.00           | 02/15/2016 | 02/15/2035 |

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**Texas Water Development Board  
Schedule 1 - Loans and Contracts**

For the Fiscal Year Ended August 31, 2020

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| <b>Recipient</b>          | <b>Original Amount</b> | <b>Outstanding Balance</b> | <b>Date From</b> | <b>Date To</b> |
|---------------------------|------------------------|----------------------------|------------------|----------------|
| Castroville               | 350,000.00             | 105,000.00                 | 02/01/2014       | 02/01/2023     |
| Castroville               | 3,500,000.00           | 2,755,000.00               | 08/01/2016       | 08/01/2035     |
| Central Texas WSC         | 22,340,000.00          | 10,925,534.00              | 03/15/2010       | 02/15/2030     |
| Central Washington Co WSC | 2,815,000.00           | 2,805,000.00               | 10/01/2019       | 10/01/2046     |
| Chandler                  | 750,000.00             | 725,000.00                 | 10/15/2019       | 10/15/2042     |
| Cisco                     | 3,000,000.00           | 2,200,000.00               | 02/15/2010       | 02/15/2038     |
| Cisco                     | 2,200,000.00           | 1,350,000.00               | 02/15/2010       | 02/15/2038     |
| Cisco                     | 4,565,000.00           | 4,410,000.00               | 02/15/2020       | 02/15/2049     |
| Coleman                   | 5,025,000.00           | 3,155,000.00               | 04/01/2010       | 04/01/2039     |
| Comanche                  | 705,000.00             | 585,000.00                 | 09/01/2014       | 09/01/2043     |
| Commerce                  | 2,274,000.00           | 1,626,000.00               | 02/15/2013       | 02/15/2040     |
| Commerce                  | 466,000.00             | 338,000.00                 | 02/15/2013       | 02/15/2040     |
| Corpus Christi            | 51,215,000.00          | 44,585,000.00              | 07/15/2017       | 07/15/2045     |
| Coryell City WSD          | 2,000,000.00           | 1,925,000.00               | 10/01/2018       | 10/01/2037     |
| Cottonwood Shores         | 1,395,000.00           | 1,235,000.00               | 05/01/2018       | 05/01/2037     |
| Cotulla                   | 2,380,000.00           | 2,380,000.00               | 02/01/2021       | 02/01/2050     |
| Cotulla                   | 3,920,000.00           | 3,710,000.00               | 02/01/2019       | 02/01/2047     |
| Craft-Turney WSC          | 1,625,000.00           | 1,530,000.00               | 02/15/2019       | 02/15/2042     |
| Creedmoor Maha WSC        | 4,667,500.00           | 4,459,500.00               | 06/01/2019       | 05/01/2049     |
| Crystal Clear SUD         | 15,000,000.00          | 13,990,000.00              | 12/01/2018       | 12/01/2042     |
| Cypress Creek UD          | 2,035,000.00           | 1,995,000.00               | 09/01/2019       | 09/01/2047     |
| D & M WSC                 | 1,900,000.00           | 1,655,000.00               | 08/15/2018       | 08/15/2037     |
| Dallas                    | 44,000,000.00          | 42,705,000.00              | 10/01/2019       | 10/01/2047     |
| Dallas                    | 44,000,000.00          | 44,000,000.00              | 10/01/2020       | 10/01/2048     |
| Dallas                    | 44,000,000.00          | 44,000,000.00              | 10/01/2021       | 10/01/2049     |
| Del Rio                   | 9,645,000.00           | 6,605,000.00               | 06/01/2012       | 06/01/2040     |
| Del Rio                   | 3,000,000.00           | 3,000,000.00               | 06/01/2022       | 06/01/2038     |
| Del Rio                   | 5,400,000.00           | 270,000.00                 | 06/01/2002       | 06/01/2021     |
| DeLeon                    | 80,000.00              | 30,000.00                  | 02/15/2014       | 02/15/2023     |
| DeLeon                    | 520,000.00             | 435,000.00                 | 02/15/2015       | 02/15/2043     |
| Denton Co FWSD # 1A       | 3,260,000.00           | 1,775,000.00               | 12/15/2011       | 12/15/2030     |
| Deport                    | 350,000.00             | 25,000.00                  | 09/01/2001       | 09/01/2020     |
| Devine                    | 2,755,000.00           | 2,615,000.00               | 02/01/2019       | 02/01/2048     |
| Devine                    | 6,645,000.00           | 6,545,000.00               | 02/01/2019       | 02/01/2048     |
| Dickens                   | 460,000.00             | 445,000.00                 | 08/15/2019       | 08/15/2048     |
| Eagle Pass                | 17,090,000.00          | 16,070,000.00              | 12/01/2018       | 12/01/2046     |
| Eagle Pass                | 11,900,000.00          | 11,900,000.00              | 12/01/2020       | 12/01/2047     |
| Eagle Pass                | 15,075,000.00          | 15,075,000.00              | 12/01/2020       | 12/01/2048     |
| Eagle Pass                | 11,545,000.00          | 5,770,000.00               | 12/01/2005       | 12/01/2034     |
| Eagle Pass                | 5,400,000.00           | 3,790,000.00               | 12/01/2004       | 12/01/2033     |
| Eagle Pass                | 5,795,000.00           | 4,945,000.00               | 12/01/2013       | 12/01/2042     |
| East Cedar Creek FWSD     | 730,000.00             | 315,000.00                 | 07/01/2008       | 07/01/2027     |
| East Rio Hondo WSC        | 1,379,000.00           | 1,065,900.00               | 10/01/2014       | 09/01/2034     |
| East Tawakoni             | 1,215,000.00           | 615,000.00                 | 01/01/2008       | 01/01/2027     |
| East Tawakoni             | 1,000,000.00           | 730,000.00                 | 01/01/2012       | 01/01/2030     |
| Eastland                  | 695,000.00             | 660,000.00                 | 02/15/2019       | 02/15/2038     |
| Eastland                  | 2,385,000.00           | 1,530,000.00               | 12/01/2009       | 12/01/2036     |
| Eastland Co WSD           | 3,495,000.00           | 3,070,000.00               | 01/01/2015       | 01/01/2044     |
| Eastland Co WSD           | 805,000.00             | 805,000.00                 | 01/01/2021       | 01/01/2050     |
| Ector County UD           | 45,275,000.00          | 43,915,000.00              | 08/01/2020       | 08/01/2049     |
| Edgewood                  | 835,000.00             | 660,000.00                 | 05/01/2011       | 05/01/2039     |
| Edinburg                  | 5,405,000.00           | 4,355,000.00               | 03/01/2017       | 03/01/2036     |
| Edinburg                  | 10,425,000.00          | 7,545,000.00               | 03/01/2015       | 03/01/2034     |
| El Campo                  | 375,000.00             | 152,000.00                 | 02/01/2015       | 02/01/2024     |
| El Jardin WSC             | 3,545,000.00           | 2,070,000.00               | 09/01/2004       | 09/01/2033     |
| El Paso Co Tornillo WID   | 130,000.00             | 80,000.00                  | 08/01/2011       | 08/01/2038     |
| Eldorado                  | 560,000.00             | 440,000.00                 | 08/01/2015       | 08/01/2036     |
| Eldorado                  | 1,200,000.00           | 1,100,000.00               | 08/01/2019       | 08/01/2038     |
| Elmendorf                 | 10,770,000.00          | 10,770,000.00              | 08/01/2021       | 08/01/2048     |
| Emory                     | 720,000.00             | 505,000.00                 | 07/01/2014       | 07/01/2033     |
| Eules                     | 4,685,000.00           | 3,585,000.00               | 07/15/2016       | 07/15/2035     |

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**Texas Water Development Board**  
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 For the Fiscal Year Ended August 31, 2020

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| <b>Recipient</b>    | <b>Original Amount</b> | <b>Outstanding Balance</b> | <b>Date From</b> | <b>Date To</b> |
|---------------------|------------------------|----------------------------|------------------|----------------|
| Eules               | 9,275,000.00           | 9,025,000.00               | 07/15/2020       | 07/15/2049     |
| Everman             | 2,700,000.00           | 2,700,000.00               | 02/01/2021       | 02/01/2040     |
| Fayetteville        | 200,000.00             | 150,000.00                 | 08/01/2016       | 08/01/2035     |
| Flaton              | 660,000.00             | 215,000.00                 | 09/01/2007       | 09/01/2026     |
| Fort Griffin SUD    | 1,525,000.00           | 1,525,000.00               | 08/01/2021       | 08/01/2050     |
| Fort Worth          | 49,585,000.00          | 0.00                       | 03/01/2009       | 03/01/2027     |
| Fort Worth          | 40,000,000.00          | 0.00                       | 02/15/2011       | 02/15/2030     |
| Fort Worth          | 16,145,000.00          | 8,030,000.00               | 02/15/2011       | 02/15/2030     |
| Garland             | 6,670,000.00           | 6,240,000.00               | 03/01/2020       | 03/01/2034     |
| Gladewater          | 1,600,000.00           | 1,490,000.00               | 08/15/2018       | 08/15/2037     |
| G-M WSC             | 2,775,000.00           | 2,655,000.00               | 03/01/2019       | 03/01/2048     |
| G-M WSC             | 2,970,000.00           | 2,342,520.00               | 03/15/2010       | 02/15/2040     |
| Goldthwaite         | 1,480,000.00           | 1,300,000.00               | 11/01/2015       | 11/01/2044     |
| Goliad              | 1,000,000.00           | 1,000,000.00               | 02/15/2021       | 02/15/2039     |
| Gordon              | 460,000.00             | 440,000.00                 | 03/01/2019       | 03/01/2048     |
| Gorman              | 140,000.00             | 99,000.00                  | 03/01/2016       | 03/01/2030     |
| Gorman              | 1,000,000.00           | 960,000.00                 | 03/01/2019       | 03/01/2048     |
| Granbury            | 16,430,000.00          | 15,555,000.00              | 08/15/2017       | 08/15/2045     |
| Granbury            | 2,720,000.00           | 1,910,000.00               | 08/15/2018       | 08/15/2027     |
| Granbury            | 15,000,000.00          | 14,595,000.00              | 08/15/2018       | 08/15/2037     |
| Granbury            | 13,810,000.00          | 13,425,000.00              | 08/15/2020       | 08/15/2048     |
| Grand Prairie       | 4,000,000.00           | 2,560,000.00               | 01/15/2015       | 01/15/2030     |
| Greater Texoma UA   | 325,000.00             | 0.00                       | 10/01/1999       | 10/01/2018     |
| Greater Texoma UA   | 1,745,000.00           | 735,000.00                 | 06/01/2008       | 06/01/2027     |
| Greater Texoma UA   | 485,000.00             | 205,000.00                 | 06/01/2015       | 06/01/2024     |
| Greater Texoma UA   | 3,695,000.00           | 2,790,000.00               | 08/15/2015       | 08/15/2034     |
| Greater Texoma UA   | 2,515,000.00           | 1,400,000.00               | 10/01/2016       | 10/01/2024     |
| Greater Texoma UA   | 2,875,000.00           | 2,425,000.00               | 06/01/2016       | 06/01/2034     |
| Greater Texoma UA   | 27,310,000.00          | 22,205,000.00              | 10/01/2016       | 10/01/2035     |
| Greater Texoma UA   | 2,125,000.00           | 1,845,000.00               | 08/15/2017       | 08/15/2037     |
| Greater Texoma UA   | 7,155,000.00           | 6,505,000.00               | 10/01/2018       | 10/01/2037     |
| Greater Texoma UA   | 1,225,000.00           | 1,055,000.00               | 08/15/2018       | 08/15/2037     |
| Greater Texoma UA   | 15,200,000.00          | 15,065,000.00              | 09/01/2019       | 09/01/2048     |
| Greater Texoma UA   | 935,000.00             | 925,000.00                 | 10/01/2019       | 10/01/2048     |
| Greater Texoma UA   | 3,415,000.00           | 3,350,000.00               | 08/15/2019       | 08/15/2048     |
| Greater Texoma UA   | 7,490,000.00           | 7,300,000.00               | 08/15/2020       | 08/15/2049     |
| Greater Texoma UA   | 1,645,000.00           | 1,645,000.00               | 10/01/2020       | 10/01/2049     |
| Greater Texoma UA   | 1,025,000.00           | 1,025,000.00               | 10/01/2020       | 10/01/2049     |
| Greenville          | 305,000.00             | 155,000.00                 | 02/15/2011       | 02/15/2029     |
| Groesbeck           | 1,025,000.00           | 535,000.00                 | 08/15/2007       | 08/15/2036     |
| Groesbeck           | 2,150,000.00           | 1,430,000.00               | 02/15/2011       | 02/15/2040     |
| Groveton            | 660,000.00             | 660,000.00                 | 08/15/2021       | 08/15/2040     |
| Hamlin              | 5,500,000.00           | 2,090,000.00               | 03/01/2002       | 03/01/2031     |
| Harris Co MUD # 50  | 2,470,000.00           | 2,015,000.00               | 03/01/2017       | 03/01/2035     |
| Harris Co MUD # 148 | 2,710,000.00           | 0.00                       | 04/01/2012       | 04/01/2031     |
| Harris Co WCID # 36 | 5,000,000.00           | 0.00                       | 09/15/2009       | 09/15/2027     |
| Harris Co WCID # 36 | 3,885,000.00           | 3,060,000.00               | 09/01/2015       | 09/01/2034     |
| Hico                | 1,520,000.00           | 1,225,000.00               | 08/15/2014       | 08/15/2042     |
| Hidalgo Co MUD # 1  | 5,605,000.00           | 3,610,000.00               | 02/15/2010       | 02/15/2039     |
| Hillsboro           | 3,130,000.00           | 2,990,000.00               | 07/01/2020       | 07/01/2039     |
| Hondo               | 490,000.00             | 150,000.00                 | 02/01/2014       | 02/01/2023     |
| Hondo               | 5,470,000.00           | 4,565,000.00               | 08/01/2017       | 08/01/2036     |
| Honey Grove         | 2,700,000.00           | 2,460,000.00               | 09/01/2017       | 09/01/2045     |
| Honey Grove         | 200,000.00             | 62,000.00                  | 03/01/2014       | 03/01/2023     |
| Houston             | 48,040,000.00          | 36,715,000.00              | 11/15/2015       | 11/15/2034     |
| Houston Co WCID # 1 | 5,940,000.00           | 4,150,000.00               | 08/01/2009       | 08/01/2038     |
| Hubbard             | 1,500,000.00           | 1,255,000.00               | 02/15/2014       | 02/15/2043     |
| Jefferson           | 2,600,000.00           | 2,240,000.00               | 02/15/2018       | 02/15/2037     |
| Johnson County SUD  | 22,000,000.00          | 20,075,000.00              | 08/15/2019       | 08/15/2038     |
| Jourdanton          | 6,845,000.00           | 6,845,000.00               | 02/01/2021       | 02/01/2049     |
| Karnes City         | 3,600,000.00           | 2,725,000.00               | 06/01/2011       | 06/01/2037     |

