

**FY 2007**

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



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This document is available online at:  
[http://www.twdb.state.tx.us/assistance/financial/fin\\_infrastructure/dwsrf.asp](http://www.twdb.state.tx.us/assistance/financial/fin_infrastructure/dwsrf.asp)



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The Board rules governing the DWSRF program (Texas Administrative Code, Title 31, Part 10, Chapter 371) may be accessed online at:

- [http://www.twdb.state.tx.us/publications/rules/ch371\\_0405.pdf](http://www.twdb.state.tx.us/publications/rules/ch371_0405.pdf)
- [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC)

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**I. INTRODUCTION**

The FY 2007 Drinking Water State Revolving fund (DWSRF) Intended Use Plan (IUP) is prepared in accordance with the provisions of the Safe Drinking Water Act (Act) Amendments of 1996 and Chapter 371 of the Texas Water Development Board (Board) rules.

The Texas Water Development Board (Board) is the state agency with the authority to manage the DWSRF program loan fund and to make low interest loans to water systems to bring them into compliance with Federal rules. The Board rules governing the DWSRF Program can be found on the Board's website at: [http://www.twdb.state.tx.us/publications/rules/ch371\\_0405.pdf](http://www.twdb.state.tx.us/publications/rules/ch371_0405.pdf) or with the Texas Secretary of State's website at: [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC)

In addition to the Act and Board rules, there are a number of Federal laws, executive orders, and government-wide policies that apply by their own terms to projects and activities receiving Federal financial assistance, regardless of whether the statute authorizing the assistance makes them applicable. These Federal cross-cutting authorities (i.e., "cross-cutters") include Federal laws such as the Endangered Species Act (ESA), Small, Minority and Women's Business Enterprise (SMWBE) procurement requirements, and the Age Discrimination Act (ADA). Projects must comply with these "cross-cutters" to qualify for DWSRF funding.

The Texas Commission on Environmental Quality (Commission) is the state primacy agency with the authority to enforce provisions of the Act. The Act established "set-aside funds" for administering the loan fund, state program management, technical assistance to small communities, and local assistance and other state programs.

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 ensure consistency with the State Water Plan.

The FY 2007 Intended Use Plan (IUP) was prepared by the Board in accordance with the provisions of the Act. The Act requires that each state annually prepare an IUP to describe how it plans to use the DWSRF to meet the Act's objectives. The IUP lists FY 2007 projects 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 2007 capitalization grant, its State Match and any amounts remaining from previous years. A table of the sources and uses of funds available to the DWSRF may be found in Attachment A of this IUP.

**II. PUBLIC COMMENT AND BOARD APPROVAL**

The purpose of this IUP is to inform the public and to seek public comment on the proposed uses of funds. The IUP is mailed to stakeholders, placed on the Board website, and a notice of public hearing is published in the Texas Register. This year's public hearing will be held on July 10, 2006. Written comments are accepted 30 days 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 2007 grant application to the Environmental Protection Agency (EPA).

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The IUP is submitted to the Board for consideration at its August Board meeting in accordance with the EPA requirement that the IUP be approved prior to the beginning of the state fiscal year (September 1). The Board receives a copy of the IUP along with a summary of the comments received and the Board's responses to those comments. After Board approval, the approved IUP will be submitted to EPA and those projects above the "funding line" will be informed of the opportunity to submit an application.

**III. FY 2007 PROJECT LISTS**

**A. Projects List – Tables 1, 1a and 2**

The FY 2007 project lists were developed through a survey of all known applicants eligible to submit in accordance with Board rules. A total of 97 projects were submitted by entities desiring funding assistance from the DWSRF. Board and Commission staff evaluated these 97 projects and determined that 82 projects are eligible for funding under the DWSRF program. Table 1 contains a comprehensive alphabetical listing of fundable projects. Table 1a lists the projects determined to be non-fundable under the DWSRF program.

The Commission reviewed all the projects eligible for funding and ranked them in accordance with the Commission's rating criteria which includes 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. Table 2 contains a comprehensive priority listing of fundable projects.

**B. Large, Small and Disadvantaged Communities**

The three tables shown below provide a brief summary of projects eligible for funding by 1) Large Communities (those having populations of 10,000 persons or greater), 2) Small Communities (those having populations of fewer than 10,000 persons), and 3) Disadvantaged Communities.

<b>Large and Small Communities Fundable</b>				
<b>Community Type</b>	<b>Number of Projects</b>	<b>Percentage of Total</b>	<b>Total Dollar Amount of Projects</b>	<b>Percentage of Total</b>
Large Community	18	22%	\$198,250,000	54%
Small Community	65	78%	\$169,834,000	46%
<b>TOTAL</b>	<b>83</b>		<b>\$368,084,000</b>	

<b>Disadvantaged Communities Fundable</b>			
<b>Number of Disadvantaged Projects</b>	<b>Percentage of Total</b>	<b>Total Dollar Amount of Projects</b>	<b>Percentage of Total</b>
<b>36</b>	<b>43%</b>	<b>\$174,419,000</b>	<b>47%</b>

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**IV. LONG-TERM 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. This will include the incorporation of environmental benefits measures in conjunction with the EPA workgroup on measures.
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 goal 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. For FY 2007, the Board intends to increase the number of commitments made in FY 2006 by 25%.
2. Ensure compliance with the Act by working with the Commission to ensure that water systems are in compliance with established standards and to provide all possible technical and financial assistance. Progress toward meeting this goal will be documented by reporting the number of joint TWDB/COMMISSION pre-application and follow-up meetings conducted for the fiscal year. For FY 2007, the Board intends to increase the number of pre-application meetings held by 33%.
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 goal 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.

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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.

**V. FINANCIAL STATUS OF THE DWSRF**

The President's budget for FY 2007 would provide the Board a capitalization grant of approximately \$67,799,550 to be matched by \$13,559,910 in state funds (20% of the capitalization grant) for a total of \$81,359,460. 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 2007 funds available will depend upon the Congressional appropriations for this program. The Board does not cross-collateralize between the DWSRF and CWSRF programs. The Board intends to apply for the FY 2007 grant upon notification of the availability of funds.

**A. Fiscal Year 2006 Funds**

The Board has invited applications from a sufficient number of applicants to make binding commitments for all of the FY 2006 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 2007 IUP and after the FY 2006 funding cycle has ended will be rolled forward to the FY 2007 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 2007 funds remaining after the adoption of the FY 2008 IUP and after the 2007 funding cycle has ended will be rolled forward to the FY 2008 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 2007 IUP will be made available from a combination of Federal grant monies and appropriated State match funds. State appropriated match for the FY 2007 projects on the IUP proposed for these two categories of applicants is an estimated appropriated amount up to \$3,636,971, as the Board cannot use bond proceeds for such borrowers.

