

FY 2005
Drinking Water State Revolving Fund (DWSRF)
Intended Use Plan (IUP)

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I. INTRODUCTION

A. State of Texas's Drinking Water Revolving Loan Fund

The Drinking Water State Revolving Fund (DWSRF) was established by State law in accordance with the Safe Drinking Water Act (SDWA) Amendments of 1996. The Texas Water Development Board (Board) is the state agency with the authority to manage the loan fund and to make low interest loans to water systems to bring them into compliance with the Federal SWDA rules. Projects eligible for the loans must comply with certain federal requirements, "cross-cutters", to qualify for the low interest loans. The Texas Commission on Environmental Quality (Commission) is the state primacy agency with the authority to enforce provisions of the SDWA.

At the program's inception, the Board was authorized to only fund projects proposed by political subdivisions of the State. Texas Senate Bill 1 (SB1), effective September 1, 1997, allowed the Board to extend financial assistance to Disadvantaged Communities, eligible Private applicants and eligible Non-profit/Non-community (NPNC) applicants. Another provision of SB 1 required that after January 1, 2001 all Board funded projects must be consistent with the State Water Plan. The Board is the state agency responsible for ensuring the development of the 16 regional water plans and approving the State Water Plan. All DWSRF projects are reviewed to insure consistency with the State Water Plan.

The FY 2005 Intended Use Plan (IUP) was prepared by the Board in accordance with the provisions of the Safe Drinking Water Act Amendments of 1996 (Act). The Act requires that each state annually prepare an Intended Use Plan (IUP) to describe how it plans to use the Drinking Water State Revolving Fund (DWSRF) to meet the Act's objectives. The IUP lists FY 2005 projects to be funded and describes the uses of funds for program set-asides and loans to projects, and the criteria and methods of distribution of funds through the DWSRF. Funding for this IUP will include the FY 2005 capitalization grant, its State Match and any amounts remaining from previous years. This IUP includes a discussion of the uses of these funds. A table of the sources and uses of funds available to the DWSRF may be found in Attachment A of this IUP. The purpose of this IUP is to inform the public and to seek public comment on the proposed uses of funds.

B. Public Input, Review and Comment

The IUP is mailed to stakeholders, placed on the Board Internet site and a notice of public hearing is published in the Texas Register. Written comments are accepted prior to and after the public hearing. All comments are reviewed and responded to in accordance with federal requirements. Copies of this information will also be provided to all commentators and will be included in the FY 2005 grant application to the Environmental Protection Agency (EPA).

C. Board Adoption

The IUP is submitted to the Board for consideration at a regularly scheduled meeting along with a summary of the comments received and the Board's responses to those comments. Upon approval by the Board, EPA will receive the approved IUP and projects will be informed of the opportunity to submit a DWSRF application based on the rank ordered list.

D. List of Projects

The FY 2005 IUP contains an alphabetic listing of 62 projects totaling \$341,960,000 (Table 1) from entities that have indicated a desire to request assistance from the DWSRF during the FY 2005 period. The project list was developed through a survey of all eligible applicants. Eligible applicants submitted projects for large communities (those having populations of 10,000 persons or greater), small communities (those having populations of fewer than 10,000 persons), Disadvantaged Communities and Private or Nonprofit/Non-community (NPNC).

Community Type	Number of Projects	Percentage of Total	Total Dollar Amount of Projects	Percentage of Total
Large Community	16	26%	\$214,085,000	63%
Small Community	46	74%	\$127,875,000	37%
TOTAL	62		\$341,960,000	

The Commission reviewed all projects and ranked eligible projects. The Commission's rating criteria include addressing the most serious risks to human health; ensuring compliance with the Act; and making funding available to systems most in need on a per household basis. Eligible construction projects for water systems are listed in priority order in Table 2. There are no eligible source water protection projects. Table 1a lists the four construction projects determined to be ineligible for ranking. Fundable DWSRF projects remaining from the FY 2004 IUP are listed in Attachment A.

II. LONG AND SHORT TERM GOALS

The DWSRF program was designed by Congress to provide states flexibility to design a program to meet the needs of local public water systems. The long- and short-term goals presented below provide the basis for the Board's program.

A. Long Term Goals

1. Restore and maintain the chemical, biological, and physical integrity of the State's drinking water by developing a financial and technical program capable of funding all projects annually which pose the most serious risk to public health and compliance with the Act. Progress toward meeting this goal will be documented by discussing the activities conducted during the year to ensure that the worst health problems are being addressed.

2. Maintain the fiscal integrity of the DWSRF and assure a continuous enhancement of the fund for future generations by complying with generally accepted accounting standards and the establishment of a lending rate policy that also provides for long term inflation. Progress toward meeting this goal will be documented by discussion of changes to lending rate policy, loan monitoring activities and default information.
3. Maintain the fund in perpetuity by establishing a lending rate policy that produces sufficient repayment amounts to allow for the growth of funds after payment of debt service on state bonds of which the proceeds will be deposited to the fund. This would be balanced by a concern for the ability of applicants to afford the costs of their projects and with the provision of guidance, as necessary, in the planning and design of efficient and cost-effective projects. Progress toward meeting this goal will be documented by providing information regarding lending rates and status of leveraging.

B. Short-Term Goals:

1. Protect public health by providing funds for the supply of safe drinking water to the citizens of the State of Texas, and by expeditiously providing loans to water systems that are in non-compliance with State and Federal drinking water regulations. Progress toward achieving this measure will be documented by reporting the number of binding commitments and the total dollar volume of assistance for the fiscal year in comparison with previous years.
2. Ensure compliance with the Safe Drinking Water Act by working with TCEQ to ensure that water systems are in compliance with established standards and to provide all possible technical and financial assistance. Progress toward meeting this measure will be documented by reporting the number of joint TWDB/TCEQ pre-application and follow-up meetings conducted for the fiscal year.
3. Assist systems to ensure affordable water by providing an efficient program that can respond to the financial and technical needs of water systems, and by providing financial assistance at affordable interest rates while maintaining the fiscal integrity of the Fund. Progress toward meeting this measure will be documented by reporting the estimated dollar amount of interest savings (over the life of the loan) resulting from binding commitments made during the fiscal year.
4. Support components of the state drinking water and ground water programs by directing the necessary resources toward the State's most pressing compliance and health needs. Progress toward meeting this goal will be documented by reporting the annual number and dollar amount of commitments made to applicants in the highest ranked portion of the annual priority list.

III. STRUCTURE OF THE DWSRF

A. Set-Aside Accounts Federal regulations allow States to 'set aside' capitalization grant funds for purposes other than loans to water systems.

1. **State Program Management and Technical Assistance to Small Systems**

The Board will set aside an amount equal to ten per cent of the FY 2005 grant for the Commission to carry out set-aside activities as described in Section VI of this IUP relating to State Program Management. An additional two per cent will be set aside for the Commission to provide technical assistance to small systems under .1452(g)(2) of the Safe Drinking Water Act. The President's FY 2005 budget provides \$64,000,000 for Texas; however, the State's allotment will be based on Congressional appropriations for FY 2005.