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| <b>Recipient</b>              | <b>Original Amount</b> | <b>Outstanding Balance</b> | <b>Date From</b> | <b>Date To</b> |
|-------------------------------|------------------------|----------------------------|------------------|----------------|
| Kellyville-Berea WSC          | 635,000.00             | 585,000.00                 | 02/15/2019       | 02/15/2038     |
| Kerrville                     | 5,000,000.00           | 4,995,000.00               | 08/15/2020       | 08/15/2049     |
| Kirbyville                    | 1,805,000.00           | 1,650,000.00               | 08/15/2019       | 08/15/2038     |
| Kountze                       | 930,000.00             | 195,000.00                 | 03/15/2000       | 03/15/2024     |
| La Feria                      | 880,000.00             | 605,000.00                 | 09/15/2013       | 09/15/2032     |
| Ladonia                       | 200,000.00             | 80,000.00                  | 02/15/2015       | 02/15/2024     |
| Ladonia                       | 2,810,000.00           | 2,740,000.00               | 08/15/2019       | 08/15/2047     |
| Lake Livingston WSSSC         | 3,130,000.00           | 2,715,000.00               | 12/01/2015       | 12/01/2034     |
| Lake Livingston WSSSC         | 17,500,000.00          | 14,500,000.00              | 12/01/2010       | 12/01/2039     |
| Lake Palo Pinto Area WSC      | 130,000.00             | 60,000.00                  | 04/01/2015       | 04/01/2024     |
| Lake Palo Pinto Area WSC      | 1,480,000.00           | 1,286,000.00               | 04/01/2017       | 04/01/2036     |
| Lamar Co WSD                  | 3,170,000.00           | 1,755,000.00               | 07/10/2008       | 07/10/2027     |
| Lamar Co WSD                  | 1,380,000.00           | 1,115,000.00               | 07/10/2012       | 07/10/2039     |
| Laredo                        | 5,500,000.00           | 4,710,000.00               | 03/01/2016       | 03/01/2045     |
| Laredo                        | 4,600,000.00           | 3,910,000.00               | 03/01/2016       | 03/01/2045     |
| Lawn                          | 885,000.00             | 865,000.00                 | 03/01/2020       | 03/01/2049     |
| Lee Co FWSD # 1               | 525,000.00             | 465,000.00                 | 03/01/2017       | 03/01/2046     |
| Liberty                       | 915,000.00             | 555,000.00                 | 03/01/2017       | 03/01/2026     |
| Llano                         | 890,000.00             | 855,000.00                 | 09/15/2019       | 09/15/2038     |
| Los Fresnos                   | 1,000,000.00           | 650,000.00                 | 02/01/2016       | 02/01/2025     |
| Lower Neches Valley Authority | 18,495,000.00          | 15,455,000.00              | 08/01/2009       | 08/01/2035     |
| Marlin                        | 10,380,000.00          | 6,895,000.00               | 07/01/2007       | 07/01/2036     |
| Marlin                        | 1,680,000.00           | 1,510,000.00               | 07/01/2015       | 07/01/2042     |
| Marlin                        | 2,330,000.00           | 2,330,000.00               | 07/01/2021       | 07/01/2050     |
| Mason                         | 990,000.00             | 955,000.00                 | 03/01/2020       | 03/01/2049     |
| McAllen                       | 12,000,000.00          | 12,000,000.00              | 02/01/2021       | 02/01/2048     |
| Melvin                        | 539,902.00             | 170,000.00                 | 09/01/2018       | 09/01/2047     |
| Menard                        | 550,000.00             | 165,000.00                 | 03/01/2014       | 03/01/2023     |
| Mexia                         | 605,000.00             | 0.00                       | 08/15/2005       | 08/15/2024     |
| Mexia                         | 2,780,000.00           | 1,680,000.00               | 08/15/2010       | 08/15/2038     |
| Mexia                         | 960,000.00             | 575,000.00                 | 08/15/2010       | 08/15/2038     |
| Millersview-Doole WSC         | 15,816,000.00          | 11,445,000.00              | 12/01/2005       | 12/01/2034     |
| Mission                       | 7,780,000.00           | 4,105,000.00               | 02/15/2011       | 02/15/2030     |
| Montgomery                    | 1,730,000.00           | 1,490,000.00               | 03/01/2018       | 03/01/2037     |
| Moran                         | 180,000.00             | 150,000.00                 | 02/15/2015       | 02/15/2044     |
| Mount Calm                    | 331,000.00             | 85,000.00                  | 03/01/2005       | 03/01/2024     |
| Mount Pleasant                | 24,785,000.00          | 19,180,000.00              | 03/15/2009       | 03/15/2033     |
| Mountain Peak SUD             | 995,000.00             | 495,000.00                 | 12/01/2010       | 12/01/2029     |
| Mustang SUD                   | 3,555,000.00           | 3,355,000.00               | 09/01/2018       | 09/01/2047     |
| Nacogdoches                   | 7,770,000.00           | 2,080,000.00               | 03/01/2008       | 03/01/2027     |
| Nevada SUD                    | 1,490,000.00           | 1,360,000.00               | 05/15/2019       | 05/15/2038     |
| New Deal                      | 935,000.00             | 885,000.00                 | 03/01/2019       | 03/01/2048     |
| Newton                        | 2,195,000.00           | 2,195,000.00               | 03/01/2021       | 03/01/2040     |
| North Central Texas MWA       | 5,500,000.00           | 4,205,000.00               | 07/10/2014       | 07/10/2043     |
| North San Saba WSC            | 310,000.00             | 49,676.09                  | 02/01/2012       | 01/01/2022     |
| North San Saba WSC            | 335,000.00             | 294,400.00                 | 01/01/2014       | 01/01/2044     |
| Paducah                       | 1,715,000.00           | 1,715,000.00               | 02/15/2021       | 02/15/2050     |
| Palo Pinto WSC                | 615,000.00             | 615,000.00                 | 02/01/2021       | 02/01/2050     |
| Paris                         | 2,900,000.00           | 1,860,000.00               | 06/15/2014       | 06/15/2032     |
| Parker County SUD             | 15,080,000.00          | 15,080,000.00              | 12/01/2021       | 12/01/2050     |
| Pearland                      | 10,225,000.00          | 8,210,000.00               | 09/01/2018       | 09/01/2027     |
| Pearland                      | 12,025,000.00          | 11,345,000.00              | 09/01/2018       | 09/01/2047     |
| Pearland                      | 8,650,000.00           | 8,360,000.00               | 09/01/2019       | 09/01/2048     |
| Pearland                      | 21,000,000.00          | 21,000,000.00              | 09/01/2020       | 09/01/2049     |
| Pearland                      | 107,600,000.00         | 107,600,000.00             | 09/01/2021       | 09/01/2050     |
| Pecos                         | 8,315,000.00           | 0.00                       | 06/15/2001       | 06/15/2020     |
| Pharr                         | 13,310,000.00          | 7,800,000.00               | 09/01/2008       | 09/01/2027     |
| Pharr                         | 8,725,000.00           | 7,195,000.00               | 09/01/2014       | 09/01/2042     |
| Pleasant Springs WSC          | 150,000.00             | 145,000.00                 | 08/01/2020       | 08/01/2049     |
| Port Arthur                   | 2,080,000.00           | 1,055,000.00               | 02/15/2016       | 02/15/2025     |
| Port Mansfield PUD            | 220,000.00             | 196,000.00                 | 04/01/2017       | 04/01/2046     |

**UNAUDITED**

**Texas Water Development Board**  
**Schedule 1 - Loans and Contracts**  
 For the Fiscal Year Ended August 31, 2020

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.