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 the 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 at 0% interest, it will reduce the capacity of the program.) The Board is currently developing a capacity model for the DWSRF in anticipation of leveraging the program.



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**C. Interest Rate Policy**

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

- (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 program is designed to provide borrowers with a 120 basis point reduction from the market based on a level debt service schedule. Fixed rates are set five business days prior to the adoption of the political subdivision's bond ordinance or resolution or the execution of the loan agreement and are in effect for 45 days. Variable rates will be set at a rate equal to the actual interest cost by the Board on its outstanding variable rate debt plus the cost of maintaining the variable rate debt. These loans must be converted to long-term fixed rates within 90 days of project completion unless a written extension is received from the Executive Administrator.

Disadvantaged Community Program interest rates and levels of subsidies are determined by the provisions of §371.24(c) of the Board rules. 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.

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%

At no time will the aggregate of loan forgiveness exceed 30% of the Capitalization Grant (estimated to be \$20,339,865 for FY 2007).

Consolidation Projects also are eligible to receive principal forgiveness. The amount of principal that will be forgiven will be deducted from the cost of the project before calculating the amount of financial assistance.

Applicant	Principal Forgiveness
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.
If the applicant provides wholesale service to another public water system	15% of the cost of the project is subject to forgiveness of principal.

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**VI. DESCRIPTION OF THE DWSRF PROJECT FUND (Loan Account)**

For FY 2007, 79% or \$53,561,644.50 of the funds available from the Capitalization Grant will be placed in the loan account. In addition, the Board will continue to work with the Commission during FY 2007 to determine if there are any identified unspecified set-aside funds that can be moved (via amendment) in FY 2007 to the loan accounts.

Entities ranked on the IUP priority list can use DWSRF loans for the planning, design, and construction of projects to:

- 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.

Applicants eligible to apply for assistance include:

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

**A. Disadvantaged Community Program**

The 1997, 1999, 2001, 2003, and 2005 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. For FY 2007 the appropriated match amount is \$3,626,971.

1. **Eligibility** - Board staff determines eligibility for the disadvantaged community loan program. Only those entities with a population no greater than 25,000 are eligible (funding categories A, B, and C).

To be eligible to receive a 0% or 1% loan, the applicant must be either:

- a. A political subdivision:
  - (1) that is a disadvantaged community; or
  - (2) 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
- b. An owner of a community water system that is ordered by the Commission 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 meet the definition of a disadvantaged community now, or will as a result of a proposed project.

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**2. Definition**

A disadvantaged community is defined as a 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; and

- a. 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%; or
- b. 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%.

There are two methods to determine the adjusted median household income.

- a. Use the following formula:

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

OR

- b. Use 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 months. The survey information will be provided by the Board to the applicant during the solicitation process.

$$\text{Household Cost Factor} = \frac{(\text{Average Yearly Water Bill})}{(\text{Adjusted Median Household Income})}$$

$$\text{Combined Household Cost Factor} = \frac{(\text{Avg. Yearly Water Bill}) + (\text{Avg. Yearly Sewer Bill})}{(\text{Adjusted Median Household Income})}$$

$$\text{Average Yearly Water Bill} = (\text{Avg. \# of persons/household}) \times (2,325 \text{ gallons/person/month}) \times [(\text{proposed monthly water rate}) \times (12)]$$

$$\text{Proposed Monthly Water Rate} = \frac{(\text{Cost of proposed project}) - (\text{Funds received from other sources})}{}$$

$$\text{Average Yearly Sewer Bill} = (\text{Avg. \# of persons/household}) \times (1,279 \text{ gallons/person/month}) \times [(\text{proposed monthly sewer rate}) \times (12)]$$

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.

**B. Consolidation Projects** - Any one or more of the following costs of consolidation are eligible for assistance:

- 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;

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- the provision of wholesale service; and
- master meters and upgrades needed to receive wholesale service from the consolidating system.

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

**VII. DESCRIPTION OF THE NON-DWSRF PROJECT FUND**

**Set-Aside Accounts** - Federal regulations allow States to 'set aside' up to 31% of the capitalization grant funds for purposes other than loans to water systems. This IUP sets aside 21% of the capitalization grant. Attachment B lists the set-asides by grant year, specified and unspecified funds, expenditures, and balances.

**A. Board Administration of the DWSRF Program**

The Act allows a State to set aside funds equal to 4% of its annual capitalization grant for the reasonable costs of administering the DWSRF (Administration Account). Federal regulations governing the DWSRF Program permit a State to reserve its authority to take an amount equal to 4% of the current year's grant from a future grant to defray the cost of administering the program. Each year, beginning in FY 1998, the Board has reserved that authority. Exercising that authority, the Board will draw from the 2007 Capitalization Grant \$2,552,740 an amount equal to 4% of the 2005 Capitalization Grant. In addition, the Board reserves the authority to set aside an amount equal to 4% of the FY 2007 grant from a future grant. The Board has reserved the authority to set aside funds equal to 4% of prior year's grants capitalization grant from future capitalization grants to defray costs of program administration.

In addition, the Board assesses charges for the purpose of recovering administrative costs and places these 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. 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 Automated Clearing House (ACH), preparing and submitting annual outlay reports.

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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), and 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.
6. 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.
7. Portfolio, Audit and Cash & Securities Management - This includes forecasting, preparing and managing Board 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.
8. Financial Management - This includes processing payments (loan closings, investments, grant payments, making wire transfers, processing cash draws from EPA, and administration), preparing accounting entries to the general ledger, preparing reports (Quarterly Federal Cash Transaction Report, Annual Financial Status Report, Annual Financial Report), preparing reconciliations, and monitoring the Federal Capitalization Grant, the amount reserved for disadvantaged communities, and monitoring the Internal Master Portfolio Management System.
9. 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.

**B. Commission Set-Aside Activities for State Program Management**

The Board will set aside an amount equal to 10% (\$6,799,955) of the FY 2007 grant for the Commission to carry out the following set-aside activities relating to State Program Management.

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1. Administration of the state Public Water System Supervision (PWSS) program - 1452(g)(2)(A) = \$4,259,800.
  - 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 and provide technical assistance through source water protection programs - 1452(g)(2)(B) = \$714,438
  - 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) = \$1,805,717

Develop, issue and manage contracts with technical assistance vendors to conduct capacity assessments and provide assistance to Public Water Systems (PWS) to improve their financial, managerial and technical capacities including prioritized public water systems, applicants for DWSRF or SRF funding, referrals, candidates for consolidation, and other systems as directed by the Commission.