2. **Program Administration**¹

The Act allows a State to set aside up to four percent of its annual capitalization grant for the reasonable costs of administering the DWSRF. Federal regulations governing the DWSRF Program permit a State to reserve its authority to take an amount equal to four per cent of the current year's grant from a future grant to defray the cost of administering the program. Each year, beginning in FY1998, the Board has reserved that authority. Exercising that authority, the Board will take from the 2005 Capitalization Grant \$2,466,040 an amount equal to four per cent of the 2003 Capitalization Grant. In addition, the Board reserves the authority to set aside an amount equal to four percent of the FY2005 grant from a future grant. Please see Attachment B for a listing of the amounts reserved for program administration and the grants from which those amounts will be drawn.

3. **Source Water Protection Set-Aside Funds**

Up to ten per cent of each grant may be set aside for Source Water Protection projects. No eligible Source Water Protection projects were submitted for FY 2005.

B. Loan Account Entities ranked on the IUP priority list can use DWSRF loans for the planning, design and construction of projects to²:

- Correct water system deficiencies including water quality, capacity, pressure and water loss;
- Upgrade or replace water systems;
- Provide new or existing water service to other water systems through consolidation projects;
- Purchase capacity in water systems; and

- Implement Source Water Protection projects.

Eligible applicants include:

- Existing community public water systems including political subdivisions, nonprofit water supply corporation and privately owned community water systems;
- Non-profit, non-community, public water systems; and
- State agencies

In order for a project to be ranked in the FY 2005 IUP, the applicant was required to submit an information form, signed by a representative of the applicant, not later than January 28, 2004.

IV. FINANCIAL STATUS OF THE DWSRF

The President's budget for FY 2005 would provide the Board a capitalization grant of \$64,000,000 to be matched by \$12,800,000 in state funds (20% of the capitalization grant) for a total of \$76,800,000. The state match will be made up of a combination of appropriated funds and proceeds from the sale of State General Obligation bonds. The actual amount of FY 2005 funds available will depend upon the Congressional appropriations for this program. The Board intends to apply for the FY 2005 grant upon notification of the availability of funds.

A. Fiscal Year 2004 Funds

The Board has invited applications from applicants sufficient to make binding commitments for all of the FY 2004 Capitalization Grant and State matching funds. However, if not all of the funds are actually committed or otherwise obligated, any funds remaining after Board adoption of the FY 2005 IUP and after the FY 2004 funding cycle has ended will be rolled forward to the FY 2005 IUP. (See Attachment A for a listing of these projects.) As they become available, such funds will be distributed to the project list in accordance with 371.21³ of the Board rules, the funding lines will be adjusted downward and additional applications will be invited. In a similar manner, any FY 2005 funds remaining after the adoption of the FY 2006 IUP after the 2005 funding cycles have ended will be rolled forward to the FY 2006 IUP.

B. Long Term Financial Health of the Fund

The long term financial health of the fund (DWSRF loan account) is ensured by the establishment of the Board's lending rate policy for the DWSRF loan account to preserve the corpus of all capitalization grants and State match funds not utilized for loan forgiveness for Disadvantaged Communities. Assistance for Disadvantaged Communities and for eligible Private and Community/Non-community applicants on the FY 2005 IUP will be made available from a combination of federal grant monies and appropriated State match funds. State

match for the FY 2005 projects on the IUP proposed by these two categories of applicants is an appropriated amount up to \$3,312,508 as the Board cannot use bond proceeds for such borrowers.

Total funding available to Disadvantaged Communities' projects is directly related to the amount of appropriated State match funds available for the Disadvantaged Community Program as the Board cannot forgive loans made with State bond proceeds. It is anticipated that additional state match will be appropriated for assistance to Disadvantaged Communities by the FY 2005 Legislature as was done by prior Texas Legislatures.

Management of the accounts in this fashion is intended to ensure the maximum viability of the DWSRF loan account portfolio. Past experience with the Clean Water SRF indicates that the repayment stream from the loan account, with the lending rate established as described, will still leave capacity to leverage the loan account in the future by depositing the proceeds from sale of State bonds in excess of the required match, should the Board choose to do so. (The exception is the Disadvantaged Communities part of the DWSRF; to the extent that the funding in this Disadvantaged program is provided below 0% interest, it will reduce the capacity of the program.)

C. Interest Rate Policy

The Board has established an interest rate policy for most DWSRF borrowers in 371.52 of the Board rules.⁴ Both fixed and variable rates are available. The Board has considered the criteria set forth below in establishing this rate:

- (1) The interest rate required to retire state bonds.
- (2) The interest rate necessary to maintain the buying power of the DWSRF.

The Board offers repayment periods no more than twenty years past construction completion dates to most applicants.

The interest rates and levels of subsidies in the Disadvantaged Community Program are determined by the provisions of §371.24(c)⁵ of the Board rules (see Appendix C). Any loan amount subject to forgiveness will not be subject to an interest rate. The repayment period for Disadvantaged Communities may be extended up to 30 years.⁶

Service Area Adjusted Median Household Income	Loan Interest Rates	Principal Forgiveness
Between 75% and 70% of the median State household income	1%	0%
Less than or equal to 70% but greater than 60% of the median State household income	0%	0%
Less than or equal to 60% but greater than 50% of the median State household income	0%	15%
Less than 50% of the median State household income	0%	35%

[All superscript numbers indicate references in Appendix B]

At no time will the aggregate of loan forgiveness exceed 30% of the Capitalization Grant.

V. DISADVANTAGED COMMUNITY PROGRAM

The 1997, 1999, 2001, and 2003 Texas Legislatures appropriated State match funds for the Disadvantaged Communities Program. Total funding available to Disadvantaged Communities' projects is directly related to the amount of appropriated State match funds available for the Disadvantaged Community Program since the Board cannot forgive loans made with State Match Bond proceeds.

A. Eligibility

The Board staff determines eligibility for the disadvantaged community loan program. To be eligible to receive reduced interest rates and potential loan forgiveness, the applicant must be either:

1. A political subdivision:
 - (a) that is a disadvantaged community; or
 - (b) for a project serving an area that:
 - (i) is located outside the boundaries of the political subdivision; and
 - (ii) meets the definition of a disadvantaged community; or
2. An owner of a community water system that is ordered by TCEQ to provide service to a disadvantaged community, provided that the financial assistance is for the sole purpose of providing service to a disadvantaged community.

AND,

Meets the definition of a disadvantaged community now or will as a result of a proposed project.

B. Definition

Disadvantaged community means the service area of a public water system that has an adjusted median household income which is no more than 75% of the median state household income for the most recent year for which statistics are available. There are two methods to determine the adjusted median income.

1. Adjusted median household income =

$$\frac{2000 \text{ Annual Median Household Income} \times \text{current Texas Consumer Price Index}}{2000 \text{ Texas Consumer Price Index}}$$

OR

2. Using data from a survey approved by the executive administrator of a statistically acceptable sampling of customers in the service area completed within the last 12 months⁷. The necessary information will be provided by the board to the applicant during the solicitation process.

AND

1. if the service area is not charged for sewer services, has a household cost factor for water rates that is greater than or equal to 1.0%; or
2. if the service area is charged for water and sewer services, has a Combined Household Cost Factor for water and sewer rates that is greater than or equal to 2.0%.