| <b>Recipient</b>          | <b>Original<br/>Amount</b> | <b>Outstanding<br/>Balance</b> | <b>Date<br/>From</b> | <b>Date<br/>To</b> |
|---------------------------|----------------------------|--------------------------------|----------------------|--------------------|
| Porter SUD                | 1,590,000.00               | 725,000.00                     | 06/01/2009           | 06/01/2028         |
| Possum Kingdom WSC        | 1,625,000.00               | 970,000.00                     | 12/15/2010           | 12/15/2029         |
| Possum Kingdom WSC        | 4,700,000.00               | 1,070,000.00                   | 12/15/2004           | 12/15/2023         |
| Quitaque                  | 545,000.00                 | 545,000.00                     | 02/15/2021           | 02/15/2050         |
| Ranger                    | 420,000.00                 | 406,000.00                     | 02/15/2020           | 02/15/2049         |
| Ranger                    | 570,000.00                 | 560,000.00                     | 02/15/2020           | 02/15/2049         |
| Raymondville              | 2,145,000.00               | 1,710,000.00                   | 04/01/2014           | 04/01/2033         |
| Red Creek MUD             | 1,355,000.00               | 1,290,000.00                   | 09/01/2019           | 09/01/2038         |
| Red River Co WSC          | 1,250,000.00               | 969,000.00                     | 04/01/2014           | 04/01/2041         |
| Reklaw                    | 300,000.00                 | 276,000.00                     | 03/01/2018           | 03/01/2047         |
| Reno                      | 1,145,000.00               | 475,000.00                     | 01/01/2005           | 01/01/2024         |
| Reno                      | 900,000.00                 | 390,000.00                     | 01/01/2006           | 01/01/2024         |
| Rio Grande City           | 8,700,000.00               | 0.00                           | 02/15/2011           | 02/15/2040         |
| Rio Grande City           | 12,200,000.00              | 8,510,000.00                   | 02/15/2011           | 02/15/2040         |
| Rio Hondo                 | 1,278,000.00               | 838,000.00                     | 08/01/2014           | 08/01/2033         |
| Rio Hondo                 | 300,000.00                 | 240,000.00                     | 08/01/2017           | 08/01/2036         |
| River Acres WSC           | 3,620,000.00               | 3,445,000.00                   | 07/01/2019           | 07/01/2048         |
| River Oaks                | 8,000,000.00               | 7,335,000.00                   | 06/15/2018           | 06/15/2047         |
| Robert Lee                | 758,000.00                 | 603,000.00                     | 12/01/2013           | 12/01/2042         |
| Robert Lee                | 67,000.00                  | 53,000.00                      | 12/01/2013           | 12/01/2042         |
| Rockdale                  | 12,650,000.00              | 12,650,000.00                  | 06/15/2021           | 06/15/2050         |
| Rockdale                  | 3,065,000.00               | 3,065,000.00                   | 06/15/2021           | 06/15/2050         |
| Rogers                    | 2,205,000.00               | 2,185,000.00                   | 08/15/2019           | 08/15/2047         |
| Roma                      | 2,327,000.00               | 727,000.00                     | 11/01/2000           | 11/01/2029         |
| Ropesville                | 500,000.00                 | 499,000.00                     | 02/15/2020           | 02/15/2049         |
| Roscoe                    | 1,965,000.00               | 1,965,000.00                   | 02/15/2021           | 02/15/2050         |
| San Angelo                | 56,075,000.00              | 56,075,000.00                  | 02/15/2021           | 02/15/2045         |
| San Antonio Water System  | 26,370,000.00              | 17,870,000.00                  | 05/15/2014           | 05/15/2033         |
| San Antonio Water System  | 22,400,000.00              | 16,085,000.00                  | 05/15/2015           | 05/15/2034         |
| San Antonio Water System  | 75,920,000.00              | 65,015,000.00                  | 05/15/2016           | 05/15/2045         |
| San Antonio Water System  | 12,500,000.00              | 11,180,000.00                  | 05/15/2017           | 05/15/2046         |
| San Antonio Water System  | 10,500,000.00              | 9,915,000.00                   | 05/15/2019           | 05/15/2048         |
| San Antonio Water System  | 30,765,000.00              | 29,780,000.00                  | 05/15/2020           | 05/15/2049         |
| San Juan                  | 6,170,000.00               | 4,715,000.00                   | 01/01/2015           | 01/01/2033         |
| San Juan                  | 1,400,000.00               | 1,010,000.00                   | 01/01/2015           | 01/01/2033         |
| San Saba                  | 165,000.00                 | 75,000.00                      | 03/01/2015           | 03/01/2024         |
| Santa Rosa                | 1,475,000.00               | 95,000.00                      | 02/01/2007           | 02/01/2026         |
| Seis Lagos UD             | 1,335,000.00               | 600,000.00                     | 03/01/2008           | 03/01/2027         |
| Seymour                   | 2,115,000.00               | 2,005,000.00                   | 03/01/2019           | 03/01/2048         |
| Shady Grove SUD           | 880,000.00                 | 880,000.00                     | 02/15/2021           | 02/15/2040         |
| Shallowater               | 1,100,000.00               | 1,060,000.00                   | 02/15/2020           | 02/15/2049         |
| Skyline Ranch Estates WSC | 340,000.00                 | 261,200.00                     | 10/01/2014           | 09/01/2034         |
| Smyer                     | 135,000.00                 | 105,000.00                     | 02/15/2015           | 02/15/2034         |
| Sonora                    | 2,925,000.00               | 1,650,000.00                   | 12/01/2010           | 12/01/2029         |
| South Houston             | 2,010,000.00               | 1,160,000.00                   | 03/01/2011           | 03/01/2030         |
| Southmost Regional WA     | 3,795,000.00               | 2,270,000.00                   | 09/01/2010           | 09/01/2029         |
| Southmost Regional WA     | 9,295,000.00               | 6,195,000.00                   | 09/01/2010           | 09/01/2039         |
| Springs Hill WSC          | 1,100,000.00               | 795,000.00                     | 11/01/2013           | 11/01/2032         |
| Springs Hill WSC          | 3,130,000.00               | 1,726,000.00                   | 11/01/2011           | 11/01/2030         |
| Stamford                  | 9,530,000.00               | 8,450,000.00                   | 02/15/2017           | 02/15/2046         |
| Stephens Regional SUD     | 900,000.00                 | 855,000.00                     | 08/15/2019           | 08/15/2043         |
| Stephens Regional SUD     | 1,740,000.00               | 1,450,000.00                   | 08/15/2013           | 08/15/2042         |
| Surfside Beach            | 1,655,000.00               | 790,000.00                     | 02/15/2009           | 02/15/2028         |
| Sweetwater                | 1,935,000.00               | 1,365,000.00                   | 08/15/2015           | 08/15/2033         |
| Sweetwater                | 5,000,000.00               | 4,020,000.00                   | 08/15/2017           | 08/15/2036         |
| Terrell                   | 1,700,000.00               | 1,665,000.00                   | 02/15/2020           | 02/15/2049         |
| Tioga                     | 580,000.00                 | 345,000.00                     | 04/01/2002           | 04/01/2031         |
| Tioga                     | 1,050,000.00               | 1,010,000.00                   | 03/15/2019           | 03/15/2042         |
| Trinidad                  | 250,000.00                 | 190,000.00                     | 01/01/2009           | 01/01/2037         |
| Troy                      | 2,100,000.00               | 1,990,000.00                   | 02/01/2019           | 02/01/2048         |
| Tyler County SUD          | 1,250,000.00               | 800,000.00                     | 09/01/2011           | 09/01/2040         |



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**Texas Water Development Board**  
**Schedule 1 - Loans and Contracts**  
 For the Fiscal Year Ended August 31, 2020

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.

| <b>Recipient</b>                                   | <b>Original<br/>Amount</b> | <b>Outstanding<br/>Balance</b> | <b>Date<br/>From</b> | <b>Date<br/>To</b> |
|--|----------------------------|--------------------------------|----------------------|--------------------|
| Tyler County SUD                                   | 775,000.00                 | 718,000.00                     | 09/01/2011           | 09/01/2040         |
| Union WSC  | 1,665,000.00               | 1,463,800.00                   | 02/01/2014           | 02/01/2044         |
| Upper Jasper Co WA                                 | 3,355,000.00               | 3,355,000.00                   | 09/01/2020           | 09/01/2044         |
| Upper Leon River MWD                               | 775,000.00                 | 330,000.00                     | 05/01/2015           | 05/01/2024         |
| Upper Leon River MWD                               | 7,452,000.00               | 7,063,000.00                   | 05/01/2018           | 05/01/2047         |
| Upper Leon River MWD                               | 1,863,000.00               | 1,790,000.00                   | 05/01/2018           | 05/01/2047         |
| Valley MUD # 2                                     | 1,495,000.00               | 1,495,000.00                   | 02/15/2021           | 02/15/2048         |
| Victoria Co WCID # 1                               | 2,515,000.00               | 1,840,000.00                   | 03/01/2010           | 03/01/2029         |
| Wellborn SUD                                       | 3,500,000.00               | 1,930,000.00                   | 07/15/2008           | 07/15/2027         |
| Wellman  | 140,000.00                 | 120,000.00                     | 02/15/2017           | 02/15/2036         |
| West Tawakoni                                      | 1,125,000.00               | 1,035,000.00                   | 02/01/2018           | 02/01/2047         |
| West Wise SUD                                      | 13,430,000.00              | 12,700,000.00                  | 08/15/2019           | 08/15/2047         |
| Westwood Shores MUD                                | 1,400,000.00               | 1,400,000.00                   | 05/01/2021           | 05/01/2040         |
| White River MWD                                    | 1,055,000.00               | 885,000.00                     | 06/01/2014           | 06/01/2043         |
| Whiteface  | 450,000.00                 | 430,000.00                     | 02/15/2020           | 02/15/2039         |
| Whitewater Springs WSC                             | 200,000.00                 | 195,000.00                     | 04/01/2019           | 04/01/2044         |
| Willis   | 3,150,000.00               | 2,660,000.00                   | 08/01/2014           | 08/01/2043         |
| Willow Park  | 685,000.00                 | 535,000.00                     | 02/15/2016           | 02/15/2035         |
| Willow Park  | 995,000.00                 | 860,000.00                     | 02/15/2018           | 02/15/2037         |
| Willow Park  | 13,770,000.00              | 13,770,000.00                  | 02/15/2021           | 02/15/2050         |
| Wills Point  | 4,500,000.00               | 4,385,000.00                   | 02/15/2020           | 02/15/2044         |
| Winters  | 1,645,000.00               | 1,010,000.00                   | 10/01/2009           | 10/01/2038         |
| Winters  | 425,000.00                 | 225,000.00                     | 10/01/2015           | 10/01/2024         |
| Winters  | 580,000.00                 | 560,000.00                     | 04/01/2019           | 04/01/2038         |
| Wolfe City   | 1,015,000.00               | 740,000.00                     | 09/15/2012           | 09/15/2041         |
| Wolfe City   | 3,065,000.00               | 3,065,000.00                   | 03/01/2022           | 03/01/2051         |
| Wolfe City   | 870,000.00                 | 870,000.00                     | 03/01/2022           | 03/01/2051         |
| Woodbranch Village                                 | 1,500,000.00               | 1,365,000.00                   | 08/01/2019           | 08/01/2037         |
| Woodsboro  | 520,000.00                 | 0.00                           | 03/01/2009           | 03/01/2028         |
| Wortham  | 280,000.00                 | 192,000.00                     | 08/15/2014           | 08/15/2033         |
| Zapata County                                      | 14,808,000.00              | 9,863,000.00                   | 02/15/2011           | 02/15/2040         |
| Zavala Co WCID # 1                                 | 760,000.00                 | 630,000.00                     | 01/01/2014           | 01/01/2043         |
| <b>Total - Drinking Water State Revolving Fund</b> | <b>\$ 2,039,802,401.96</b> | <b>\$ 1,611,097,530.05</b>     |                      |                    |

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**STATE FISCAL YEAR 2020  
DRINKING WATER STATE REVOLVING FUND  
SMALL SYSTEM TECHNICAL ASSISTANCE  
(2%) TWO PERCENT SET-ASIDE ACTIVITIES  
ANNUAL REPORT**

**EPA # FS-99679523  
[TCEQ Grant# 990220]**



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

**Source of Funding: Federal Fiscal Year 2019 DWSRF Two Percent Set-aside**

**Submitted November 13, 2020**

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## **INTRODUCTION**

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

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The 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 2020 Drinking Water State Revolving Fund 2% Small Systems Technical Assistance Annual Report details the TCEQ's progress in meeting DWSRF grant Program goals, objectives, and funding expenditures for September 1, 2019 through August 31, 2020 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**

The TCEQ, through the 2% Small Systems Technical Assistance Work Plan, identified activities to be performed between September 1, 2019 and August 31, 2020 that supported small PWS through the State's PWSSP. These activities addressed Program requirements of the PWSSP outlined by the SDWA. Specifically, SWP, Capacity Development Strategy, and PWSSP Administration requirements of the SDWA were addressed.

The TCEQ expended approximately \$1,674,360 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 \$1,268,880 was requested for reimbursement from TWDB through the Capitalization Grant during the period of

September 1, 2019 through August 31, 2020 and the remainder, or approximately \$405,480, has been or is expected to be requested during the months of September 2020 through November 2020. No match is required; the 2% DWSRF set-aside does not require a match.