**C. Commission Set-Aside Activities for Small Systems Technical Assistance = \$1,441,738**

An additional 2% will be set aside for the Commission to provide technical assistance to small systems under 1452(g)(2) of the Act.

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.

**D. Source Water Protection and Capacity Development Set-Aside Funds**

Up to 10% of the FY 2007 grant may be set aside for Source Water Protection. No eligible Source Water Protection projects were submitted for FY 2007.

**E. Capacity Development Set-Aside Funds**

The Board reserves the right to request up to 5% of the FY 2007 grant for capacity development activities.

**VIII. CRITERIA AND METHOD FOR DISTRIBUTION OF LOAN FUNDS**

**A. IUP Priority Ranking Process**

Board and Commission staffs develop the DWSRF Intended Use Plan information packet that is distributed to all eligible water systems. Potential applicants complete the information based on the

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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 2007 was dated December 5, 2005 with a response deadline of February 7, 2005. The required information consists of:

- a description of the proposed project;
- county map showing location of service area;
- estimated total project cost (certified by 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. The rating factors can be found in §371.19, Rating Process, of the Board rules. Each project submitted by the February 10, 2006 deadline and found eligible for funding 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 Commission.

**D. Funds Analysis - Funds for Water Systems**

The Executive Administrator will determine the amount of funds available and will assign all reserves (i.e. funds from the prior year that were not committed, potential commitments from the current fiscal year that have not been committed as of the date of the IUP, etc.) according to §371.21 of the Board rules. The remaining funds will be applied to the list of projects for water system improvements designated to receive funding in the IUP. Through the end of FY 2007, the program will have accumulated \$843,267,928. From that total, we expect \$103,804,772 to have been spent on set-asides, \$596,111,235 for loans, and \$5,081,979 for match/debt service payments, leaving a remaining balance of \$14,088,722. We expect to utilize the remaining balance by providing funding to some of the 82 communities listed in Table 1, who have expressed an interest in DWSRF funding during the FY 2007 period.

To the extent eligible projects have applied 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 30% 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

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grant are not set aside for these borrowers; rather, this is a funding limit established by the Act.

- An amount no more than 10% of the grant can be reserved for source water protection projects. No eligible Source Water Protection projects were submitted for FY 2007.
- 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 projects 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.

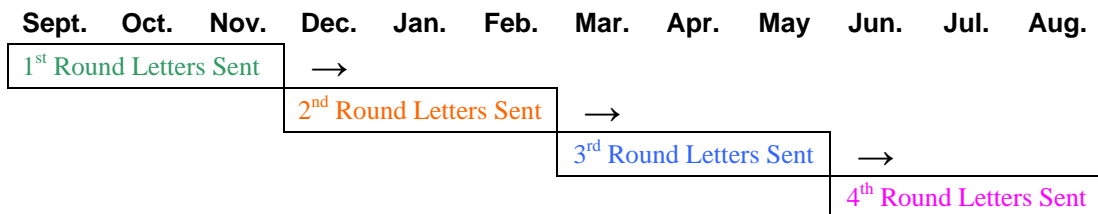
**E. Fund Distribution - Funds for Water Systems**

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).

**DWSRF IUP Invitation Time Line**



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 a maximum of four 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 2006 to be distributed to the FY 2007 project list, or (4) according to the State's allocation of the FY 2007 Federal appropriation for the DWSRF Program. Also note that each application will be reviewed for



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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.

**STEP 3 - Re-Ranking After Six Months**

If all available funds are not committed within six months after the date of notification, 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 30% of a year's capitalization grant.)

**F. Fund Distribution - Source Water Protection Projects**

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 to apply for assistance. The 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 project 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).

**G. 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) 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 interested 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.

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**Table 1**

**Comprehensive Alphabetical List of all Fundable Projects**



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**Table 1  
Comprehensive Alphabetical List of all Fundable Projects**

Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
51	0030102	Angelina Co. FWSD No. 1				\$1,000,000.00	573	D	1.00	New transmission line & distribution improvements to address pressure deficiency.	7/1/2007	Angelina
15	0030023	Hudson WSC		1		\$530,000.00	9,000	W	4.68	Treatment modifications & interconnect to address DBPs.	6/1/2006	Angelina
21	0040018	Lamar WSC				\$925,000.00	600	P	3.25	Disinfection equipment improvements, RO, green sand treatment, new storage & pressure tanks & distribution & plant improvements to address pressure <20, disinfection deficiencies & iron, chloride & TDS exceedences.	3/1/2007	Aransas
77	0100016	Flying L. PUD				\$380,000.00	400	D	0.00	New storage tank, pump station improvements & distribution improvements.	11/1/2006	Bandera
74	0150018	San Antonio Water Systems				\$11,525,000.00	1,234,479	M	0.25	New elevated storage & pump station improvements to address pressure deficiency.	6/1/2007	Bexar
53	0190007	Maud				\$575,000.00	1,028	M	1.00	Distribution improvements to address pressure deficiency.	7/1/2007	Bowie
6	0200412	Brazoria Co. DC #2				\$105,000.00	1,200	C	9.00	Arsenic treatment & transmission line to address arsenic exceedence.	2/1/2007	Brazoria
5	0200510	Quintana				\$3,510,000.00	150	M	9.38	Treatment improvements to address DBP and arsenic.	3/1/2007	Brazoria
61	0210016	Wellborn SUD				\$3,500,000.00	7,452	D	1.00	New surface water treatment plant & transmission line.	3/1/2007	Brazos
19	0270013	Cottonwood Shores				\$2,020,000.00	1,095	M	3.65	Water treatment plant improvements to address DBPs.	6/1/2007	Burnet
42	0310004	Los Fresnos	1			\$14,415,000.00	4,412	M	1.50	Water treatment plant expansion, new storage tank & distribution improvements to address pressure & production deficiencies.	3/1/2007	Cameron
9	0360065	Olsen Estates Water System				\$55,000.00	200	W	7.04	Arsenic treatment to address arsenic exceedence.	2/1/2007	Chambers
60	0420001	Coleman	1	1		\$2,540,000.00	5,127	M	1.00	Construct second raw water line.	3/1/2008	Coleman
75	0430004	Farmersville		1		\$2,210,000.00	3,508	M	0.13	Pump station & distribution improvements to address production deficiency at wholesaler.	10/1/2008	Collin