Household Cost Factor = $\frac{\text{Average Yearly Water Bill}}{\text{Adjusted Median Household Income}}$
Combined Household Factor = $\frac{\text{Average Yearly Water Bill} + \text{Average Yearly Sewer Bill}}{\text{Adjusted Median Household Income}}$
Average Yearly Water Bill = (Average # of persons per household x 2,325 gallons\person\month) x (Proposed Monthly Water rate x 12) PMW = Cost of proposed project less funds received from other sources
Average Yearly Sewer Bill = (Average # of persons per household x 1,279 gallons\person\month) x (Monthly Sewer rate x 12)

If taxes, surcharges or other fees are used to subsidize the water and/or sewer system, the average annual amount per household should be included in calculating the household cost factor or the combined household cost factor.

C. Consolidations Any one or more of the following costs of consolidation are eligible for funding:

- system acquisitions;
- the cost of plant upgrades or expansions specific to providing service to the disadvantaged community;
- the cost of rehabilitating or replacing the distribution system of an existing water system to bring the system into compliance with drinking water regulations;
- the provision of wholesale service; and
- master meters and upgrades needed to receive wholesale service from the consolidating system.

Financial assistance

- (A) If the applicant acquires another public water system or provides retail service to another public water system, 20% of the cost of the project is subject to forgiveness of principal.
- (B) If the applicant provides wholesale service to another public water system, 15% of the cost of the project is subject to forgiveness of principal.
- (C) The amount of principal that will be forgiven for the consolidation will be deducted from the cost of the project before calculating the amount of

financial assistance for the remaining cost of the project pursuant to subsection (c) of this section.

Notwithstanding the provisions of §371.13(a)(4)⁸ of this title (relating to Projects Eligible for Assistance), purchase of existing capacity in the consolidating system are not eligible for funding through the Disadvantaged Community Account of the DWSRF.

VI. IUP Priority Ranking Process

A. IUP Information Packet

Board and Commission staff develops the DWSRF information packet that is distributed to all eligible water systems. Potential applicants complete the information based on the type of project - for public water systems or source water protection and for disadvantaged community status and/or consolidation. Only participants in the Commission's Source Water Protection (SWP) program are eligible to apply for source water protection funds. The solicitation letter for FY 2005 was dated December 1, 2003 with a response deadline of January 28, 2004. The required information⁹ consists of:

- a description of the proposed project;
- county map showing location of service area;
- estimated total project cost (certified by a registered professional engineer if costs are \$100,000 or greater)
- estimated project schedule;
- population currently served by the applicant; and
- additional information as necessary to establish the priority rating scores for source water protection projects.

In addition to the required information listed above, applicants were to provide information concerning ground water and surface water vulnerability, and their ability to implement Best Management Practices.

B. Priority Ranking

The Commission does the priority ranking for both water system projects and source water protection projects according to the rating process developed by that agency. A list of the rating factors is included as Appendix B. The text of the rules governing the rating process¹⁰ is included in Appendix C. Each eligible project submitted by the January 28, 2004 deadline is listed in priority order on Table 2.

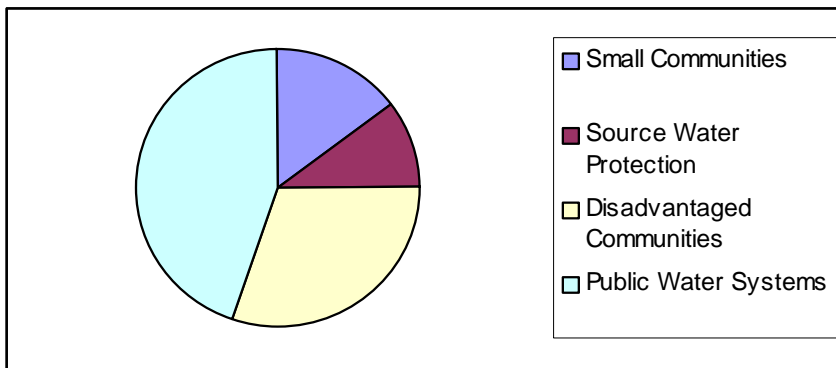
C. Tie Breaking Procedure

In the event of ties in the ratings, priority will be given to the project serving the smaller total population based on information maintained by the Commission¹¹.

VII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

A. Funds Analysis - Funds for Water Systems¹²

The Executive Administrator will determine the amount of funds available and will assign all reserves. The remaining funds will be applied to the list of projects for water system improvements designated to receive funding in the IUP.



To the extent eligible applicants are available and rank within the funds available:

- a minimum of 15% of available funds will be made available to small communities (systems serving populations less than 10,000).
- an amount up to thirty percent of the capitalization grant will be made available to projects proposed by Disadvantaged Communities. It should be noted that “funds equal to thirty percent” of the grant are not set aside for these borrowers; rather, this is a funding limit established by the Safe Drinking Water Act.
- An amount no more than ten per cent of the grant can be reserved for source water protection projects. The FY 2005 amount estimated for this category of projects is \$6,400,000 based on the President’s FY 2005 budget proposal. No eligible Source Water Protection projects were submitted for FY 2005.
- In the event that small community projects above the funding line do not equal 15% of the funds available, the Executive Administrator may bypass projects for systems serving populations of 10,000 or greater to include additional small community projects above the funding line. Bypass of large community projects¹³ is used only to ensure that a minimum of 15% of total dollars credited to the Fund is made available to small communities' systems.
- In addition, prior to Board consideration the Commission will conduct a review of each applicant's financial, managerial, and technical capability

(FMT). Projects for applicants that receive FMT approval may be presented to the Board for consideration.

B. Fund Distribution - Funds for Water Systems

After the Executive Administrator has determined the amount of funds available and the Priority Listing is reviewed to ensure small and disadvantaged communities are represented according to Board Rules, a "funding line" is established. All applicants within the available amount of funds will be notified and invited to submit applications within three months of the date of the invitation letter. The Board funding cycle reflects the requirements of the Board Rules that refer to a "funding line".

STEP 1 - Establishment of the Board's "Funding Line"

Funding Cycle I: Allows 3 months for the receipt of the application from date of invitation letter and 3 months for commitment (6 months total). Note: In the following example, the total IUP amount is \$245,000. Only those ranked applicants within the total available funds are invited to apply in the first funding cycle.

TOTAL AVAILABLE FUNDS (Capitalization Grant & State Match) = \$200,000

Project	IUP Amount	Date Invited	Application Due Date	Status	Amount Committed	Amount Reallocate	Date Reallocate
A	\$50,000	9/04	12/04	Pending			
B	\$50,000	9/04	12/04	Pending			
C	\$100,000	/04	12/04	Pending			
Total Invited	\$200,000						
D	\$45,000						
Total on IUP	\$245,000						

The term "funding line" refers to the point on the ranked list where all funds available for loans would be expended. Note that an actual funding "line" does not appear on Table 2 which lists projects in ranking order.

Applications for assistance may be submitted at any time after notification of the availability of funds and will be funded on a first-come, first-served basis. Funds shall be committed to a project designated to receive assistance upon Board approval of the application. The Board funding cycle allows for two formal funding cycles per IUP year with additional "cycles", if a project formally declines and monies become available for the next project(s) in ranked order.