The total requested for reimbursement from TWDB between September 2019 and August 2020 was \$1,591,374. Of this amount, approximately \$322,494 was requested for reimbursement from TWDB between September 2019 and November 2019 under the SFY2019/FFY2018 DWSRF 2% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

**EPA AND TCEQ GOALS AND OBJECTIVES**

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

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

| EPA GOALS AND OBJECTIVES   | TCEQ GOALS AND OBJECTIVES   |
|--|---|
| <p><b>EPA Goal 1:</b> Core Mission: Deliver real results to provide Americans with clean air, land, and water, and ensure chemical safety.</p> <p><b>EPA Objective 1.2:</b> Provide for Clean and Safe Water</p> <p>Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage Programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.</p> | <p><b>TCEQ Goal 02: Drinking Water</b></p> <p>To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water conservation and reclamation districts; and by promoting regional water strategies.</p> <p><b>TCEQ Goal 02: Objective 01</b></p> <p>To supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act, to provide regulatory oversight of water and sewer utilities and to promote regional water strategies.</p> <p><b>TCEQ Strategy 02-01-01: Safe Drinking Water</b></p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources</p> |

| EPA GOALS AND OBJECTIVES | TCEQ GOALS AND OBJECTIVES  |
|--------------------------|--|
|                          | consistent with the requirements of the Safe Drinking Water Act. |

**WORK PROGRAM ORGANIZATIONAL STRUCTURE**

Within the 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, 2020 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$1,674,360 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 \$1,268,880 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder, or approximately \$405,480, has been or is expected to be requested during the months of September 2020 through November 2020. No match is required; the 2% DWSRF Set-Aside does not require a match. Work was performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2019 and August 2020 was \$1,591,374. Of this amount, approximately \$322,494 was requested for reimbursement from TWDB between September 2019 and November 2019 under the SFY2019/FFY2018 DWSRF 2% Set-Aside Work Plan.

**Table 2: Expenditure Summary Table**

| <b>Program Element/Task</b>                                   | <b>Division</b> | <b>Requested Reimbursements from TWDB between September 2019 and August 2020 for the SFY20/FFY19 2% DWSRF Set-Aside Work Plan</b> | <b>Total Expended During Grant Period</b> | <b>Percent of Total</b> |
|---|-----------------|---|---|-------------------------|
| <b>Program Element 1:</b><br>Source Water Protection Programs | Water Supply    | \$166,264   | \$320,581                                 | 19.1%                   |
| <b>Program Element 2:</b><br>Capacity Development             | Water Supply    | \$904,774   | \$1,003,779                               | 60.0%                   |
| <b>Program Element 3:</b><br>PWSSP Administration             | Water Supply    | \$197,842   | \$350,000                                 | 20.9%                   |
| <b>Total</b>  |                 | <b>\$1,268,880</b>  | <b>\$1,674,360</b>                        | <b>100%</b>             |

**PROJECT SCHEDULE**

The TCEQ conducted the activities in the DWSRF 2% Set-Aside Work Plans over a 12-month period, which began September 1, 2019 and ended August 31, 2020 (SFY 2020).

**MEASURES OF SUCCESS**

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

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

| <b>TCEQ Output/Outcome Measure</b>  | <b>Program Element/Task</b>   | <b>Outcome/Output</b>   |
|---|---|---|
| <b><u>2.1. oc 1 Outcome Measure:</u></b><br>Percent of Texas population served by public drinking water systems | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> </ul> | 99% of Texas population served by public drinking water systems that meet drinking water standards. |



| TCEQ<br>Output/Outcome<br>Measure  | Program Element/Task   | Outcome/Output   |
|--|--|--|
| which meet drinking water standards.   | <ul style="list-style-type: none"> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Small System FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> <li>• <b>Program Element 3:</b><br/>Task 3.1 PWSSP Administration – PWSSP Activities</li> </ul>  |  |
| <p><b><u>2.1.1 op 1</u></b><br/> <b>Output Measure:</b></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Small System FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> <li>• <b>Program Element 3:</b><br/>Task 3.1 PWSSP Administration – PWSSP Activities</li> </ul> | <p>6,826 public drinking water systems that meet primary drinking water standards.</p> |

**Table 4: EPA Program Activity Measures (PAMS)**

| <b>EPA Program Activity Measures (PAMS)</b>  | <b>Program Element/Task</b>  | <b>Outcome/Output</b>   |
|--|--|---|
| <p><b><u>SDW-211:</u></b><br/>           Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and Source Water Protection.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Small System FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> <li>• <b>Program Element 3:</b><br/>Task 3.1 PWSSP Administration – PWSSP Activities</li> </ul> | <p>99.1% of the population in Texas was served drinking water that meets the Safe Drinking Water Act (SDWA) regulations.</p>  |
| <p><b><u>SDW-SP1.N11:</u></b><br/>           Percent of community water systems that meet all applicable health-based standards through approaches that include effective treatment and Source Water Protection.</p>   | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Small System FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> </ul>   | <p>96.1% of community water systems in Texas provide drinking water that meets all applicable health-based standards through effective treatment and Source Water Protection.</p> |

| EPA Program Activity Measures (PAMS)  | Program Element/Task   | Outcome/Output  |
|---|--|---|
|   | <ul style="list-style-type: none"> <li>• <b>Program Element 3:</b><br/>Task 3.1 PWSSP Administration – PWSSP Activities</li> </ul>   |   |
| <p><b><u>SDW-SP2:</u></b></p> <p>Percent of "person months" (i.e. all persons served by community water systems times 12 months) during which community water systems provide drinking water that meets all applicable health-based drinking water standards.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Small System FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> <li>• <b>Program Element 3:</b><br/>Task 3.1 PWSSP Administration – PWSSP Activities</li> </ul> | <p>98.24% of "person months" during which community water systems provide drinking water that meets health-based standards.</p> |
| <p><b><u>SDW-SP4a:</u></b></p> <p>Percent of community water systems where risk to public health is minimized through Source Water Protection.</p>  | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> </ul>   | <p>39.6% of community water systems where risk to public health is minimized through Source Water Protection</p>                |
| <p><b><u>SDW-SP4b:</u></b></p> <p>Percent of the population served by community water systems where risk to public health is minimized through Source Water Protection.</p>   | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> </ul>   | <p>64.0% of population served by community water systems where risk to public health is minimized</p>                           |

| EPA Program Activity Measures (PAMS) | Program Element/Task | Outcome/Output                  |
|--------------------------------------|----------------------|---------------------------------|
|                                      |                      | through Source Water Protection |

**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 2020.

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

This Program Element and associated Task implemented SWP (which includes both surface and wellhead protection) Programs 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 \$320,581 was expended for activities conducted during the Work Plan period of September 1, 2019 through August 31, 2020. Of the total estimated amount expended, \$166,264 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder or approximately \$154,317 has been or is expected to be requested during the months of September 2020 through November 2020. All work was performed during the designated Work Plan period of September 1, 2019 through August 31, 2020.

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

This Task provided for 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. 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 15 SWP Assessments under this grant. TCEQ Staff provided support toward other assessments.<br><br>A total of 15 PWS were evaluated in five (5) counties under this grant. |

| Work Plan Deliverable   | Output Provided  |
|---|--|
| 2. Implemented SWP Programs in various areas of the State for small PWS;  | TCEQ completed 32 SWP Plans, 15 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 15 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 45 meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans.<br><br>Each of the 15 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 37 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 4,407 protected by a SWP Program and served by vulnerable water sources in 15 small PWS. TCEQ Staff provided support toward other assessments.   |
| 7. Other activities in support of the SWP Program within the State of Texas.  | TCEQ staff worked with Texas Rural Water Association (TRWA), Texas Parks and Wildlife Department (TPWL) and SWP contractors to provide technical assistance, including assisting water systems with best management practices (BMP) and updating SWP plans. TCEQ staff gave presentations on SWP and BMP at the Texas Water Utilities Association Annual Short School in Corpus Christi, Texas, Texas Water Utilities Association Blackland District in Red Oak, Texas, Texas Water Utilities Association Bosque River District in Stephenville, Texas, and the Natural Resource Conservation Service Water Subcommittee Meeting in Austin, Texas. |

## 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 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 contractors.

An estimated total of \$1,003,779 was expended for activities conducted during the Work Plan period of September 1, 2019 through August 31, 2020. Of the total estimated amount expended \$904,773 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder or approximately \$99,006 has been or is expected to be requested during the months of September 2020 through November 2020. All work was performed during the designated Work Plan period of September 1, 2019 through August 31, 2020.

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

This Task implemented the Capacity Development Strategy under the PWS Program 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.

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 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 workshop and training materials at the 2020 Annual Texas PDW Conference and planned on presentations at the TCEQ Environmental Trade Fair before it was cancelled due to COVID-19. Staff developed and made presentations to assist PWS at workshops, conferences, the Drinking Water Advisory Work Group, Water Utility Operator Licensing Advisory Committee, and TWICC meetings with topics including regionalization and how to get assistance with operations and funding. The |

| Work Plan Deliverable   | Output Provided  |
|---|--|
|   | <p>Texas Optimization Program (TOP) prepared technical assistance and regulatory guidance for operators, PWS investigators, and assistance providers on topics including iron and manganese control, free chlorine conversions, and low-pressure membrane filtration.</p>  |
| <p>2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capacity of small PWS</p> | <p>TOP provided training and technical assistance, as needed, to support the technical capability of small PWS in Texas. Examples include onsite technical assistance visits, implementation of remote assistance procedures during the COVID-19 pandemic, and other significant technical support to 38 water systems.</p> <p>TOP delivered customized training presentations to TCEQ WSD staff, Regional Office staff, and other TCEQ technical assistance providers and the EPA and other state DW partners through the EPA's Area Wide Optimization Program. Topics included disinfection byproduct formation and control, process management for chloramines, low-pressure membrane filtration, completing surface water monthly operational reports, iron and manganese control, and establishing a cross-connection control Program.</p> <p>TOP provided training to PWS operators during the 2020 Annual Texas PDW Conference and meetings of various Texas Water Utility Association Districts throughout the state and directly to individual PWS. The 2020 Annual PDW Conference presentation topics included iron and manganese treatment, free chlorine conversions, and chloramine management.</p> |
| <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 assisted small PWS through engineering plan reviews for small PWS improvements.</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</p>  | <p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural</p>   |

| Work Plan Deliverable   | Output Provided  |
|---|--|
| <p>including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the Capacity Development Strategy;</p>                 | <p>Water Association (TRWA), TWDB and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings.</p> <p>In SFY 2020, guests at TWICC meetings included a rural PWS with Drinking Water quality issues and other local officials from a rural community looking for funding to provide service.</p> <p>The TWICC website (<a href="http://www.twicc.org">www.twicc.org</a>) provides information on financial and technical assistance available to water and wastewater systems as well as contact information for member agencies.</p> <p>In SFY 2020, TWICC members TCEQ and CUI were invited to present a case study on a project for EPA’s Capacity Development and Operator Certification National Workshop via a webinar.</p> <p>In lieu of having the annual TWICC workshop at the 2020 annual Texas PDW Conference, information about TWICC was included in a presentation on-line. TWICC continued to work with the Federal Emergency Management Agency (FEMA), the Texas Department of Emergency Management (TDEM), and the General Land Office (GLO) to discuss disaster and recovery funding and coordination.</p> |
| <p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of state Program administration staff in support of the Capacity Development Strategy; and</p> | <p>TCEQ staff traveled to participate in events both within Texas and nationally in order to attend training, 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 capacity development topics including small systems, AWIA, WIFIA, regionalization and consolidation, the DWSRF and partnerships.</p>  |



| Work Plan Deliverable  | Output Provided   |
|--|---|
| <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.</p> | <p>TCEQ staff and contractors participated in the 2020 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 small PWS staff to receive one-on-one technical assistance. TCEQ staff coordinated with EPA grant recipients Communities Unlimited, Environmental Finance Network and TRWA to help develop their work plans for assisting small systems with water quality violations. Also, TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> <li>• Staff assessment and assistance to PWS experiencing operational problems.</li> <li>• Providing training to technical assistance providers and water systems directly.</li> <li>• Tracking and assisting nonviable “at-risk” PWS in restructuring.</li> <li>• Providing free on-site assistance through the FMT contract.</li> </ul> |

## Task 2.2: Capacity Development– 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 305 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 seventeen (17) FMT capacity assessments for small PWS DWSRF applicants.   |
| 3. Provision of other assistance, training and services to small PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.  | Under this grant, TCEQ’s FMT Contractor completed three (3) Consolidation Assessments for small Investor Owned Utilities for the purpose of ensuring service to the communities.  |

## 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   |
|--|---|
| 1. Review, evaluation and technical assistance related to Emergency Preparedness Plans;  | TCEQ does not review Emergency Response Plans; however, in SFY 2020, the TCEQ's WSD updated 1440 PWS point of contacts and 293 emergency contacts.  |
| 2. Support for natural disaster (i.e. drought) initiatives and technical assistance to impacted systems;   | Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of size, type, and ownership. During this reporting period, PWS were impacted by two (2) hurricanes and a tornado event.   |
| 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; | In SFY 2020, due to the COVID-19 Pandemic, travel to trainings was cancelled in mid-March; however, several trainings and conferences were attended in person and via webcasts. The TCEQ's DW Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and to maintain a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.   |
| 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>In SFY 2020, the TCEQ's Security Education contractor provided two (2) workshops to PWS across the state, both workshops addressed Regional Water Resiliency by introducing water system utility personnel to local and state emergency response partners and processes. The workshops emphasized coordination between water utilities and emergency response personnel before an incident occurs. The Corpus Christi workshop had 26 attendees and the virtual workshop had 285 attendees.</p> <p>Another support service provided to water systems 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 water systems 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 DWAAG meetings</p> |

| Work Plan Deliverable | Output Provided  |
|-----------------------|--|
|                       | has presentations, information covered during each meeting, and advertises any upcoming DW related trainings provided by TCEQ, EPA, and other providers. |

**Program Element 3: PWSSP Administration**

This Program Element implemented the PWSSP in Texas as described in the SDWA. The activities performed under this Program Element support the compliance, monitoring and enforcement of small PWS. An estimated total of \$350,000 was expended for activities conducted during the Work Plan period of September 1, 2019 through August 31, 2020. Of the total estimated amount expended \$197,842 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder or approximately \$152,157 has been or is expected to be requested during the months of September 2020 through November 2020. All work was performed during the designated Work Plan period of September 1, 2019 through August 31, 2020.