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Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
54	0430057	Seis Lagos UD				\$1,360,000.00	1,200	D	1.00	Distribution improvements to address pressure deficiency.	1/1/2007	Collin
76	0460068	Hancock Oak Hills				\$85,000.00	69	P	0.00	New well.	1/1/2007	Comal
28	0500003	Oglesby	1			\$615,000.00	458	M	2.50	New standpipe & distribution improvements to address pressure & storage deficiencies & water loss.	3/1/2007	Coryell
30	0600018	Delta Co. MUD	1	1		\$1,480,000.00	3,447	D	2.50	New disinfection facility & distribution improvements to address disinfection deficiency, pressure deficiency & water loss.	10/1/2008	Delta
25	0610213	Upper Trinity Regional Water District		1		\$3,095,000.00	202,000	D	3.00	Distribution & transmission improvements to address pressure deficiency.	3/1/2007	Denton
4	0670001	Cisco	1	1		\$2,905,000.00	3,890	M	10.15	Treatment plant improvements to address THM violation & distribution improvements to address low pressure & water loss.	4/1/2007	Eastland
64	0710154	Lower Valley Water District	1			\$10,245,000.00	46,969	D	1.00	Distribution improvements.	1/1/2007	El Paso
63	0700005	Midlothian		1		\$25,010,000.00	42,578	M	1.00	Water treatment expansion to address pressure & production deficiencies.	1/1/2007	Ellis
39	0720001	Dublin	1	1		\$220,000.00	3,887	M	2.00	Construct new ground storage tank to address pressure deficiency.	2/1/2007	Erath
66	0740009	Trenton				\$3,115,000.00	662	M	0.50	New well, pump station, elevated storage, ground storage & distribution improvements to address production & water loss.	5/1/2008	Fannin
59	0810001	Fairfield	1	1		\$11,500,000.00	3,234	M	1.00	New surface water treatment plant & transmission line.	6/1/2007	Freestone
79	0810037	Fairfield - TDCJ Boyd Unit				\$1,500,000.00	1,355	M	0.00	Transmission line.	6/1/2007	Freestone
68	0840044	Bolivar Peninsula SUD				\$5,785,000.00	20,650	D	0.50	New elevated storage & distribution improvements to address pressure deficiency & elevated storage deficiency.	8/1/2007	Galveston
65	0840002	Friendswood				\$13,740,000.00	33,000	M	0.75	Treatment expansion & distribution improvements to address pressure & production deficiency & secondary exceedences.	10/1/2006	Galveston & Harris
55	910004	Greater Texoma UA/Pottsboro				\$1,780,000.00	2,110	D	1.00	Transmission line & distribution improvements to address pressure deficiency.	1/1/2008	Grayson

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Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
43	0970001	Hamilton	1	1		\$1,474,000.00	2,937	M	1.38	Treatment plant expansion & transmission line & distribution improvements to storage to address low pressure.	6/1/2007	Hamilton
47	1010239	Harris Co. WCID No. 36	1			\$12,150,000.00	11,100	D	1.25	Distribution improvements to address water loss.	3/1/2007	Harris
48	1010196	Ralston Acres WSC				\$25,000.00	103	W	1.00	Distribution improvements to address pressure deficiency.	3/1/2006	Harris
82	1010026	Tomball				\$2,515,000.00	9,600	M	0.00	New well.	11/1/2006	Harris
32	1070004	Trinidad	1			\$410,000.00	1,103	M	2.25	New pump station, distribution & elevated storage improvements to address pressure deficiency & water loss.	10/1/2007	Henderson
34	1080002	Donna	1			\$3,210,000.00	21,193	M	2.25	Water treatment plant improvements to address pressure deficiency.	5/1/2008	Hidalgo
58	1080213	La Joya	1			\$3,650,000.00	3,303	M	1.00	Water treatment plant improvements.	5/1/2007	Hidalgo
35	1080022	La Joya WSC	1			\$2,120,000.00	38,010	W	2.25	New wells & transmission to address pressure & production deficiencies.	8/1/2006	Hidalgo
71	1100002	Levelland				\$310,000.00	12,866	M	0.25	New transmission line to address iron & manganese.	1/1/2007	Hockley
27	1100030	Opdyke West				\$1,125,000.00	178	M	2.50	Treatment to remove fluoride.	3/1/2007	Hockley
18	1130010	Houston Co. WCID No. 1	1	1		\$6,000,000.00	9,500	D	4.00	Treatment plant improvements & new raw water line to address treatment technique violations.	7/1/2007	Houston
36	1160003	Commerce	1	1		\$2,300,000.00	7,801	M	2.13	Distribution & transmission improvements to address water loss, and wholesale production, secondary fluoride and disinfection.	10/1/2007	Hunt
29	1160005	Wolfe City	1			\$2,290,000.00	1,904	M	2.50	New transmission line, new storage tank, & distribution improvements to address pressure & water loss.	10/1/2008	Hunt
41	1280001	Karnes	1			\$6,845,000.00	3,540	M	1.50	Distribution improvements to address water loss & iron.	2/1/2007	Karnes
23	1280012	Kenedy Manor				\$60,000.00	60	P	3.22	Arsenic treatment to address arsenic violation.	3/1/2006	Karnes
8	1370007	Riviera WCID				\$1,615,000.00	630	D	7.13	New water wells to address uranium violation.	6/1/2007	Kleberg
62	1390015	Lamar Co. WSD	1			\$3,180,000.00	19,251	D	1.00	New transmission line & new ground storage.	12/1/2007	Lamar

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Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
44	1390014	Roxton	1			\$1,330,000.00	719	M	1.25	Distribution improvements to address water loss.	8/1/2007	Lamar
3	1520152	Town North Estates				\$120,000.00	200	P	12.63	RO to address arsenic, fluoride & selenium.	2/1/2007	Lubbock
13	1550016	Axtell WSC				\$760,000.00	1,450	W	5.25	Treatment to address arsenic violation & new elevated & ground storage to address elevated storage deficiency.	9/1/2006	McLennan
11	1470011	Prairie Hill WSC				\$640,000.00	1,923	W	6.64	Treatment to address arsenic violation.	1/1/2008	McLennan
37	1640001	Menard	1			\$2,055,000.00	1,653	M	2.00	New wells, new elevated storage & distribution improvements to address pressure deficiency.	1/1/2007	Menard
12	1650078	Greenwood WC				\$100,000.00	800	P	6.22	Well improvements to address arsenic exceedence.	11/1/2008	Midland
70	1700701	New Caney MUD				\$2,445,000.00	10,500	D	0.25	Distribution improvements to address pressure deficiency.	3/1/2006	Montgomery
72	1700068	Porter SUD		1		\$1,625,000.00	15,000	D	0.25	Distribution improvements & transmission line to address pressure deficiency & radionuclides.	1/1/2007	Montgomery
73	1740008	Nacogdoches				\$11,700,000.00	41,300	M	0.25	Pump station improvements & distribution improvements to address pressure deficiency.	1/1/2008	Nacogdoches
20	1780050	Cyndie Park II WSC				\$25,000.00	70	W	3.32	New air compressor to address pressure deficiency & arsenic treatment to address arsenic exceedence.	2/1/2007	Nueces
80	1820076	Possum Kingdom WSC				\$1,715,000.00	3,605	W	0.00	Treatment plant and RO expansion.	4/1/2007	Palo Pinto
16	1840001	Aledo				\$5,765,000.00	3,000	M	4.40	Transmission line, storage and well improvements to address radionuclide violation.	6/1/2007	Parker
1	187XXXX	Lake Livingston WSSSC	1	1		\$17,500,000.00	10,772	W	49.23	New surface water plant, wells & transmission lines and distribution improvements to address production, water loss, pressure deficiencies & arsenic & radionuclides.	10/1/2007	Polk