The 'funding line' will be adjusted downward (1) if a project above the line declines or fails to submit a timely application, (2) a potential applicant above the funding line submits written notification that it does not intend to submit an application, (3) in the event that funds remain from FY 2004 to be distributed to

the FY 2005 project list or (4) according to the State's allocation of the FY 2005 federal appropriation for the DWSRF program. Also note that each application will be reviewed for project eligibility and, as appropriate, for eligibility for Disadvantaged Communities' subsidies prior to consideration by the Board. Funding applications will be accepted only for projects consistent with the applicant's Intended Use Plan information.

STEP 2 - "Funding Line" Adjustment

The Executive Administrator shall notify such additional potential applicants in writing and will invite the submittal of applications. Potential applicants receiving such notice will be given three months to submit an application and six months from the date of notification to receive a loan commitment.

Project	IUP Amount	Date Invite	Application Due Date	Status	Amount Committed	Amount to Reallocate	Date Reallocate
A	\$50,000	9/04	12/04	Applies	\$50,000		
B	\$50,000	9/04	12/04	Formally Declines 10/04		\$50,000	10/04
C	\$100,000	9/04	12/04	Pending			
Totals	\$200,000				\$50,000	\$50,000	

Funds Available to Re-Allocate based on Board Rules \$50,000. (From Project B who formally declined.)							
Project	IUP Amount	Date Invite	Application Due Date	Status	Amount Committed	Amount Left to Reallocate	Date Reallocate
D	\$45,000	10/04	12/04	Pending	\$45,000	\$5,000	10/4

STEP 3 - Re-Ranking After Six Months

If, six months after the date of notification, all available funds are not committed, the Executive Administrator will return any applications which have not received loan commitments and move all projects for which no applications or incomplete applications were submitted to the bottom of the prioritized list, where they will be placed in priority order. Any funds remaining that exceed the amount needed to fund complete applications will be made available for the next fiscal year (however, at no time will funds available for Disadvantaged Communities exceed thirty per cent of a year's capitalization grant.)

C. Fund Distribution - Source Water Protection Projects¹⁴

After the Executive Administrator has determined the amount of funds available for source water protection projects a line will be drawn not to exceed the funds available for loans for source water protection projects. Projects above the line are eligible for assistance. The Board's Executive Administrator shall notify in

writing all applicants above the funding line of the availability of funds and will invite the submittal of applications. All applicants are required to submit applications and to receive funding commitments within six months of notification by the Executive Administrator.

Applications for assistance may be submitted at any time after notification of the availability of funds and will be funded on a first-come, first-served basis. Funds shall be committed to a projected designated to receive assistance upon Board approval of the application.

If funds which have been reserved for source water protection projects are unused after all applicants have been provided an opportunity to submit an application, such funds may be made available for other projects pursuant to §371.21 of the Board rules (relating to Criteria and Methods for Distribution of Funds for Water System Improvements).

D. Funding Shortage

Applications which are ready for scheduling for board action at the time a fund shortage occurs will be presented in order of their priority ranking in accordance with §371.23(g)¹⁵ of the Board rules. Funds will be made available to applicants in priority order until all available funds have been utilized. If a tie for commitment of funding exists among applicants with identical rating scores, the applications will then be funded based on the time of receipt of a complete application for assistance.

To the extent eligible projects are available and rank above the funding line, funds will be made available to projects proposed by private and Community/ Non-community Water Systems. All private and Community/ Non-community Water Systems projects have been ranked and are included on the priority list.

VIII. DESCRIPTION OF THE NON-DWSRF PROJECT FUND

A. Administration of the DWSRF Program

Administrative Cost¹⁶

As stated above, the Board has reserved the authority to set aside funds equal to four per cent of prior year's grants capitalization grant from future capitalization grants to defray costs of program administration. The Board will draw \$2,466,040 from the FY 2003 grant for this purpose. Also, the Board reserves the authority to set aside an amount equal to 4% of the FY 2005 capitalization grant from a future grant for administration of the DWSRF program.

All FY 2005 funds except amounts set aside for program administration and for the Commission's activities will be used to fund projects. In addition, the Board

assesses charges for the purpose of recovering administrative costs and places the funds in a separate account for future administrative expenses.

Recipients of loan commitments will be assessed 2.25% of the DWSRF loan amount, excluding the amount of the origination charge. The loan origination charge is a one-time charge that is due and payable at the time of loan closing. The loan origination charge may be financed as a part of the DWSRF loan. Charges collected will be deposited into the Administrative Cost Recovery Fund. Monies deposited into the Administrative Cost Recovery Fund will be used only for administration of the DWSRF program, unless the Board authorizes the transfer of these funds to the DWSRF Program Account. Administrative Cost Recovery monies transferred to the DWSRF Program Account may be used for any purpose for which other funds in the DWSRF Program Account can be used. Monies in the DWSRF Administrative Cost Recovery Fund will be invested in authorized investments as provided by Board order, resolution, or rule.

B. Administrative Activities of the Board - Program activities to be supported by the Administration Account include:

1. Reporting activities - This includes preparing capitalization grant applications, scheduling and conducting public hearings, conducting annual solicitation of projects, preparing and submitting the annual Intended Use Plans (IUP), preparing and submitting biennial reports and annual financial reports and audits, project tracking and reporting, reporting to the EPA information management system and participating in an annual EPA oversight.
2. Payment Processing - This includes loan closings, processing requests for reimbursement, making wire transfers, processing cash draws from the ACH, preparing and submitting annual outlay reports.
3. Pre-Application Activities - This includes contacting systems on the IUP to arrange for pre-application conferences, scheduling and conducting conferences, counseling and providing advice and information on preparation of financial applications, engineering feasibility reports and environmental information documents, assisting in public participation activities, assisting with or conducting coordination with other environmental regulatory agencies.
4. Application Review - This includes conducting engineering, environmental, financial and legal reviews of application materials for assistance, checking for compliance with federal cross-cutters, preparing Board Resolutions (assistance agreements), preparing and presenting agenda items for Board approval of loan commitments.
5. Engineering Review - This includes conducting engineering reviews/approvals of engineering plans and contract documents,

reviewing/approving bid documents and checking for compliance with federal cross-cutters, preparing documents for loan closings, authorizing contract award and issuing notices to proceed, in-office monitoring of construction progress and assisting with contractor claims and disputes, reviewing/approving contract change orders and addenda and preparing engineering related project close out documents. Construction Progress Inspection - This includes scheduling and conducting pre-construction project management conferences, assisting loan recipients in setting up construction records, participating in contract pre-construction conferences, scheduling and conducting regular construction progress inspections, preparing inspection reports and follow up letters, assisting in resolution of contractor claims and disputes, conducting contract and project final inspections and preparing close out documents.

6. Portfolio, Audit and Cash & Securities Management - This includes forecasting, preparing and managing TWDB bond sales, external audit monitoring to ensure finance-related legal and contractual compliance and ongoing financial stability of applicants, and managing program cash, securities and related banking and investment activities in compliance with applicable laws, contracts and policies of the Board.
7. Financial Management - This includes processing payments (loan closings, investments, grant payments, making wire transfers, processing cash draws from EPA, administration), preparing Accounting entries to the General Ledger, preparing Reports (Quarterly Federal Cash Transaction Report, Annual Financial Status Report, Annual Financial Report), preparing reconciliations, monitoring the Federal Capitalization Grant, amount reserved for disadvantaged communities, and monitoring the Internal Master Portfolio Management System.
8. Technical Assistance - This includes the provision of technical assistance to public water systems regarding water conservation and other issues of interest. The technical assistance may be provided in the form of printed materials, public service announcements, videotapes and other types of media presentation. Technical assistance also includes collecting and analyzing ground water quality data and providing it to the public. Data may be provided via published reports or printed data, or available in the form of electronic data.