**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 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  |
|---|--|
| 1. Compliance, technical and regulatory assistance for small PWS; | 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 Rule, Ground Water Rule, Consumer Confidence Report Rule, and the Public Notification Rule. Additionally, compliance and technical/regulatory assistance is provided |

|  |   |
|--|---|
|  | <p>to small PWS throughout Texas on: disinfectant residual levels, surface water treatment, microbial contaminants, inorganic contaminants, radionuclides, monitoring plans, and the Consumer Confidence Report.</p> <p>TCEQ implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy criteria.</p>   |
| <p>2. Review of compliance data, monitoring information and other compliance Program related information;</p>                    | <p>TCEQ reviews treatment technique, microbial and chemical compliance data to determine compliance with primary drinking water standards, monitoring and reporting requirements. On a daily basis, TCEQ ensures PWSs 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:</p> <p>Quarter 1 on March 25, 2020<br/>         Quarter 2 on June 30, 2020<br/>         Quarter 3 on September 25, 2020<br/>         Quarter 4 is expected to be reported by December 31, 2020.</p>   |
| <p>4. Data and responses to the EPA, small PWS, consulting engineers, the 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 DWW, 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 2020 Annual Texas PDW Conference. This virtual conference focused on the topics of Data Integrity and Continuity of Operations and had numerous presentations on compliance and themes and/or concepts important to the successful operation of a PWS. Also, the conference provided a technical</p>   |

STATE FISCAL YEAR 2020  
DRINKING WATER STATE REVOLVING FUND (DWSRF)  
SMALL SYSTEM TECHNICAL ASSISTANCE TWO PERCENT SET-ASIDE  
ANNUAL REPORT

|  |   |
|--|---|
|  | <p>assistance room for PWS staff 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. Additionally, TCEQ's WSD planned to participate in the annual Environmental Trade Fair providing technical training sessions to PWS of all sizes, but it was cancelled due to COVID-19.</p> |
|--|---|

**STATE FISCAL YEAR 2020  
DRINKING WATER STATE REVOLVING FUND  
STATE PROGRAM MANAGEMENT  
(10%) TEN PERCENT SET-ASIDE ACTIVITIES  
ANNUAL REPORT**

**EPA # FS-99679523  
[TCEQ Grant# 991020]**



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

**Source of Funding: Federal Fiscal Year 2019 DWSRF Ten Percent Set-Aside**

**Submitted November 13, 2020**

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## **INTRODUCTION**

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

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The 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 2020 Drinking Water State Revolving Fund 10% State Program Management Annual Report details the TCEQ's progress in meeting DWSRF Grant Program goals, objectives, and funding expenditures for September 1, 2019 through August 31, 2020 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**

The TCEQ, through the 10% State Program Management Work Plan, identified activities to be performed between September 1, 2019 and August 31, 2020 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.

The TCEQ expended approximately \$7,277,089 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 \$6,618,361 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder, or approximately \$658,728, has been or is expected to be requested during the months of

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September 2020 through November 2020. 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 2019 and August 2020 was \$7,451,103. Of this amount, approximately \$832,741 was requested for reimbursement from TWDB between September 2019 and November 2019 under the SFY2019/FFY2018 DWSRF 10% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

**EPA AND TCEQ GOALS AND OBJECTIVES**

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

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

| <b>EPA GOALS AND OBJECTIVES</b>  | <b>TCEQ GOALS AND OBJECTIVES</b>   |
|--|--|
| <p><b>EPA Goal 1:</b> Core Mission: Deliver real results to provide Americans with clean air, land, and water, and ensure chemical safety.</p> <p><b>EPA Objective 1.2:</b> Provide for Clean and Safe Water</p> <p>Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.</p> | <p><b>TCEQ Goal 2: Drinking Water</b></p> <p>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 regulatory oversight of water and sewer utilities; and by promoting regional water strategies.</p> <p><b>TCEQ Objective 2.1</b></p> <p>To supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act, to provide regulatory oversight of water and sewer utilities and to promote regional water strategies.</p> <p><b>TCEQ Strategy 2.1.1: Safe Drinking Water</b></p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p> |

**EPA Goal 5: Protecting Human Health and the Environment by Enforcing Laws and Assuring Compliance**

Protect human health and the environment through vigorous and targeted civil and criminal enforcement. Use Next Generation Compliance strategies and tools to improve compliance with environmental laws.

**EPA Objective 5.1: Enforce Environmental Laws to Achieve Compliance**

Pursue vigorous civil and criminal enforcement that targets the most serious water, air, and chemical hazards in communities to achieve compliance. Assure strong, consistent, and effective enforcement of federal environmental laws nationwide. Use Next Generation Compliance strategies and tools to improve compliance and reduce pollution.

**TCEQ Goal 3: Enforcement and Compliance Assistance**

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 environmental performance while providing strict, sure, and just enforcement when environmental laws are violated.

**TCEQ Objective 3.1:**

Through fiscal 2020, maintain at least 95 percent of all regulated facilities in compliance with state environmental laws and regulations, to respond appropriately to citizen inquiries and complaints, and to prevent pollution, conserve resources, and enhanced compliance.

**TCEQ Strategy 3.1.1: Field Inspections and Complaint Response**

Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints.

**TCEQ Strategy 3.1.2: Enforcement and Compliance Support**

Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local governments; and assure compliance with environmental laws and regulations by taking swift, sure and just enforcement actions to address violations.

## **WORK PROGRAM ORGANIZATIONAL STRUCTURE**

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

## **EXPENDITURE BY PROGRAM ELEMENT**

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2020 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$7,277,089 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 \$6,618,361 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder, or approximately \$658,728, has been or is expected to be requested during the months of September 2020 through November 2020. Work was performed as described in the Work Plan unless otherwise noted in this report. 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 2019 and August 2020 was \$7,451,103. Of this amount, approximately \$832,741 was requested for reimbursement from TWDB between September 2019 and November 2019 under the SFY2019/FFY2018 DWSRF 10% Set-Aside Work Plan.

**Table 2: Expenditure Summary Table**

| <b>Program Element/Task</b>                       | <b>Division</b>   | <b>Requested Reimbursements from TWDB between September 2019 and August 2020 for the SFY20/FFY19 10% DWSRF Set-Aside Work Plan</b> | <b>Total Expended During Grant Period</b> | <b>Percent of Total</b> |
|---|---|--|---|-------------------------|
| <b>Program Element 1:</b><br>PWSSP Administration | Water Supply Division and Office of Compliance and Enforcement – Regional Areas | \$3,457,674  | \$3,621,991                               | 49.8%                   |
| <b>Program Element 2:</b><br>Capacity Development | Water Supply Division and Water Availability Division                           | \$3,160,687  | \$3,655,098                               | 50.2%                   |
| <b>Total</b>                                      |   | <b>\$6,618,361</b>   | <b>\$7,277,089</b>                        | <b>100%</b>             |

**PROJECT SCHEDULE**

The TCEQ conducted the activities in the DWSRF 10% Set-Aside Work Plans over a 12-month period, which began September 1, 2019 and ended August 31, 2020 (SFY 2020).

**MEASURES OF SUCCESS**

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

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

| TCEQ Output/Outcome Measure   | Program Element/Task  | Outcome/Output   |
|---|---|--|
| <p><b><u>2.1 oc 1 Outcome Measure</u></b></p> <p>Percent of Texas population served by public water systems that meet drinking water standards.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 PWSSP Administration – PWSSP Administration Activities</li> <li>• <b>Program Element 1:</b><br/>Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> <li>• <b>Program Element 1:</b><br/>Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – District Support</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Drought Plan Review</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.4 Capacity Development – Water Security</li> <li>• <b>Program Element 2:</b><br/>Task 2.5 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.6 Capacity Development – Source Water Protection Activities</li> </ul> | <p>99% of Texas population served by public drinking water systems that meet drinking water standards.</p> |

| TCEQ Output/Outcome Measure  | Program Element/Task  | Outcome/Output  |
|--|---|---|
| <p><b><u>2.1.1 op 1 Output Measure:</u></b></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 PWSSP Administration – PWSSP Administration Activities</li> <li>• <b>Program Element 1:</b><br/>Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> <li>• <b>Program Element 1:</b><br/>Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – District Support</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Drought Plan Review</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.4 Capacity Development – Water Security</li> <li>• <b>Program Element 2:</b><br/>Task 2.5 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.6 Capacity Development – Source Water Protection Activities</li> </ul> | <p>6826 public drinking water systems that meet primary drinking water standards.</p> |



| TCEQ Output/Outcome Measure   | Program Element/Task   | Outcome/Output   |
|---|--|--|
| <p><b><u>2.1.1 op 3 Output Measure:</u></b><br/>           Number of district applications processed.</p>                       | <ul style="list-style-type: none"> <li>• <b>Program Element 2:</b><br/>               Task 2.1 Capacity Development – District Support</li> </ul>  | 557 district applications processed  |
| <p><b><u>3.1 oc 2 Outcome Measure:</u></b><br/>           Percent of investigated water sites and facilities in compliance.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>               Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> </ul>               | 97% of inspected or investigated water sites and facilities were in compliance.<br><br><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><b><u>3.1.2 op 1 Output Measure:</u></b><br/>           Number of environmental laboratories accredited.</p>                 | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>               Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation</li> </ul> | 254 environmental laboratories were accredited.<br><br><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of laboratories accredited is not specific to drinking water. There were 147 drinking water laboratories accredited at the end of State Fiscal Year 2020.</i> |
| <p><b><u>3.1.1 op 3 Output Measure:</u></b></p>   | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>               Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> </ul>               | 12,812 investigations of water sites and facilities were conducted.  |

| TCEQ Output/Outcome Measure  | Program Element/Task  | Outcome/Output  |
|--|---|---|
| <p>Number of investigations of water sites and facilities.</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> |
| <p><b><u>3.1.2 ex 3 Explanatory Measure:</u></b><br/>           Number of administrative enforcement orders issued (for public water systems).</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>             Task 1.4 PWSSP Administration – Drinking Water Enforcement</li> </ul> | <p>290 administrative enforcement orders issued.</p>  |