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Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
22	1890001	Marfa	1			\$3,875,000.00	2,424	M	3.25	New well, disinfection system, fluoride treatment, distribution improvements & emergency power to address pressure & disinfection deficiencies and secondary fluoride exceedence.	1/1/2007	Presidio
14	1900011	East Tawakoni				\$1,470,000.00	775	M	4.97	Treatment plant & distribution improvements & new elevated storage tank to address DBP violation, storage deficiency & water loss.	4/1/2008	Raines
10	1900001	Emory		1		\$12,295,000.00	2,200	M	6.72	New water treatment plant, new elevated storage tank, and distribution improvements to address pressure deficiency and DBPs.	4/1/2008	Raines
45	1900004	Point	1			\$2,675,000.00	1,625	M	1.25	New raw water pumps, new ground storage & distribution improvements to address production.	4/1/2007	Raines
49	1910026	Canyon Ridge Investment Co.				\$200,000.00	330	P	1.00	New well to address pressure deficiency.	7/1/2006	Randall
46	1940006	410 WSC	1			\$3,090,000.00	2,060	W	1.25	Distribution improvements to address pressure deficiency.	7/1/2008	Red River
17	1940004	Annona	1	1		\$400,000.00	378	M	4.35	New disinfection system & pump station improvements to address DBP and pressure deficiency.	10/1/2007	Red River
26	1940002	Clarksville	1			\$9,105,000.00	3,883	M	2.52	Transmission line & distribution improvements to address pressure deficiency & TDS exceedence.	7/1/2007	Red River
52	1940003	Detroit	1			\$1,020,000.00	875	M	1.00	Distribution improvements & storage tank rehabilitation.	7/1/2008	Red River
33	1940008	Red River Co. WSC	1			\$4,860,000.00	5,550	W	2.25	New wells, new storage & distribution improvements to address pressure & production deficiencies.	1/20/2007	Red River
2	2000003	Winters	1	1		\$1,680,000.00	1,500	M	13.14	Water treatment plant improvements to address DBPs and treatment technique violations.	2/1/2007	Runnels
81	2140006	La Grulla	1			\$5,120,000.00	6,342	M	0.00	Water treatment plant improvements.	3/1/2007	Starr
57	2180001	Sonora				\$7,230,000.00	2,931	M	1.00	Distribution improvements to address pressure deficiency.	2/1/2007	Sutton

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Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
24	2200012	Fort Worth		1		\$49,870,000.00	928,624	M	3.05	New storage, transmission, distribution & treatment improvements.	5/1/2007	Tarrant
78	2250003	Winfield				\$455,000.00	668	M	0.00	Storage tank improvements.	11/1/2006	Titus
31	2280001	Groveton	1			\$5,255,000.00	1,006	M	2.25	New wells & distribution improvements to address pressure deficiency and production deficiency.	11/1/2007	Trinity
40	2290037	Tyler Co. WSC	1			\$1,350,000.00	9,723	W	2.00	New wells, pressure tank, storage & pump station improvements to address pressure, elevated storage deficiencies, water loss & manganese exceedence.	10/1/2006	Tyler
56	2350001	Victoria Co. WCID No. 1				\$2,795,000.00	2,223	D	1.00	Distribution improvements & emergency power to address pressure deficiencies.	7/1/2007	Victoria
50	2500005	Alba	1			\$1,130,000.00	430	M	1.00	New well & distribution improvements.	10/1/2008	Wood
67	2500015	Bright Star - Salem WSC				\$5,930,000.00	3,315	W	0.50	New water treatment plant to address pressure deficiency & manganese exceedence.	10/1/2008	Wood
69	2500006	Golden WSC				\$1,070,000.00	3,030	D	0.38	Distribution improvements to address pressure deficiency.	4/1/2008	Wood
38	2500004	Winnsboro	1			\$1,685,000.00	3,584	M	2.00	Distribution improvements to address pressure deficiency.	6/1/2008	Wood & Franklin
7	2530002	Zapata Co. Water Works	1			\$24,740,000.00	12,905	C	8.50	Treatment plant & distribution improvements to address pressure deficiency & DBPs.	6/1/2007	Zapata

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**Table 1a**

**Comprehensive Alphabetical List of all Non-Fundable Projects**



**Texas Water Development Board  
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**Table 1a  
Comprehensive Alphabetical List of all Non-Fundable Projects**

PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
1010760	Suburban MHP 2				\$0.00	210	P	11.93	New well or interconnect to address radionuclide violations.	11/1/2007	Harris
2000002	Miles	1			\$0.00	850	M	7.23	Treatment modifications to address THMs	1/0/1900	Runnels
0130058	Country Villa Mobile Home Park				\$0.00	70	P	6.32	Purchase wholesale water to address pressure, disinfection, fluoride & arsenic .	1/0/1900	Bee
1160048	Community Water Co. Rolling Hills System				\$140,000.00	763	P	1.50	Distribution improvements to address Pressure <20, disinfection, water loss, iron & manganese.	5/1/2006	Navarro
079XXXX	Arcola				\$2,085,000.00	1,048	M	1.00	To build a water distribution system extension in the city.	7/1/2007	Fort Bend
188XXXX	Potter Co. FWSD #1				\$4,725,000.00	738	D	0.00	Construct water transmission pipeline to connect to city of Amarillo water supply. Construct metered distribution system.	5/1/2007	Potter
0790000	Fort Bend Co. FWSD #1				\$2,120,000.00	1,610	D	0.00	New storage & distribution improvements.	9/1/2007	Fort Bend
0910009	Greater Texas Utility Authority/Van Alstyne				\$565,000.00	2,565	D	0.00	Connection to the proposed Grayson/Collin County alliance transmission main being constructed by the Greater Texoma Utility Authority	12/1/2006	Grayson
2200013	Grapevine				\$0.00	46,684	M	0.00	Insufficient project description.	1/0/1900	Tarrant