C. **Set-Aside Activities of TCEQ** - TCEQ will use the State Program Management Set-Aside to fund the following activities:

1. Administration of the state PWSS program - 1452(g)(2)(A)
 - a. Maintenance and functional expansion of the integrated data system for the Public Drinking Water Section and the Utilities & Districts Section.

- b. Conduct Surface Plant Comprehensive Performance Evaluations (CPE) in order to increase the number of surface water treatment plants that are in compliance with current federal regulations and prepare the plants for implementation of the Interim Enhanced Surface Water Treatment Rule.
 - c. Perform an additional number of inspections, sanitary surveys, and complaint responses.
- 2. Administer & provide technical assistance through source water protection programs - 1452(g)(2)(B)
 - a. Develop, issue and manage contracts with professional services vendors and/or other agencies to establish source water protection programs
 - b. Enter into joint funding agreement with USGS to establish baseline pesticide levels in public drinking water sources for source water assessment model.
- 3. Develop and implement a capacity development strategy - 1452(g)(2)(C)
 - a. Develop, issue and manage contracts with technical assistance vendors to conduct capacity assessments and provide assistance to PWSs to improve their financial, managerial and technical capacities including prioritized public water systems, applicants for Drinking Water State Revolving Fund (DWSRF or SRF) funding, referrals, candidates for consolidation, and other systems as directed by TCEQ.
 - b. Develop, issue and manage contracts with professional services vendors to collect water samples for chemical quality from PWS entry points as designated in a sampling schedule established by TCEQ.
- 4. Implement an operator certification program - 1452(g)(2)(D)
 - a. Develop a job analysis of ground water treatment and distribution operators. Develop new training materials and exams for operators of ground water treatment, surface water treatment, and distribution systems.

The TCEQ will use the Small Systems Technical Assistance Set-Aside to fund the following activities:

Implement technical assistance program to small systems - 1452(g)(2) Develop, issue and manage contracts with professional service vendors to conduct engineering feasibility studies, facility evaluations and reports, financial audits, environmental reviews, cost estimates, technical assistance and project coordination for small public water systems.

**Drinking Water State Revolving Fund
FY 2005 Intended Use Plan
Table 1
Alphabetical Listing of all Projects Received**

Table Definitions - Owner Type: C - County; D - District; M - Municipality; P - Private; W - Water Supply Corporation. Combined Factor: Rating Points awarded by TCEQ.

Rank	PWS ID	ENTITY NAME	Disadvantaged Consolidatio	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Start Date	County
8	2500005	Alba	X		\$955,000	823	M	1.50	New well & distribution improvements to address pressure & production deficiencies.	5/5/04	Wood
55	1840001	Aledo			\$5,765,000	2,400	M	0.00	Storage & transmission improvements. Project description does not address iron.	6/5/04	Parker
2	0220001	Alpine	X		\$4,860,000	2,705	M	3.00	Distribution improvements and new pump station to address pressure and disinfection deficiencies	10/4/04	Brewster
13	2490001	Alvord			\$360,000	300	M	1.25	New well & distribution improvements to address pressure deficiency & water loss. Does not address secondary exceedances.	10/4/04	Wise
34	1090068	Aquilla WSD		X	\$9,200,000	15,875	D	1.00	Treatment plant expansion, ground storage & distribution improvements to address pressure deficiencies.	10/5/04	Hill
5	1960006	Austwell	X		\$145,000	192	M	2.00	Distribution improvements to address pressure & water loss.	5/4/04	Refugio
23	1940005	Avery	X		\$395,000	57	M	1.00	Distribution improvements.	10/6/04	Red River
10	2000001	Ballinger	X	X	\$4,070,000	1,440	M	1.38	Extend new water line to address production deficiency. Does not address secondary exceedances.	9/5/04	Runnels
54	1090017	Birome WSC			\$805,000	1,554	W	0.00	New well & cooling tower. Does not address fluoride and water loss	11/4/04	Hill
46	0200003	Brazoria			\$1,000,000	2,870	M	0.25	Distribution improvements to address pressure deficiency	3/5/04	Brazoria
7	0250014	Brown Co WID #1		X	\$24,405,000	42,079	D	1.75	Expand existing treatment plant, new clearwell & new transmission line to address pressure, production & storage. Extend & expand wholesale water transmission lines.	1/5/04	Brown
42	1020019	Caddo Lake WSC			\$220,000	852	W	0.25	Distribution improvements to address water loss.	6/6/04	Harrison
18	1660001	Cameron			\$790,000	6,100	M	1.25	Distribution improvements to address pressure & water loss. Water treatment plant improvements.	10/4/04	Milam
37	1610049	Caney Creek Haven Club WS			\$300,000	300	P	0.75	New storage, booster pumps, distribution improvements & iron treatment to address pressure, storage deficiency & iron.	1/5/04	Matagorda
32	0030019	Central WCID			\$520,000	5,095	D	1.00	New elevated storage to address pressure deficiency.	6/5/04	Angelina
31	0670001	Cisco	X		\$2,660,000	3,851	M	1.00	Distribution improvements to address pressure deficiency. Project description insufficient to rank other components	1/6/04	Eastland
51	0420001	Coleman			\$1,985,000	5,410	M	0.13	Treatment plant improvements to address production.	9/5/04	Coleman
20	1160003	Commerce	X		\$1,675,000	7,669	M	1.25	Distribution improvements to address water loss.	10/5/04	Hunt
12	110xxx	Deerhaven Property Owners Assc.			\$1,305,000	264		1.25	Distribution improvements to address pressure deficiency & water loss.	5/5/04	Llano
15	0190001	DeKalb	X		\$1,840,000	1,769	M	1.25	Booster pump station & distribution improvements to address production deficiency.	4/6/04	Bowie
21	2330001	Del Rio Utilities Commission	X	X	\$10,565,000	36,390	M	1.25	Distribution improvements to address pressure & water loss. Does not address secondary exceedances.	11/4/04	Val Verde
47	0030001	Diboll			\$5,700,000	5,470	M	0.25	New wells to address population deficiency	11/5/04	Angelina
48	1070167	E. Cedar Creek FWSD			\$730,000	15,822	D	0.25	Water treatment plant expansion to address production deficiency	7/4/04	Henderson
53	1900011	E. Tawakoni			\$1,205,000	775	M	0.00	New elevated storage & distribution improvements.	4/6/04	Rains
29	2340002	Edgewood	X		\$555,000	1,920	M	1.00	New elevated storage tank.	10/5/04	Van Zandt
40	0710002	El Paso		X	\$10,225,000	690,000	M	0.34	New transmission line. Does not address secondary exceedances	5/6/04	El Paso
26	0190001	Emory		X	\$11,670,000	1,021	M	1.00	New treatment plant, new elevated storage & distribution improvements to address pressure deficiency.	4/6/04	Rains
50	0430004	Farmersville		X	\$1,885,000	3,660	M	0.13	Distribution improvements to address production. New booster disinfection station.	10/5/04	Collin
58	2200012	Fort Worth		X	\$64,520,000	868,490	M	0.00	Treatment plant expansion	10/5/04	Tarrant
45	2340010	Fruitvale WSC			\$1,110,000	2,790	W	0.25	New elevated storage tank & distribution improvements to address pressure deficiency.	5/5/04	Van Zandt
27	2280001	Groveton	X		\$5,140,000	1,107	M	1.00	New wells & distribution improvements to address production deficiency.	10/5/04	Trinity
30	1010261	Harris Co FWSD #27			\$925,000	2,700	D	1.00	Distribution improvements to address pressure deficiency	9/5/04	Harris
52	1011161	Harris Co P1		C	\$110,000	200	M	0.00	Connect parks to retail water systems.	10/4/04	Harris
9	2460022	Jonah SUD			\$6,140,000	11,530	D	1.50	New wells, purchased water connection & distribution improvements to address pressure, water loss & reduce exposure to fluoride. May not completely address fluoride	9/5/04	Williamson
43	0430036	Josephine			\$1,010,000	1,131	M	0.25	Distribution improvements & new elevated storage tank to address pressure deficiency. Does not address production.	5/5/04	Collin
33	2140006	La Grulla	X	X	\$4,655,000	6,123	M	1	Expand water treatment plant. Does not address elevated storage deficiency.	5/5/04	Starr
I	1080213	La Joya	X		\$925,000	3,303	M		Water treatment & distribution improvements	1/5/04	Hidalgo
3	1080022	La Joya WSC	X		\$47,155,000	38,382	W	2.50	Treatment plant expansion & new elevated storage to address disinfection, production & elevated storage deficiencies. Additional ground storage.	8/4/04	Hidalgo
1	146xxx	Lake Livingston WSSSC		X	\$7,220,000	5,318		8.50	Distribution improvements to address pressure & water loss. New surface plant to address production deficiencies	2/6/04	Polk
I	0740026	Lannius MUD			\$25,000						
25	1160006	Lone Oak			\$720,000	1,020	M	1.00	Distribution improvements to address pressure deficiencies	4/6/04	Hunt
17	0310004	Los Fresnos	X		\$10,325,000	4,512	M	1.25	Distribution improvements to address pressure deficiency, expand existing treatment plant. Does not address secondary exceedances.	5/5/04	Cameron
36	0710154	Lower Valley WD			\$470,000	39,178	D	1.00	New disinfection facilities to address disinfection deficiency	8/4/04	El Paso
4	0730002	Marlin	X		\$12,600,000	6,628	M	2.25	New water treatment plant, transmission & distribution improvements to address pressure & water loss.	6/5/04	Falls
19	0147004	Mexia	X	X	\$725,000	6,563	M	1.25	New ground storage to address water loss.	5/5/04	Limestone