**Table 4: EPA Program Activity Measures (PAMS)**

| EPA Program Activity Measures (PAMS)   | Program Element/Task  | Outcome/Output   |
|--|---|--|
| <p><b><u>SDW-211:</u></b><br/>           Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and Source Water Protection.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 PWSSP Administration – PWSSP Administration Activities</li> <li>• <b>Program Element 1:</b><br/>Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> <li>• <b>Program Element 1:</b><br/>Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – District Support</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Drought Plan Review</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.4 Capacity Development – Water Security</li> <li>• <b>Program Element 2:</b><br/>Task 2.5 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.6 Capacity Development – Source Water Protection Activities</li> </ul> | <p>99.1% of the population in Texas was served drinking water that meets the Safe Drinking Water Act (SDWA) regulations.</p> |

| EPA Program Activity Measures (PAMS)   | Program Element/Task  | Outcome/Output  |
|--|---|---|
| <p><b><u>SDW-SP1.N11:</u></b><br/>           Percent of community water systems that meet all applicable health-based standards through approaches that include effective treatment and Source Water Protection.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 PWSSP Administration – PWSSP Administration Activities</li> <li>• <b>Program Element 1:</b><br/>Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> <li>• <b>Program Element 1:</b><br/>Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – District Support</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Drought Plan Review</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.4 Capacity Development – Water Security</li> <li>• <b>Program Element 2:</b><br/>Task 2.5 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.6 Capacity Development – Source Water Protection Activities</li> </ul> | <p>96.1% of community water systems in Texas provide drinking water that meets all applicable health-based standards through effective treatment and Source Water Protection.</p> |

| EPA Program Activity Measures (PAMS)   | Program Element/Task  | Outcome/Output  |
|--|---|---|
| <p><b>SDW-SP2:</b></p> <p>Percent of "person months" (i.e. all persons served by community water systems times 12 months) during which community water systems provide drinking water that meets all applicable health-based drinking water standards.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 PWSSP Administration – PWSSP Administration Activities</li> <li>• <b>Program Element 1:</b><br/>Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> <li>• <b>Program Element 1:</b><br/>Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – District Support</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – Drought Plan Review</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.4 Capacity Development – Water Security</li> <li>• <b>Program Element 2:</b><br/>Task 2.5 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.6 Capacity Development – Source Water Protection Activities</li> </ul> | <p>98.24% of "person months" during which community water systems provide drinking water that meets health-based standards.</p> |

| EPA Program Activity Measures (PAMS)   | Program Element/Task  | Outcome/Output   |
|--|---|--|
| <p><b><u>SDW-01a:</u></b></p> <p>Percent of community water systems (CWSs) that have undergone a sanitary survey within the past three years (five years for outstanding performers or those ground water systems approved by the primacy agency to provide 4-log treatment of viruses).</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation</li> </ul> | <p>87% of all community water systems in State fiscal year 2020, had a TCEQ conducted sanitary survey in the last three years (State fiscal years 2018, 2019, and 2020).</p> <p><i>Note: In response to the COVID-19 Pandemic and in the interest of safety for the staff of TCEQ and regulated entities, TCEQ postponed some on-site investigations where an off-site (virtual) or socially distanced on-site investigations were not available options. Additionally, the TCEQ has expanded the staff available to conduct the sanitary surveys, including the planned use of state contractors, in an effort to increase the number of community water systems receiving a sanitary survey.</i></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 2020.

## 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 \$3,621,991 was expended for activities conducted during the Work Plan period of September 1, 2019 through August 31, 2020. Of the total estimated amount expended \$3,457,674 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder or approximately \$164,317 has been or is expected to be requested during the months of September 2020 through November 2020. All work was performed during the designated Work Plan period of September 1, 2019 through August 31, 2020.

### 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, Consumer Confidence Report Rule, and the Public Notification Rule. Additionally, compliance and technical/regulatory assistance is provided to PWS throughout Texas on disinfectant residual levels, surface water treatment, microbial contaminants, inorganic contaminants, radionuclides, monitoring plans, and the Consumer Confidence Report. TCEQ provided assistance and training to systems and laboratories in on-going support of the Electronic Environmental (E2) Reporting System software and its maintenance. |

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|  | <p>TCEQ also implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy criteria.</p> <p>During SFY 20, TCEQ WSD:</p> <ul style="list-style-type: none"> <li>• Completed 6,823 Inventory requests</li> <li>• Issued letters for Notice of Violation (NOV) to 1,601 PWS with a sum total of 9,940 violations</li> <li>• Issued 2,855 Public Notification (PN) Rule violations to 963 PWS</li> <li>• Referred 161 PWS with a Notice of Enforcement (NOE) on a sum total of 1,600 violations</li> </ul>   |
| <p>2. Review of compliance data, monitoring information and other compliance Program related information;</p>        | <p>TCEQ reviews treatment technique, microbial and chemical compliance data to determine compliance with primary drinking water standards, monitoring and reporting requirements. On a daily basis, TCEQ ensures PWSs 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:</p> <p>Quarter 1 on March 25, 2020<br/>         Quarter 2 on June 30, 2020<br/>         Quarter 3 on September 25, 2020<br/>         Quarter 4 is expected to be reported by December 31, 2020.</p>  |
| <p>4. Data and responses to the EPA, PWS, consulting engineers, the TCEQ and other state agencies, as necessary;</p> | <p>TCEQ staff and contractors provided information on requests to TCEQ, EPA, PWS, and 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 (DWW), 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. Purchase of supplies, equipment and other items</p>  | <p>Supplies and equipment deemed necessary to support the PWSSP in Texas were purchased.</p>   |



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| <p>necessary to support the PWSSP in Texas;</p>  |  |
| <p>6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP;</p> | <p>TCEQ staff traveled to participate in events both within Texas and nationally in order to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP.</p>  |
| <p>7. Coordination of and participation in state and/or national organizations including, but not limited to the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the PWSSP; and</p>                                 | <p>TCEQ staff participated in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators, The Texas Chapter of the American Water Works Association (AWWA), and other organizations in support of the PWSSP. TCEQ staff participated in the ASDWA SDWIS Modernization Board in support of SDWIS, data concerns, and compliance determinations involved in the oversight of PWS and the future Lead and Copper Rule Revisions.</p>   |
| <p>8. Provision of other assistance and support services to PWS in support of the PWSSP for the State of Texas.</p>  | <p>TCEQ staff and contractors hosted and participated in the 2020 Annual Texas PDW Conference. This virtual conference concentrated on the topics of Data Integrity and Continuity of Operations and had numerous presentations on compliance and themes and/or concepts important to the successful operation of PWS. Also, the conference provided a technical assistance room for PWS staff to receive one-on-one technical assistance. TCEQ referred PWS to its Financial, Managerial, and Technical (FMT) and Small Business Assistance functions to provide on-site, in-depth support services and assistance. Additionally, TCEQ's WSD planned to participate in the annual Environmental Trade Fair providing technical training sessions to PWS of all sizes, but it was cancelled due to COVID-19.</p> |

## Task 1.2 Drinking Water Inspection and Investigation

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

The key deliverables are 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;  | 799 comprehensive compliance investigations (sanitary surveys) were funded by DWSRF  |
| 2. Completed complaint investigations on PWS;   | 569 PWS Investigation Complaints 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; and | TCEQ staff attended the Texas Water Utilities Association School Basic Water classes and several classes offered by TEEX and Texas Rural Water Association (TRWA). Additionally, staff attended the 2020 Annual Texas PDW Conference via an online venue. The PWS Advanced Investigator Training was postponed due to travel and training restrictions related to the COVID-19 Pandemic; PWS Biennial Investigator Training will be held in FY 2021. |
| 5. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to inspections and investigations of PWS; and  | Due to the COVID-19 Pandemic, TCEQ staff were unable to travel to conferences and/or to provide training at those conferences. 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.  |

### Task 1.3 Drinking Water Laboratory Certification and Accreditation

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

The key deliverable is the inspection 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 inspections of PWS laboratories;   | TCEQ completed 41 PWS (drinking water) laboratory inspections.   |
| 2. Conduct and complete laboratory audits of PWS laboratories;  | TCEQ conducted 41 PWS (drinking water) laboratory audits and completed 58 PWS (drinking water) laboratory audits.  |
| 3. Provide assistance and support to other areas at the TCEQ related to the accreditation, certification, inspection and auditing of PWS laboratories;          | Assistance and support were provided on topics related to the accreditation, inspection and auditing of PWS laboratories upon request. For example: answered questions regarding accreditation status and location of PWS laboratories, answered questions regarding details of analytical methods used at PWS laboratories, and provided technical interpretation of results from PWS laboratories. |
| 4. Provide data and other information associated with the PWSSP upon request and the accreditation, certification, inspection and auditing of PWS laboratories; | Data and other information associated with the PWSSP and the accreditation, inspection and auditing of PWS laboratories was provided upon request. For example: 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;  |

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| <p>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</p> | <p>Staff attended the following training: TNI Forums on Laboratory Accreditation in Newport Beach, California. Due to the COVID-19 Pandemic, other trainings were limited.</p>  |
| <p>7. Provision of other assistance and support services to PWS in support of the PWSSP for the state of Texas.</p>  | <p>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., 2009 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.</p> |

**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 is the addressing of significant noncompliance and significant deficiencies by developing enforcement cases for PWS.

| <b>Work Plan Deliverable</b>  | <b>Output Provided</b>  |
|---|---|
| <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 53 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 49 PWS enforcement cases.</p> |

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| <p>2. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to Enforcement Cases for PWS;</p>  | <p>The 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, National Compliance Initiative meetings, enforcement order update presentations at the TWICC meetings, and the RTCR implementation.</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 traveled to various conference and training events in order to share and enhance their skills and abilities. Examples include the EPA five-states meeting, the 2020 Annual Texas PDW Conference, Texas A&amp;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 WSD 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 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 \$3,655,098 was expended for activities conducted during the Work Plan period of September 1, 2019 through August 31, 2020 for this Program

Element. Of the total estimated amount expended \$3,160,687 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder, or approximately \$494,411 has been or is expected to be requested during the months of September 2020 through November 2020. All work was performed during the designated Work Plan period of September 1, 2019 through August 31, 2020.

**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 reduced 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.

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 2020 Annual Texas PDW Conference and planned on presentations at the TCEQ Environmental Trade Fair before it was cancelled due to COVID-19. Staff developed and made presentations to assist PWS at workshops, conferences, the DWAAG, Water Utility Operator Licensing Advisory Committee, and TWICC meetings with topics like regionalization and how to get assistance with operations and funding. The TOP updated an operator training class that covers disinfection byproduct formation and control. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention. |
| 2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of PWS in Texas;    | TOP provided training and technical assistance, as needed, to support the technical capability of PWS in Texas. Examples include onsite technical assistance visits, implementation of remote assistance procedures during the COVID-19 pandemic, and other significant technical support to 38 water systems.<br><br>TOP delivered customized training presentations  |

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|  | <p>to TCEQ WSD staff, Regional Office staff, and other TCEQ technical assistance providers, the EPA and other state DW partners through the EPA's Area Wide Optimization Program. Topics included disinfection byproduct formation and control, process management for chloramines, low-pressure membrane filtration, completing surface water monthly operational reports, iron and manganese control, and establishing a cross-connection control program.</p> <p>TOP provided training to PWS operators during the 2020 Annual Texas PDW Conference and meetings of various Texas Water Utility Association Districts throughout the state and directly to individual PWS. The 2020 Annual Texas PDW Conference presentation, workshop, and class topics included iron and manganese treatment, free chlorine conversions, and chloramine management.</p> |
| <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 assisted PWS through engineering plan reviews for PWS improvements.</p>  |
| <p>4. Purchase of supplies and equipment as necessary to support the Capacity Development Program in Texas;</p>  | <p>Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.</p>   |
| <p>5. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA) and other organizations in support of the Capacity Development Strategy;</p> | <p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), TWDB and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings.</p> <p>In SFY 2020, guests at TWICC meetings included a rural PWS with Drinking Water quality issues and other local officials from a rural community looking for funding to provide service.</p> <p>The TWICC website (<a href="http://www.twicc.org">www.twicc.org</a>) provides information on financial and technical assistance</p>  |

|   |  |
|---|--|
|   | <p>available to water and wastewater systems as well as contact information for member agencies.</p> <p>In SFY 2020, TWICC members TCEQ and CUI were invited to present a case study on a project for EPA’s Capacity Development and Operator Certification National Workshop via a webinar.</p> <p>In lieu of having the annual TWICC workshop at the 2020 Annual Texas PDW Conference, information about TWICC was included in a presentation on-line. TWICC continued to work with the Federal Emergency Management Agency (FEMA), the Texas Department of Emergency Management (TDEM), and the General Land Office (GLO) to discuss disaster and recovery funding and coordination.</p>  |
| <p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of state Program administration staff in support of the Capacity Development Strategy; and</p> | <p>TCEQ Staff traveled to participate in events both within Texas and nationally in order to attend training, 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 capacity development topics including small systems, AWIA, WIFIA, regionalization and consolidation, the DWSRF and partnerships.</p>  |
| <p>7. Provision of other assistance and support services to PWS in support of the approved Capacity Development Strategy for the State of Texas.</p>  | <p>TCEQ staff and Contractors participated in the virtual 2020 Annual Texas PDW Conference. The conference also provided a technical assistance room for PWS staff to receive one-on-one technical assistance. TCEQ staff coordinated with EPA grant recipients Communities Unlimited, Environmental Finance Network and TRWA to help develop their work plans for assisting small systems with water quality violations. Also, TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> <li>• Staff assessment and assistance to PWS experiencing operational problems.</li> <li>• Providing training to technical assistance providers and water systems directly.</li> <li>• Tracking and assisting nonviable “at-risk” PWS in restructuring.</li> <li>• Providing free on-site assistance through the FMT contract.</li> </ul> |