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**Table 2**

**Comprehensive Priority List of all Fundable Projects**





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**Table 2**

**Comprehensive Priority List of all Fundable Projects**

Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
1	187XXXX	Lake Livingston WSSSC	1	1		\$17,500,000.00	10,772	W	49.23	New surface water plant, wells & transmission lines and distribution improvements to address production, water loss, pressure deficiencies & arsenic & radionuclides.	10/1/2007	Polk
2	2000003	Winters	1	1		\$1,680,000.00	1,500	M	13.14	Water treatment plant improvements to address DBPs and treatment technique violations.	2/1/2007	Runnels
3	1520152	Town North Estates				\$120,000.00	200	P	12.63	RO to address arsenic, fluoride & selenium.	2/1/2007	Lubbock
4	0670001	Cisco	1	1		\$2,905,000.00	3,890	M	10.15	Treatment plant improvements to address THM violation & distribution improvements to address low pressure & water loss.	4/1/2007	Eastland
5	0200510	Quintana				\$3,510,000.00	150	M	9.38	Treatment improvements to address DBP and arsenic.	3/1/2007	Brazoria
6	0200412	Brazoria Co. DC #2				\$105,000.00	1,200	C	9.00	Arsenic treatment & transmission line to address arsenic exceedence.	2/1/2007	Brazoria
7	2530002	Zapata Co. Water Works	1			\$24,740,000.00	12,905	C	8.50	Treatment plant & distribution improvements to address pressure deficiency & DBPs.	6/1/2007	Zapata
8	1370007	Riviera WCID				\$1,615,000.00	630	D	7.13	New water wells to address uranium violation.	6/1/2007	Kleberg
9	0360065	Olsen Estates Water System				\$55,000.00	200	W	7.04	Arsenic treatment to address arsenic exceedence.	2/1/2007	Chambers
10	1900001	Emory		1		\$12,295,000.00	2,200	M	6.72	New water treatment plant, new elevated storage tank, and distribution improvements to address pressure deficiency and DBPs.	4/1/2008	Raines
11	1470011	Prairie Hill WSC				\$640,000.00	1,923	W	6.64	Treatment to address arsenic violation.	1/1/2008	McLennan
12	1650078	Greenwood WC				\$100,000.00	800	P	6.22	Well improvements to address arsenic exceedence.	11/1/2008	Midland
13	1550016	Axtell WSC				\$760,000.00	1,450	W	5.25	Treatment to address arsenic violation & new elevated & ground storage to address elevated storage deficiency.	9/1/2006	McLennan
14	1900011	East Tawakoni				\$1,470,000.00	775	M	4.97	Treatment plant & distribution improvements & new elevated storage tank to address DBP violation, storage deficiency & water loss.	4/1/2008	Raines

**Texas Water Development Board  
FY 2007 Drinking Water State Revolving Fund Intended Use Plan**

**Table 2**

**Comprehensive Priority List of all Fundable Projects**

Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
15	0030023	Hudson WSC		1		\$530,000.00	9,000	W	4.68	Treatment modifications & interconnect to address DBPs.	6/1/2006	Angelina
16	1840001	Aledo				\$5,765,000.00	3,000	M	4.40	Transmission line, storage and well improvements to address radionuclide violation.	6/1/2007	Parker
17	1940004	Annona	1	1		\$400,000.00	378	M	4.35	New disinfection system & pump station improvements to address DBP sand pressure deficiency.	10/1/2007	Red River
18	1130010	Houston Co. WCID No. 1	1	1		\$6,000,000.00	9,500	D	4.00	Treatment plant improvements & new raw water line to address treatment technique violations.	7/1/2007	Houston
19	0270013	Cottonwood Shores				\$2,020,000.00	1,095	M	3.65	Water treatment plant improvements to address DBPs.	6/1/2007	Burnet
20	1780050	Cyndie Park II WSC				\$25,000.00	70	W	3.32	New air compressor to address pressure deficiency & arsenic treatment to address arsenic exceedence.	2/1/2007	Nueces
21	0040018	Lamar WSC				\$925,000.00	600	P	3.25	Disinfection equipment improvements, RO, green sand treatment, new storage & pressure tanks & distribution & plant improvements to address pressure <20, disinfection deficiencies & iron, chloride & TDS exceedences.	3/1/2007	Aransas
22	1890001	Marfa	1			\$3,875,000.00	2,424	M	3.25	New well, disinfection system, fluoride treatment, distribution improvements & emergency power to address pressure & disinfection deficiencies and secondary fluoride exceedence.	1/1/2007	Presidio
23	1280012	Kenedy Manor				\$60,000.00	60	P	3.22	Arsenic treatment to address arsenic violation.	3/1/2006	Karnes
24	2200012	Fort Worth		1		\$49,870,000.00	928,624	M	3.05	New storage, transmission, distribution & treatment improvements.	5/1/2007	Tarrant
25	0610213	Upper Trinity Regional Water District		1		\$3,095,000.00	202,000	D	3.00	Distribution & transmission improvements to address pressure deficiency.	3/1/2007	Denton
26	1940002	Clarksville	1			\$9,105,000.00	3,883	M	2.52	Transmission line & distribution improvements to address pressure deficiency & TDS exceedence.	7/1/2007	Red River