**Drinking Water State Revolving Fund
FY 2005 Intended Use Plan
Table 1
Alphabetical Listing of all Projects Received**

Table Definitions - Owner Type: C - County; D - District; M - Municipality; P - Private; W - Water Supply Corporation. Combined Factor: Rating Points awarded by TCEQ.

Rank	PWS ID	ENTITY NAME	Disadvantaged Consolidated SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Start Date	County
28	1700118	Montgomery Co. MUD #15		\$1,400,000	1,500	D	1.00	Distribution improvements to address pressure deficiency	1/5/04	Montgomery
14	1090005	Mount Calm		\$825,000	300	M	1.25	Distribution improvements to address pressure & water loss. Does not address production deficiency	3/5/04	Hill
57	1740003	Nacogdoches	X	\$11,520,000	41,300	M	0.00	Distribution & transmission improvements.	1/6/04	Nacogdoches
I	1700101	New Caney MUD		\$1,935,000	10,500				3/5/04	Montgomery
39	1390002	Paris	X	\$4,700,000	28,103	M	0.38	Treatment plant expansion to address pressure deficiency & wholesale provision of water.	3/5/04	Lamar
49	1000009	Pharr		\$19,340,000	46,600	M	0.25	Distribution improvements to address pressure & surface water treatment plant improvements. Does not address secondary exceedances.	3/5/04	Hidalgo
24	0190004	Point	X	\$1,485,000	1,007	M	1.00	Distribution improvements to address pressure deficiencies	4/6/04	Rains
11	1940008	Red River Co. WSC	X	\$375,000	180	W	1.25	Transmission line & distribution improvements to address production deficiencies.	10/1/00	Red River
56	2200022	Richland Hills		\$3,540,000	8,132	M	0.00	Distribution improvements.	10/5/04	Tarrant
35	1080010	San Juan	X	\$1,080,000	26,229	M	1.00	Additional ground storage. Does not address secondary exceedances.	10/4/04	Hidalgo
44	1590001	Stanton		\$815,000	2,556	M	0.25	Treatment plant improvements to address pressure deficiency. Does not address Nitrate or secondary exceedances.	10/1/00	Martin
6	2150007	Stephens Co Rural WSC		\$9,000,000	3,284	W	1.75	New treatment plant to address pressure deficiency. Does not address elevated storage.	5/5/04	Stephens
38	0200037	Surfside Beach		\$1,910,000	769	M	0.50	Distribution improvements & new elevated storage to address pressure & pressure tank deficiencies. Does not address chloride & TDS.	8/4/04	Brazoria
41	0740009	Trenton		\$1,790,000	661	M	0.25	Distribution improvements to address water loss, new elevated storage tank & booster pump station.	5/6/04	Fannin
22	0470015	Upper Leon River MWD	X	\$2,075,000	12,213	D	1.13	Treatment plant & pump station expansion to address wholesale production deficiency.	10/5/04	Comanche
I	071xxx	Vinton	X	\$9,375,000	1,892			Distribution and transmission lines to provide wholesale water		El Paso
16	2500004	Winnsboro	X	\$1,230,000	3,584	M	1.25	Distribution improvements to address pressure deficiency.	6/6/04	Wood
				\$341,960,000						

I = Determined ineligible by TCEQ

**Drinking Water State Revolving Fund
FY 2005 Intended Use Plan
Table 1a
Alphabetical Listing Ineligible Construction Projects**

Rank	PWS ID	ENTITY NAME	Disadvantaged Consolidated SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Start Date	County
I	1080213	La Joya	X	\$925,000	3,303	M		Ineligible - No Seal	1/5/04	Hidalgo
I	0740026	Lannius MUD		\$25,000				Ineligible - Insufficient project description to rank		
I	1700101	New Caney MUD		\$1,935,000	10,500			Ineligible - No Seal	3/5/04	Montgomery
I	071xxxx	Vinton	X	\$9,375,000	1,892			Ineligible - Applicant is not and will not become a PWS.		El Paso
				\$12,260,000						