## Task 2.2: Capacity Development - FMT Assistance

This Task provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Task, enhanced the FMT abilities of PWS by providing assistance in developing, enhancing, and maintaining FMT abilities, and assisting PWS to meet state and federal requirements through the use of TCEQ staff 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 168 FMT Capacity Assessments, Consolidation Assessments, on-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for PWS.<br><br>TCEQ's FMT Contractor also completed two (2) 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 two (2) FMT Capacity Assessments for DWSRF applicants. The FMT Contractor provided DWSRF application assistance to two (2) PWS.   |
| 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 nine (9) TCEQ-administered special assignments to conduct RTCR Level 2 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   |
|--|---|
| 1. Review, evaluation and technical assistance related to Emergency Preparedness Plans;  | TCEQ does not review Emergency Response Plans; however, in SFY 2020, the TCEQ's WSD updated 1440 PWS point of contacts and 293 emergency contacts.  |
| 2. Support for natural disaster (i.e. drought) initiatives and technical assistance to impacted systems;   | Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of size, type, and ownership. During this reporting period, PWS were impacted by two (2) hurricanes and a tornado event.   |
| 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 | In SFY 2020, due to the COVID-19 Pandemic, travel to trainings was cancelled in mid-March; however, several trainings and conferences were attended in person and via webcasts. The TCEQ's DW Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and to maintain a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.   |
| 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>In SFY 2020, the TCEQ's Security Education contractor provided two (2) workshops to PWS across the state, both workshops addressed Regional Water Resiliency by introducing water system utility personnel to local and state emergency response partners and processes. The workshops emphasized coordination between water utilities and emergency response personnel before an incident occurs. The Corpus Christi workshop had 26 attendees and the virtual workshop had 285 attendees.</p> <p>Another support service provided to water systems 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 water systems of program activities, response activities, and security activities. The meeting is interactive and allows for web attendees to ask questions during the</p> |

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|  | meeting. The website for DWAAG meetings has presentations, information covered during each meeting, and advertises any upcoming DW related trainings provided by TCEQ, EPA, and other providers. |
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**Task 2.4: Capacity Development – Source Water Protection (SWP)**

This Task provided SWP (which includes both surface and wellhead protection) activities 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.

| <b>Work Plan Deliverable</b>  | <b>Output Provided</b>  |
|---|---|
| 1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for PWS; | TCEQ completed two (2) SWP assessments under this grant. TCEQ Staff provided support toward other assessments.<br>A total of two (2) PWS were evaluated in two (2) counties under this grant.   |
| 2. Implemented SWP Programs in various areas of the State for PWS   | TCEQ completed 32 SWP Plans, two (2) were completed 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 two (2) 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 four (4) meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans.<br>Each of the two (2) 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 10 SWP Areas under this grant.   |

|  |   |
|--|---|
| <p>6. Identification of populations protected by a SWP Program and served by vulnerable water sources for PWS; and</p> | <p>Under this grant, TCEQ identified a population of 34,303 protected by a SWP Program and served by vulnerable water sources in two (2) 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>TCEQ staff worked with Texas Rural Water Association (TRWA), Texas Parks and Wildlife Department (TPWL) and SWP contractors to provide technical assistance, including assisting water systems with best management practices (BMP) and updating SWP plans. TCEQ staff gave presentations on SWP and BMP at the Texas Water Utilities Association Annual Short School in Corpus Christi, Texas, Texas Water Utilities Association Blackland District in Red Oak, Texas, Texas Water Utilities Association Bosque River District in Stephenville, Texas, and the Natural Resource Conservation Service Water Subcommittee Meeting in Austin, Texas.</p> |

**Task 2.5 Capacity Development - District Support**

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

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.

| <p><b>Work Plan Deliverable</b></p>  | <p><b>Output Provided</b></p>  |
|--|--|
| <p>1. Provide data entry, administrative support and other activities in support of the review of water district applications;</p> | <p>The TCEQ’s Water Supply Division – Districts Section, processed 557 water district applications during SFY 2020. Of these, TCEQ contractors provided data entry and administrative support for the review of 99 water district applications under this grant.</p> |

|  |   |
|--|---|
| <p>2. Review applications, engineering reports, plans and specifications in conjunction with the processing of water district applications;</p>  | <p>Under this grant, a total of 21 minor applications were reviewed by TCEQ contractors. During SFY 2020, 22 minor water district applications were completed. (This included several minor applications started in the previous fiscal year, but not completed.)</p>   |
| <p>3. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to groundwater district reviews for PWS;</p>   | <p>Coordination, assistance and support was provided on request and through the normal day to day activities conducted under this Task.</p>   |
| <p>4. Purchase of supplies, equipment and other items necessary to support the Capacity Development Strategy;</p>  | <p>Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas.</p>  |
| <p>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</p> | <p>TCEQ staff participated in training opportunities to maintain professional engineering certifications as well as the 17<sup>th</sup> Annual Central Texas Infrastructure, Design and Construction Symposium, and the 2020 Association of Water Board Directors Conference. Staff also participated in various professional development training opportunities.</p> |
| <p>6. Provision of other assistance and support services to PWS in support of the approved Capacity Development Strategy for the State of Texas</p>  | <p>Other assistance was provided by taking phone inquiries and helping customers with the application process and adhering to requirements.</p>   |

### **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 programs to maintain or enhance abilities of PWS to meet state requirements.

| Work Plan Deliverable  | Output Provided   |
|--|---|
| 1. Participating in water conservation and/or drought contingency Programs to maintain or enhance abilities of PWS to meet state requirements; | As a member of the Water Conservation Advisory Council (WCAC), Staff participated in seven (7) Council meetings during the Fiscal Year, as well as two (2) meetings for WCAC workgroups.<br><br>As a member of the Drought Preparedness Council, Staff attended four (4) meetings during SFY20 and presented the results of the Drought Activities Update Report at each meeting.   |
| 2. Review and evaluation of water conservation and/or drought contingency plans of retail PWS to meet state requirements; and                  | Staff completed approximately 19 conservation reviews for water rights applications that were associated with retail PWS entities. Staff reviewed approximately 43 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. |
| 3. Provision of other assistance and services to PWS in support of the approved Capacity Development Strategy for the State of Texas.          | In SFY20, Staff prepared documents to assist entities, including retail PWS, for the upcoming 2024 Submittal of updated Water Conservation Plans, updated Drought Contingency Plans, and water conservation implementation reports.   |

**Program Element 3: Drinking Water Inventory Needs Survey Training (DWINS)**

This Program Element and associated Task were to use EPA “in-kind” funds to provide support to Texas from EPA during the Drinking Water Inventory Needs Survey (DWINS). TCEQ requested EPA to provide state specific training by its Drinking Water Inventory Needs Assessment contractor. These activities are scheduled to occur once the EPA’s Office of Management and Budget (OMB) provides approval for data collection in early 2020.

An estimated total of \$0 was expended for activities conducted during the Work Plan period of September 1, 2019 through August 31, 2020 for this Program Element. EPA did hold back \$20,000 of funding as an ‘In-kind’ cost. No work was performed during the designated Work Plan period of September 1, 2019 through August 31, 2020.

### Task 3.1 EPA In-Kind Services in DWINS Training Assistance

This Task was to support PWSS Program activities. TCEQ requested EPA to arrange for its Drinking Water Inventory Needs Assessment contractor to provide additional training on specific problematic systems\projects associated with the DWINS. It was expected that the training will occur at a date scheduled to meet the goals of the DWINSA, would be provided under an EPA contract. The training was to assist the Texas agencies through the review of several example systems\projects (both medium and large systems) and to address project errors, project coding, and provide modifications to projects that were uploaded, flagged or rejected. Projects used as part of the training may have been historic systems\projects (with common occurring issues) or current systems\projects from the pool of medium\large systems. EPA was to work with the Texas agencies to identify projects to be reviewed and discussed during the training event. The training was to have occurred in Austin, Texas and to have been arranged and coordinated through the TCEQ to occur before August 31, 2020. TCEQ requested that \$20,000 be withheld from the DWSRF 10% Set-aside for Federal Fiscal Year 2019 to fund this Program Element and associated Task.

The key deliverable was on-site assistance and training that meets the following goals:

| Work Plan Deliverable   | Output Provided   |
|---|---|
| 1. Identify Texas specific issues (i.e. drought) and how to address these issues within the DWSRF Needs Survey; and | EPA's OMB did not provide approval for data collection in 2020. The DWINS is postponed. |
| 2. Provide training for TCEQ and TWDB staffs and/or contractors regarding the DWSRF Needs Survey.                   | EPA's OMB did not provide approval for data collection in 2020. The DWINS is postponed. |

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**STATE FISCAL YEAR 2020  
DRINKING WATER STATE REVOLVING FUND  
LOCAL ASSISTANCE  
(15%) FIFTEEN PERCENT SET-ASIDE ACTIVITIES  
ANNUAL REPORT**

**EPA # FS-99679523  
[TCEQ Grant# 991520]**



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

**Source of Funding: Federal Fiscal Year 2019 DWSRF Fifteen Percent Set-  
Aside**

**Submitted November 13, 2020**

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## **INTRODUCTION**

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

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The 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 2020 Drinking Water State Revolving Fund 15% Local Assistance Annual Report details the TCEQ's progress in meeting DWSRF Grant Program goals, objectives, and funding expenditures for September 1, 2019 through August 31, 2020 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**

The TCEQ, through the 15% Local Assistance Work Plan identified activities to be performed between September 1, 2019 and August 31, 2020 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 Programs and assistance to water systems on a local basis in developing and implementing the Capacity Development Strategy requirement of the SDWA were addressed.

The TCEQ expended approximately \$1,800,001 during the grant Work Plan period for work performed during this period. It should be noted that \$1,726,323 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder, or

approximately \$73,678 has been or is expected to be requested during the months of September 2020 through November 2020. No match is required; the 15% DWSRF Set-Aside does not require a match.

The total requested for reimbursement from TWDB between September 2019 and August 2020 was \$1,859,381. Of this amount, approximately \$133,058 was requested for reimbursement from TWDB between September 2019 and November 2019 under the SFY2019/FFY2018 DWSRF 15% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

**EPA AND TCEQ GOALS AND OBJECTIVES**

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

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

| <b>EPA GOALS AND OBJECTIVES</b>  | <b>TCEQ GOALS AND OBJECTIVES</b>   |
|--|--|
| <p><b>EPA Goal 1:</b> Core Mission: Deliver real results to provide Americans with clean air, land, and water, and ensure chemical safety.</p> <p><b>EPA Objective 1.2:</b> Provide for Clean and Safe Water</p> <p>Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.</p> | <p><b>TCEQ Goal 02: Drinking Water</b></p> <p>To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water conservation and reclamation districts; and by promoting regional water strategies.</p> <p><b>TCEQ Goal 02: Objective 01</b></p> <p>To supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act, to provide regulatory oversight of water and sewer utilities and to promote regional water strategies.</p> <p><b>TCEQ Strategy 02-01-01: Safe Drinking Water</b></p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p> |

## **WORK PROGRAM ORGANIZATIONAL STRUCTURE**

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

## **EXPENDITURE BY PROGRAM ELEMENT**

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2020 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$1,800,001 during the grant Work Plan period for work performed during this period. It should be noted that \$1,726,323 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder, or approximately \$73,678 has been or is expected to be requested during the months of September 2020 through November 2020. No match is required; the 15% DWSRF Set-Aside does not require a match. Work was performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2019 and August 2020 was \$1,859,381. Of this amount, approximately \$133,058 was requested for reimbursement from TWDB between September 2019 and November 2019 under the SFY2019/FFY2018 DWSRF 15% Set-Aside Work Plan.