**Texas Water Development Board  
FY 2007 Drinking Water State Revolving Fund Intended Use Plan**

**Table 2**

**Comprehensive Priority List of all Fundable Projects**

Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
27	1100030	Opdyke West				\$1,125,000.00	178	M	2.50	Treatment to remove fluoride.	3/1/2007	Hockley
28	0500003	Oglesby	1			\$615,000.00	458	M	2.50	New standpipe & distribution improvements to address pressure & storage deficiencies & water loss.	3/1/2007	Coryell
29	1160005	Wolfe City	1			\$2,290,000.00	1,904	M	2.50	New transmission line, new storage tank, & distribution improvements to address pressure & water loss.	10/1/2008	Hunt
30	0600018	Delta Co. MUD	1	1		\$1,480,000.00	3,447	D	2.50	New disinfection facility & distribution improvements to address disinfection deficiency, pressure deficiency & water loss.	10/1/2008	Delta
31	2280001	Groveton	1			\$5,255,000.00	1,006	M	2.25	New wells & distribution improvements to address pressure deficiency and production deficiency.	11/1/2007	Trinity
32	1070004	Trinidad	1			\$410,000.00	1,103	M	2.25	New pump station, distribution & elevated storage improvements to address pressure deficiency & water loss.	10/1/2007	Henderson
33	1940008	Red River Co. WSC	1			\$4,860,000.00	5,550	W	2.25	New wells, new storage & distribution improvements to address pressure & production deficiencies.	1/20/2007	Red River
34	1080002	Donna	1			\$3,210,000.00	21,193	M	2.25	Water treatment plant improvements to address pressure deficiency.	5/1/2008	Hidalgo
35	1080022	La Joya WSC	1			\$2,120,000.00	38,010	W	2.25	New wells & transmission to address pressure & production deficiencies.	8/1/2006	Hidalgo
36	1160003	Commerce	1	1		\$2,300,000.00	7,801	M	2.13	Distribution & transmission improvements to address water loss, and wholesale production, secondary fluoride and disinfection.	10/1/2007	Hunt
37	1640001	Menard	1			\$2,055,000.00	1,653	M	2.00	New wells, new elevated storage & distribution improvements to address pressure deficiency.	1/1/2007	Menard
38	2500004	Winnsboro	1			\$1,685,000.00	3,584	M	2.00	Distribution improvements to address pressure deficiency.	6/1/2008	Wood & Franklin
39	0720001	Dublin	1	1		\$220,000.00	3,887	M	2.00	Construct new ground storage tank to address pressure deficiency.	2/1/2007	Erath

**Texas Water Development Board  
FY 2007 Drinking Water State Revolving Fund Intended Use Plan**

**Table 2**

**Comprehensive Priority List of all Fundable Projects**

Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
40	2290037	Tyler Co. WSC	1			\$1,350,000.00	9,723	W	2.00	New wells, pressure tank, storage & pump station improvements to address pressure, elevated storage deficiencies, water loss & manganese exceedence.	10/1/2006	Tyler
41	1280001	Karnes	1			\$6,845,000.00	3,540	M	1.50	Distribution improvements to address water loss & iron.	2/1/2007	Karnes
42	0310004	Los Fresnos	1			\$14,415,000.00	4,412	M	1.50	Water treatment plant expansion, new storage tank & distribution improvements to address pressure & production deficiencies.	3/1/2007	Cameron
43	0970001	Hamilton	1	1		\$1,474,000.00	2,937	M	1.38	Treatment plant expansion & transmission line & distribution improvements to storage to address low pressure.	6/1/2007	Hamilton
44	1390014	Roxton	1			\$1,330,000.00	719	M	1.25	Distribution improvements to address water loss.	8/1/2007	Lamar
45	1900004	Point	1			\$2,675,000.00	1,625	M	1.25	New raw water pumps, new ground storage & distribution improvements to address production.	4/1/2007	Raines
46	1940006	410 WSC	1			\$3,090,000.00	2,060	W	1.25	Distribution improvements to address pressure deficiency.	7/1/2008	Red River
47	1010239	Harris Co. WCID No. 36	1			\$12,150,000.00	11,100	D	1.25	Distribution improvements to address water loss.	3/1/2007	Harris
48	1010196	Ralston Acres WSC				\$25,000.00	103	W	1.00	Distribution improvements to address pressure deficiency.	3/1/2006	Harris
49	1910026	Canyon Ridge Investment Co.				\$200,000.00	330	P	1.00	New well to address pressure deficiency.	7/1/2006	Randall
50	2500005	Alba	1			\$1,130,000.00	430	M	1.00	New well & distribution improvements.	10/1/2008	Wood
51	0030102	Angelina Co. FWSD No. 1				\$1,000,000.00	573	D	1.00	New transmission line & distribution improvements to address pressure deficiency.	7/1/2007	Angelina
52	1940003	Detroit	1			\$1,020,000.00	875	M	1.00	Distribution improvements & storage tank rehabilitation.	7/1/2008	Red River
53	0190007	Maud				\$575,000.00	1,028	M	1.00	Distribution improvements to address pressure deficiency.	7/1/2007	Bowie
54	0430057	Seis Lagos UD				\$1,360,000.00	1,200	D	1.00	Distribution improvements to address pressure deficiency.	1/1/2007	Collin

**Texas Water Development Board  
FY 2007 Drinking Water State Revolving Fund Intended Use Plan**

**Table 2**

**Comprehensive Priority List of all Fundable Projects**

Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
55	910004	Greater Texoma UA/Pottsboro				\$1,780,000.00	2,110	D	1.00	Transmission line & distribution improvements to address pressure deficiency.	1/1/2008	Grayson
56	2350001	Victoria Co. WCID No. 1				\$2,795,000.00	2,223	D	1.00	Distribution improvements & emergency power to address pressure deficiencies.	7/1/2007	Victoria
57	2180001	Sonora				\$7,230,000.00	2,931	M	1.00	Distribution improvements to address pressure deficiency.	2/1/2007	Sutton
58	1080213	La Joya	1			\$3,650,000.00	3,303	M	1.00	Water treatment plant improvements.	5/1/2007	Hidalgo
59	0810001	Fairfield	1	1		\$11,500,000.00	3,234	M	1.00	New surface water treatment plant & transmission line.	6/1/2007	Freestone
60	0420001	Coleman	1	1		\$2,540,000.00	5,127	M	1.00	Construct second raw water line.	3/1/2008	Coleman
61	0210016	Wellborn SUD				\$3,500,000.00	7,452	D	1.00	New surface water treatment plant & transmission line.	3/1/2007	Brazos
62	1390015	Lamar Co. WSD	1			\$3,180,000.00	19,251	D	1.00	New transmission line & new ground storage.	12/1/2007	Lamar
63	0700005	Midlothian		1		\$25,010,000.00	42,578	M	1.00	Water treatment expansion to address pressure & production deficiencies.	1/1/2007	Ellis
64	0710154	Lower Valley Water District	1			\$10,245,000.00	46,969	D	1.00	Distribution improvements.	1/1/2007	El Paso
65	0840002	Friendswood				\$13,740,000.00	33,000	M	0.75	Treatment expansion & distribution improvements to address pressure & production deficiency & secondary exceedences.	10/1/2006	Galveston & Harris
66	0740009	Trenton				\$3,115,000.00	662	M	0.50	New well, pump station, elevated storage, ground storage & distribution improvements to address production & water loss.	5/1/2008	Fannin
67	2500015	Bright Star - Salem WSC				\$5,930,000.00	3,315	W	0.50	New water treatment plant to address pressure deficiency & manganese exceedence.	10/1/2008	Wood
68	0840044	Bolivar Peninsula SUD				\$5,785,000.00	20,650	D	0.50	New elevated storage & distribution improvements to address pressure deficiency & elevated storage deficiency.	8/1/2007	Galveston
69	2500006	Golden WSC				\$1,070,000.00	3,030	D	0.38	Distribution improvements to address pressure deficiency.	4/1/2008	Wood
70	1700701	New Caney MUD				\$2,445,000.00	10,500	D	0.25	Distribution improvements to address pressure deficiency.	3/1/2006	Montgomery