**Drinking Water State Revolving Fund
FY 2005 Intended Use Plan**

**Table 2
Ranking List of Eligible Construction Projects**

Table Definitions: Owner Type: C - County; D - District; M - Municipality; P - Private; W - Water Supply Corp. Combined Factor: Rating Points awarded by TCEQ.											
Rank	PWS ID	ENTITY NAME	Disadvantaged Consolidation	Loan Amount	Population	Owner Type	Combined Factor	Description	Start Date	County	
1	146xxxx	Lake Livingston WSSSC		X	\$7,220,000	5,318		8.50	Distribution improvements to address pressure & water loss. New surface plant to address production deficiencies.	2/6/04	Polk
2	0220001	Alpine	X		\$4,860,000	2,705	M	3.00	Distribution improvements and new pump station to address pressure and disinfection deficiencies.	10/4/04	Brewster
3	1080022	La Joya WSC	X		\$47,155,000	38,382	W	2.50	Treatment plant expansion & new elevated storage to address disinfection, production & elevated storage deficiencies. Additional ground storage.	8/4/04	Hidalgo
4	0730002	Marlin	X		\$12,600,000	6,628	M	2.25	New water treatment plant, transmission & distribution improvements to address pressure & water loss.	6/5/04	Falls
5	1960006	Austwell	X		\$145,000	192	M	2.00	Distribution improvements to address pressure & water loss.	5/4/04	Refugio
6	2150007	Stephens Co Rural WSC			\$9,000,000	3,284	W	1.75	New treatment plant to address pressure deficiency. Does not address elevated storage.	5/5/04	Stephens
7	0250014	Brown Co WID #1		X	\$24,405,000	42,079	D	1.75	Expand existing treatment plant, new clearwell & new transmission line to address pressure, production & storage. Extend & expand wholesale water transmission lines.	1/5/04	Brown
8	2500005	Alba	X		\$955,000	823	M	1.50	New well & distribution improvements to address pressure & production deficiencies.	5/5/04	Wood
9	2460022	Jonah SUD			\$6,140,000	11,530	D	1.50	New wells, purchased water connection & distribution improvements to address pressure, water loss & reduce exposure to fluoride. May not completely address fluoride.	9/5/04	Williamson
10	2000001	Ballinger	X	X	\$4,070,000	1,440	M	1.38	Extend new water line to address production deficiency. Does not address secondary exceedances.	9/5/04	Runnels
11	1940008	Red River Co. WSC	X		\$375,000	180	W	1.25	Transmission line & distribution improvements to address production deficiencies.	10/1/00	Red River
12	110xxxx	Deerhaven Property Owners Assc.			\$1,305,000	264		1.25	Distribution improvements to address pressure deficiency & water loss.	5/5/04	Llano
13	2490001	Alvord			\$360,000	300	M	1.25	New well & distribution improvements to address pressure deficiency & water loss. Does not address secondary exceedances.	10/4/04	Wise
14	1090005	Mount Calm			\$825,000	300	M	1.25	Distribution improvements to address pressure & water loss. Does not address production deficiency.	3/5/04	Hill
15	0190001	DeKalb	X		\$1,840,000	1,769	M	1.25	Booster pump station & distribution improvements to address production deficiency.	4/6/04	Bowie
16	2500004	Winnsboro	X		\$1,230,000	3,584	M	1.25	Distribution improvements to address pressure deficiency.	6/6/04	Wood
17	0310004	Los Fresnos	X		\$10,325,000	4,512	M	1.25	Distribution improvements to address pressure deficiency, expand existing treatment plant. Does not address secondary exceedances.	5/5/04	Cameron
18	1660001	Cameron			\$790,000	6,100	M	1.25	Distribution improvements to address pressure & water loss. Water treatment plant improvements.	10/4/04	Milam
19	0147004	Mexia	X	X	\$725,000	6,563	M	1.25	New ground storage to address water loss.	5/5/04	Limestone
20	1160003	Commerce	X		\$1,675,000	7,669	M	1.25	Distribution improvements to address water loss.	10/5/04	Hunt
21	2330001	Del Rio Utilities Commission		X	\$10,565,000	36,390	M	1.25	Distribution improvements to address pressure & water loss. Does not address secondary exceedances.	11/4/04	Val Verde
22	0470015	Upper Leon River MWD	X	X	\$2,075,000	12,213	D	1.13	Treatment plant & pump station expansion to address wholesale production deficiency.	10/5/04	Comanche
23	1940005	Avery	X		\$395,000	57	M	1.00	Distribution improvements.	10/6/04	Red River
24	0190004	Point	X		\$1,485,000	1,007	M	1.00	Distribution improvements to address pressure deficiencies.	4/6/04	Rains
25	1160006	Lone Oak			\$720,000	1,020	M	1.00	Distribution improvements to address pressure deficiencies.	4/6/04	Hunt
26	0190001	Emory		X	\$11,670,000	1,021	M	1.00	New treatment plant, new elevated storage & distribution improvements to address pressure deficiency.	4/6/04	Rains
27	2280001	Groveton	X		\$5,140,000	1,107	M	1.00	New wells & distribution improvements to address production deficiency.	10/5/04	Trinity
28	1700118	Montgomery Co. MUD #15			\$1,400,000	1,500	D	1.00	Distribution improvements to address pressure deficiency.	1/5/04	Montgomery
29	2340002	Edgewood	X		\$555,000	1,920	M	1.00	New elevated storage tank.	10/5/04	Van Zandt
30	1010261	Harris Co FWSD #27			\$925,000	2,700	D	1.00	Distribution improvements to address pressure deficiency.	9/5/04	Harris
31	0670001	Cisco	X		\$2,660,000	3,851	M	1.00	Distribution improvements to address pressure deficiency. Project description insufficient to rank other components.	1/6/04	Eastland
32	0030019	Central WCID			\$520,000	5,095	D	1.00	New elevated storage to address pressure deficiency.	6/5/04	Angelina