**Table 2: Expenditure Summary Table**

| <b>Program Element/Task</b>                                   | <b>Division</b>       | <b>Requested Reimbursements from TWDB between September 2019 and August 2020 for the SFY20/FFY19 15% DWSRF Set-Aside Work Plan</b> | <b>Total Expended During Grant Period</b> | <b>Percent of Total</b> |
|---|-----------------------|--|---|-------------------------|
| <b>Program Element 1:</b><br>Source Water Protection Programs | Water Supply Division | \$92,330   | \$92,330                                  | 5.1%                    |

|   |                       |                    |                    |             |
|---|-----------------------|--------------------|--------------------|-------------|
| <b>Program Element 2:</b><br>Capacity Development | Water Supply Division | \$1,633,993        | \$1,707,671        | 94.9%       |
| <b>Total</b>                                      |                       | <b>\$1,726,323</b> | <b>\$1,800,001</b> | <b>100%</b> |

**PROJECT SCHEDULE**

The TCEQ conducted the activities in the DWSRF 15% Set-Aside Work Plans over a 12-month period, which began September 1, 2019 and ended August 31, 2020 (SFY 2020).

**MEASURES OF SUCCESS**

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

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

| <b>TCEQ Outcome/Output Measure</b>   | <b>Program Element/Task</b>   | <b>Outcome/Output</b>  |
|--|---|--|
| <p><b><u>2.1 oc 1 Outcome Measure</u></b></p> <p>Percent of Texas population served by public drinking water systems that meet drinking water standards.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> </ul> | <p>99% of Texas population served by public drinking water systems that meet drinking water standards.</p> |
| <p><b><u>2.1.1 op 1 Output Measure:</u></b></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p>                   | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b></li> </ul>  | <p>6,826 public drinking water systems that meet primary drinking water standards.</p>                     |

| TCEQ<br>Outcome/Output<br>Measure | Program Element/Task   | Outcome/Output |
|-----------------------------------|--|----------------|
|                                   | Task 2.2 Capacity Development – FMT Assistance<br><ul style="list-style-type: none"> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> </ul> |                |

**Table 4: EPA Program Activity Measures (PAMS)**

| EPA Program Activity<br>Measures (PAMS)   | Program Element/Task  | Outcome/Output  |
|---|---|---|
| <p><b><u>SDW-211:</u></b><br/>Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and Source Water Protection.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> </ul> | <p>99.1% of the population in Texas was served drinking water that meets the Safe Drinking Water Act (SDWA) regulations.</p>  |
| <p><b><u>SDW-SP1.N11:</u></b><br/>Percent of community water systems that meet all applicable health-based standards through approaches that include effective treatment and Source Water Protection.</p>   | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b></li> </ul>  | <p>96.1% of community water systems in Texas provide drinking water that meets all applicable health-based standards through effective treatment and Source Water Protection.</p> |

| EPA Program Activity Measures (PAMS)  | Program Element/Task  | Outcome/Output  |
|---|---|---|
|   | Task 2.3 Capacity Development – Water Security  |   |
| <p><b><u>SDW-SP2:</u></b></p> <p>Percent of "person months" (i.e. all persons served by community water systems times 12 months) during which community water systems provide drinking water that meets all applicable health-based drinking water standards.</p> | <ul style="list-style-type: none"> <li>• <b>Program Element 1:</b><br/>Task 1.1 Source Water Protection Programs – Source Water Protection Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.1 Capacity Development – Capacity Development Activities</li> <li>• <b>Program Element 2:</b><br/>Task 2.2 Capacity Development – FMT Assistance</li> <li>• <b>Program Element 2:</b><br/>Task 2.3 Capacity Development – Water Security</li> </ul> | <p>98.24% of "person months" during which community water systems provide drinking water that meets health-based standards.</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 15% DWSRF Work Plan for SFY 2020.

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

This Program Element and associated Task implemented SWP (which includes both surface and wellhead protection) Programs within the State in order to provide ongoing direct local assistance through assessment of sources with respect to vulnerability to contamination. An estimated total of \$92,330 was expended for activities conducted during the Work Plan period of September 1, 2019 through August 31, 2020. Of the total estimated amount expended, \$92,330 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder, or approximately \$0 has been or is expected to be requested during the months of September 2020 through November 2020. All work was performed during the designated Work Plan period of September 1, 2019 through August 31, 2020.



## 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 through evaluation of sources with respect to vulnerability to contamination. TCEQ staff 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 contamination for PWS; | TCEQ completed six (6) SWP assessments under this grant. TCEQ Staff provided support toward other assessments.<br><br>A total of six (6) PWS were evaluated in six (6) counties under this grant.   |
| 2. Implemented SWP Programs in various areas of the State for PWS;  | TCEQ completed 32 SWP Plans, six (6) 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 six (6) 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 18 meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans.<br><br>Each of the six (6) 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 contamination inventories for PWS;   | TCEQ inventoried 20 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 54,527 protected by a SWP Program and served by vulnerable water sources in six (6) PWS. TCEQ Staff provided support toward other assessments.  |
| 7. Other activities in support of the SWP Program within the State of Texas.  | TCEQ staff worked with Texas Rural Water Association (TRWA), Texas Parks and Wildlife Department (TPWL) and SWP contractors to provide technical assistance, including assisting water systems with best management practices (BMP) and updating SWP plans. TCEQ staff gave   |

| Work Plan Deliverable | Output Provided   |
|-----------------------|---|
|                       | presentations on SWP and BMP at the Texas Water Utilities Association Annual Short School in Corpus Christi, Texas, Texas Water Utilities Association Blackland District in Red Oak, Texas, Texas, Texas Water Utilities Association Bosque River District in Stephenville, Texas, and the Natural Resource Conservation Service Water Subcommittee Meeting in Austin, Texas. |

**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 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, 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 \$1,707,671 was expended for activities conducted during the Work Plan period of September 1, 2019 through August 31, 2020. Of the total estimated amount expended \$1,633,993 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2019 through August 31, 2020 and the remainder, or approximately \$73,678 has been or is expected to be requested during the months of September 2020 through November 2020. All work was performed during the designated Work Plan period of September 1, 2019 through August 31, 2020.

**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 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 increases sustainability of PWS by providing local assistance.

| Work Plan Deliverable  | Output Provided  |
|--|--|
| <p>1. Development of presentations, training materials and other technical documents to support the technical capability and compliance of PWS in Texas;</p> | <p>TCEQ provided presentations and workshop and training materials at the 2020 Annual Texas PDW Conference and planned on presentations at the TCEQ Environmental Trade Fair before it was cancelled due to COVID-19. Staff developed and made presentations to assist PWS at workshops, conferences, the Drinking Water Advisory Work Group, Water Advisory Work Group, Water Utility Operator Licensing Advisory Committee, and TWICC meetings with topics including regionalization and how to get assistance with operations and funding. The Texas Optimization Program (TOP) prepared technical assistance and regulatory guidance for operators, PWS investigators, and assistance providers on topics including iron and manganese control, free chlorine conversions, and low-pressure membrane filtration.</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>TOP provided training and technical assistance, as needed, to support the technical capability of small PWS in Texas. Examples include technical assistance visits, implementation of remote assistance procedures during the COVID-19 pandemic, and other significant technical support to 38 water systems.</p> <p>TOP delivered customized training presentations to TCEQ WSD staff, Regional Office staff, and other TCEQ technical assistance providers and the EPA and other state DW partners through the EPA’s Area Wide Optimization Program. Topics included disinfection byproduct formation and control, process management for chloramines, low-pressure membrane filtration, completing surface water monthly operational reports, iron and manganese control, and establishing a cross-connection control Program.</p> <p>TOP provided training to PWS operators during the 2020 Annual Texas PDW Conference and meetings of various Texas Water Utility Association Districts throughout the state and directly to individual PWS. The 2020 PDW Conference presentation topics included iron and manganese treatment, free chlorine conversions, and chloramine management.</p> |

| Work Plan Deliverable  | Output Provided  |
|--|--|
| <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 assisted PWS through engineering plan reviews for PWS improvements.</p>  |
| <p>4. Purchase of supplies and equipment necessary to support the Capacity Development Program in Texas;</p>   | <p>Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.</p>   |
| <p>5. Coordination of and participation in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the Capacity Development Strategy;</p> | <p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), TWDB and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings.</p> <p>In SFY 2020, guests at TWICC meetings included a rural PWS with Drinking Water quality issues and other local officials from a rural community looking for funding to provide service.</p> <p>The TWICC website (<a href="http://www.twicc.org">www.twicc.org</a>) provides information on financial and technical assistance available to water and wastewater systems as well as contact information for member agencies.</p> <p>In SFY 2020, TWICC members TCEQ and CUI were invited to present a case study on a project for EPA's Capacity Development and Operator Certification National Workshop via a webinar.</p> <p>In lieu of having the annual TWICC workshop at the 2020 annual Texas PDW Conference, information about TWICC was included in a presentation on-line. TWICC continued to work with the Federal Emergency Management Agency (FEMA), the Texas Department of Emergency Management (TDEM), and the General Land Office (GLO) to</p> |

| Work Plan Deliverable  | Output Provided   |
|--|---|
|  | discuss disaster and recovery funding and coordination.   |
| 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 | TCEQ staff traveled to participate in events both within Texas and nationally in order 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. Staff participated in both ASDWA and EPA workgroups and committees focusing on capacity development topics including small systems, AWIA, WIFIA, regionalization and consolidation, the DWSRF and partnerships.  |
| 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.   | <p>TCEQ staff and contractors participated in the 2020 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 small PWS staff to receive one-on-one technical assistance. TCEQ staff coordinated with EPA grant recipients Communities Unlimited, Environmental Finance Network and TRWA to help develop their work plans for assisting small systems with water quality violations. Also, TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> <li>• Staff assessment and assistance to PWS experiencing operational problems.</li> <li>• Providing training to technical assistance providers and water systems directly.</li> <li>• Tracking and assisting nonviable “at-risk” PWS in restructuring.</li> <li>• Providing free on-site assistance through the FMT contract.</li> </ul> |

### **Task 2.2: Capacity Development - FMT Assistance**

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

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

| Work Plan Deliverable   | Output Provided   |
|---|---|
| 1. FMT training and assistance to PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed; | Under this grant, TCEQ, through its FMT Assistance contractor, completed 524 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 eighteen (18) 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 26 FMT Capacity Assessments for DWSRF applicants. The FMT Contractor provided DWSRF application assistance to three (3) PWS.  |
| 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 41 TCEQ-administered special assignments that ranged from conducting RTRC Level 2 Assessments to promoting FMT assistance at the TWDB Total Water Loss Control Workshop.   |

### Task 2.3 Capacity Development – Water Security

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

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

| Work Plan Deliverable  | Output Provided  |
|--|--|
| 1. Review, evaluation and technical assistance related to Emergency Preparedness Plans;  | TCEQ does not review Emergency Response Plans; however, in SFY 2020, the TCEQ's WSD updated 1440 PWS point of contacts and 293 emergency contacts.   |
| 2. Support for natural disaster (i.e. drought) initiatives and technical assistance to impacted systems;   | Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of size, type, and ownership. During this reporting period, PWS were impacted by two (2) hurricanes and a tornado event.  |
| 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 | In SFY 2020, due to the COVID-19 Pandemic, travel to trainings was cancelled in mid-March; however, several trainings and conferences were attended in person and via webcasts. The TCEQ's DW Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and to maintain a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.  |
| 4. Provision of other assistance and support services to PWS in support of the Water Security Program and the approved Capacity Development Strategy for Texas.  | <p>In SFY 2020, the TCEQ's Security Education contractor provided two (2) workshops to PWS across the state, both workshops addressed Regional Water Resiliency by introducing water system utility personnel to local and state emergency response partners and processes. The workshops emphasized coordination between water utilities and emergency response personnel before an incident occurs. The Corpus Christi workshop had 26 attendees and the virtual workshop had 285 attendees.</p> <p>Another support service provided to water systems is the quarterly Drinking Water Advisory Work Group (DWA WG) meetings that are held for all PWS to attend in person or via webinar. These meetings inform water systems 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 DWA WG meetings has presentations, information covered during each meeting, and advertises any</p> |

| <b>Work Plan Deliverable</b> | <b>Output Provided</b>  |
|------------------------------|---|
|                              | upcoming DW related trainings provided by TCEQ, EPA, and other providers. |