**Drinking Water State Revolving Fund
FY 2005 Intended Use Plan**

Table 2

Ranking List of Eligible Construction Projects

Table Definitions: Owner Type: C - County; D - District; M - Municipality; P - Private; W - Water Supply Corp. Combined Factor: Rating Points awarded by TCEQ.											
Rank	PWS ID	ENTITY NAME	Disadvantaged Consolidation	Loan Amount	Population	Owner Type	Combined Factor	Description	Start Date	County	
33	2140006	La Grulla	X	\$4,655,000	6,123	M	1.00	Expand water treatment plant. Does not address elevated storage deficiency.	5/5/04	Starr	
34	1090068	Aquilla WSD		X	\$9,200,000	15,875	D	1.00	Treatment plant expansion, ground storage & distribution improvements to address pressure deficiencies.	10/5/04	Hill
35	1080010	San Juan	X	\$1,080,000	26,229	M	1.00	Additional ground storage. Does not address secondary exceedances.	10/4/04	Hidalgo	
36	0710154	Lower Valley WD		\$470,000	39,178	D	1.00	New disinfection facilities to address disinfection deficiency.	8/4/04	El Paso	
37	1610049	Caney Creek Haven Club WS		\$300,000	300	P	0.75	New storage, booster pumps, distribution improvements & iron treatment to address pressure, storage deficiency & iron.	1/5/04	Matagorda	
38	0200037	Surfside Beach		\$1,910,000	769	M	0.50	Distribution improvements & new elevated storage to address pressure & pressure tank deficiencies. Does not address chloride & TDS.	8/4/04	Brazoria	
39	1390002	Paris		X	\$4,700,000	28,103	M	0.38	Treatment plant expansion to address pressure deficiency & wholesale provision of water.	3/5/04	Lamar
40	0710002	El Paso		X	\$10,225,000	690,000	M	0.34	New transmission line. Does not address secondary exceedances.	5/6/04	El Paso
41	0740009	Trenton		\$1,790,000	661	M	0.25	Distribution improvements to address water loss, new elevated storage tank & booster pump station.	5/6/04	Fannin	
42	1020019	Caddo Lake WSC		\$220,000	852	W	0.25	Distribution improvements to address water loss.	6/6/04	Harrison	
43	0430036	Josephine		\$1,010,000	1,131	M	0.25	Distribution improvements & new elevated storage tank to address pressure deficiency. Does not address production.	5/5/04	Collin	
44	1590001	Stanton		\$815,000	2,556	M	0.25	Treatment plant improvements to address pressure deficiency. Does not address Nitrate or secondary exceedances.	10/1/00	Martin	
45	2340010	Fruitvale WSC		\$1,110,000	2,790	W	0.25	New elevated storage tank & distribution improvements to address pressure deficiency.	5/5/04	Van Zandt	
46	0200003	Brazoria		\$1,000,000	2,870	M	0.25	Distribution improvements to address pressure deficiency.	3/5/04	Brazoria	
47	0030001	Diboll		\$5,700,000	5,470	M	0.25	New wells to address population deficiency.	11/5/04	Angelina	
48	1070167	E. Cedar Creek FWSD		\$730,000	15,822	D	0.25	Water treatment plant expansion to address production deficiency.	7/4/04	Henderson	
49	1000009	Pharr		\$19,340,000	46,600	M	0.25	Distribution improvements to address pressure & surface water treatment plant improvements. Does not address secondary exceedances.	3/5/04	Hidalgo	
50	0430004	Farmersville		X	\$1,885,000	3,660	M	0.13	Distribution improvements to address production. New booster disinfection station.	10/5/04	Collin
51	0420001	Coleman		\$1,985,000	5,410	M	0.13	Treatment plant improvements to address production.	9/5/04	Coleman	
52	1011161	Harris Co P1		C	\$110,000	200	M	0.00	Connect parks to retail water systems.	10/4/04	Harris
53	1900011	E. Tawakoni		\$1,205,000	775	M	0.00	New elevated storage & distribution improvements.	4/6/04	Rains	
54	1090017	Birome WSC		\$805,000	1,554	W	0.00	New well & cooling tower. Does not address fluoride and water loss.	11/4/04	Hill	
55	1840001	Aledo		\$5,765,000	2,400	M	0.00	Storage & transmission improvements. Project description does not address iron.	6/5/04	Parker	
56	2200022	Richland Hills		\$3,540,000	8,132	M	0.00	Distribution improvements.	10/5/04	Tarrant	
57	1740003	Nacogdoches		X	\$11,520,000	41,300	M	0.00	Distribution & transmission improvements.	1/6/04	Nacogdoches
58	2200012	Fort Worth		X	\$64,520,000	868,490	M	0.00	Treatment plant expansion	10/5/04	Tarrant
				\$329,700,000							

C = TCEQ combined applications

**Drinking Water State Revolving Fund
FY 2005 Intended Use Plan
Table 2a**

Source Water Protection Projects

Table Definitions: Owner Type: C - County; D - District; M - Municipality; P - Private; W - Water Supply Corp. Combined Factor: Rating Points awarded by TCEQ.

Rank	PWS ID	ENTITY NAME	Disadvantage	Consolidatio	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description
	2330001	Del Rio		X	X	\$10,565,000	36,390	M	0.00	No SWP project description received.
	2140006	La Grulla	X		X	\$4,655,000	6,123	M	0	No SWP project description received.
	0310004	Los Fresnos	X			\$10,325,000	4,512	M	0.00	No SWP project description received.

NOTE: No Source Water Protection Projects will be funded in FY 2005.

FY 2005 INTENDED USE PLAN
DRINKING WATER STATE REVOLVING FUND
Statement of Sources and Uses of Capital for Loans
As of 6/10/04

SOURCES

1. Grant Funds & State Match	Fiscal Year	Federal Grant	State Match	Sub Total	TOTAL
	1997 - - 2003	\$422,371,400	\$84,474,280	\$506,845,680	
	2004	\$63,953,900	\$12,790,780	\$76,744,680	
	2005*	<u>\$64,000,000</u>	<u>\$12,800,000</u>	<u>\$76,800,000</u>	
		\$550,325,300	\$110,065,060	\$660,390,360	\$660,390,360
2. Projected Interest Income from Loans					
Loan Interest (6/10/05)					
		\$3,362,784			
3. Principal Repayments (6/10/04)					
		\$7,148,000		\$10,510,784	
4. Investment Earnings					
		\$411,407		\$411,407	
5. Transfer from TCEQ State Program Set-Asides					
		\$3,964,880		\$3,964,880	
				\$14,887,071	
				\$675,277,431	

FY 2004 Loan Applications Pending	
Ballinger	\$3,870,000
Jonah Water SUD	\$4,500,000
Zapata Co	\$12,045,000
Port Lavaca	\$1,535,000
La Joya WSC	\$47,155,000
Pecan Acres WSC	\$415,000
Emory	\$10,530,000
Montgomery Co. MUD #15	\$1,115,000
Rio Hondo	\$2,025,000
Stanton	\$765,000
Primera	\$3,525,000
Reno	\$1,790,000
Winnsboro	\$520,000
Mathis	\$1,535,000
Olmito WSC	\$4,090,000
Mexia	\$605,000
Bolivar Peninsula SUD	\$3,755,000
LNVA - W. Regional WTP	\$10,600,000
Brownwood	\$3,430,000
Lake Whitney WC	\$2,200,000
East Tawakoni	\$715,000
Marble Falls	\$8,180,000
	\$124,900,000

USES:

1. Set-Asides

A. Texas Commission on Environmental Quality

FY 1997 Source Water Delineation & Assessment	\$2,500,000	
FY 1998 - 2004 State Management Program	\$33,521,584	
FY 2003 - 2004 Technical Assistance	\$2,420,474	
FY 2005* State Program Management	\$6,400,000	
FY 2005* Technical Assistance	\$1,280,000	
		(46,122,058.00)

B. Texas Water Development Board Program Administration

From FY 1997 - 2004 Grants	\$14,428,816	
FY 2005	\$2,560,000	(16,988,816.00)

C. Source Water Protection Projects

FY 1999	\$5,661,220	
FY 2000	\$473,780	(6,135,000.00)

2. Loan Commitments for Water Systems

Commitments through 5/31/04	\$398,749,941	
FY 2004 Applications Pending	\$124,900,000	(523,649,941.00)

3. Additional Uses

A. Match/Debt Service Payments			(2,280,706.00)
Current Principal	\$2,280,706		
Current Interest	\$1,185,000		
Total	\$1,095,706		
B. Estimated Debt Service			0.00
	\$0		

Total Uses (595,176,521.00)

Balance Estimated for Loans to FY 2005 Projects for Water Systems \$65,213,839

* FY 2005 Grant amount is an estimate based on the President's budget.