**Texas Water Development Board  
FY 2007 Drinking Water State Revolving Fund Intended Use Plan**

**Table 2**

**Comprehensive Priority List of all Fundable Projects**

Rank	PWS ID	Entity	Disadvantaged	Consolidation	SWP	Loan Amount	Population	Owner Type	Combined Factor	Description	Projected Start Date	County
71	1100002	Levelland				\$310,000.00	12,866	M	0.25	New transmission line to address iron & manganese.	1/1/2007	Hockley
72	1700068	Porter SUD		1		\$1,625,000.00	15,000	D	0.25	Distribution improvements & transmission line to address pressure deficiency & radionuclides.	1/1/2007	Montgomery
73	1740008	Nacogdoches				\$11,700,000.00	41,300	M	0.25	Pump station improvements & distribution improvements to address pressure deficiency.	1/1/2008	Nacogdoches
74	0150018	San Antonio Water Systems				\$11,525,000.00	1,234,479	M	0.25	New elevated storage & pump station improvements to address pressure deficiency.	6/1/2007	Bexar
75	0430004	Farmersville		1		\$2,210,000.00	3,508	M	0.13	Pump station & distribution improvements to address production deficiency at wholesaler.	10/1/2008	Collin
76	0460068	Hancock Oak Hills				\$85,000.00	69	P	0.00	New well.	1/1/2007	Comal
77	0100016	Flying L. PUD				\$380,000.00	400	D	0.00	New storage tank, pump station improvements & distribution improvements.	11/1/2006	Bandera
78	2250003	Winfield				\$455,000.00	668	M	0.00	Storage tank improvements.	11/1/2006	Titus
79	0810037	Fairfield - TDCJ Boyd Unit				\$1,500,000.00	1,355	M	0.00	Transmission line.	6/1/2007	Freestone
80	1820076	Possum Kingdom WSC				\$1,715,000.00	3,605	W	0.00	Treatment plant and RO expansion.	4/1/2007	Palo Pinto
81	2140006	La Grulla	1			\$5,120,000.00	6,342	M	0.00	Water treatment plant improvements.	3/1/2007	Starr
82	1010026	Tomball				\$2,515,000.00	9,600	M	0.00	New well.	11/1/2006	Harris

**Texas Water Development Board  
FY 2007 Drinking Water State Revolving Fund Intended Use Plan**

**Attachment A  
Sources and Uses of Funds**





**Texas Water Development Board**  
**FY 2007 Drinking Water State Revolving Fund Intended Use Plan**  
Attachment A  
Statement of Sources and Uses of Capital for Loans

<b>SOURCES</b>					
1. Grant Funds & State Match	Fiscal Year	Federal Grant	State Match	Sub Total	TOTAL
	1997 to 2005	\$550,143,800	\$110,028,760	\$660,172,560	
	2006	67,799,550	13,559,910	81,359,460	
(1)	2007	67,799,550	13,559,910	81,359,460	
		\$685,742,900	\$137,148,580	\$822,891,480	<b>\$822,891,480</b>
<b>FY 2007 Income Projections (2):</b>					
2. Interest Income from Loans		\$4,579,031			
3. Principal Repayments from Loans		11,724,000			
4. Investment Earnings		108,537			
5. Transfer from TCEQ State Management Program Set-asides		3,964,880			<b>20,376,448</b>
				<b>TOTAL SOURCES</b>	<b>\$843,267,928</b>
<b>USES:</b>					
<b>1. Set-Asides</b>					
<b>A. Texas Commission on Environmental Quality</b>					
FY 1997 Source Water Delineation & Assessment		\$2,500,000			
FY 1998 - 2005 State Management Program		44,363,704			
FY 2002 - 2005 Technical Assistance		6,060,036			
FY 2005 State Program Management		6,381,850			
FY 2005 Technical Assistance		1,276,370			
FY 2006 State Program Management		6,779,950			
FY 2006 Technical Assistance		1,355,991			
FY 2007 State Program Management		6,779,950			
FY 2007 Technical Assistance		1,355,991			
				<b>(\$76,853,842)</b>	
<b>B. Texas Water Development Board Program Administration</b>					
1997 to 2005	\$15,798,364		4,783,666		
2006	2,464,826		1,276,370		
2007	2,552,740		6,060,036		
				<b>(20,815,930)</b>	
<b>C. Source Water Protection Projects</b>					
FY 1999	\$5,661,220				
FY 2000	473,780				
				<b>(6,135,000)</b>	
				<b>TOTAL SET-ASIDES</b>	<b>(\$103,804,772)</b>
<b>2. Loan &amp; Commitments for Water Systems</b>					
Loans & Commitments through 5/31/2006	\$533,271,235				
FY2006 Applications Pending	62,840,000 *				
				<b>(596,111,235)</b>	
<b>3. Additional Uses</b>					
<b>A. Match/Debt Service Payments For FY07 (2)</b>					
Principal	\$2,005,000				
Interest	3,076,979				
Total	\$5,081,979				
<b>B. Estimated Debt Service</b>					
				-	
				<b>TOTAL USES</b>	<b>(808,802,758)</b>
<b>Balance Estimated for Loans for FY 2007 Projects for Water Systems</b>					<b>\$14,088,722</b>

(1) FY 2007 Grant amount is an estimate based on the President's budget.

(2) As of 2/28/06 Cash Flows

(3) As of 2/28/06 Cash Flows

<b>FY 2006 Loan Applications Pending</b>	
Weatherford	\$30,525,000
Round Rock	11,235,000
Reno	505,000
Montgomery UD #4	1,640,000
Hidalgo Co. MUD #1	5,870,000
Combined Consumers SUD	920,000
Timberlane WS	70,000
Nacogdoches	11,460,000
Kaufman	615,000
<b>TOTAL</b>	<b>\$62,840,000 *</b>



**Texas Water Development Board  
FY 2007 Drinking Water State Revolving Fund Intended Use Plan**

**Attachment B  
Set-Aside Expenditures and Balances**



Texas Water Development Board  
**FY 2007 Drinking Water State Revolving Fund Intended Use Plan**  
Attachment B  
Set-Aside Expenditures and Balances

Grant Year	Note	Grant Amount	Maximum Allowed Set-Aside (2%)	TCEQ Small Systems Technical Assistance Specified (Awarded)	TCEQ Small Systems Technical Assistance Unspecified	Transferred to Loan Fund	TCEQ Cumulative SSTA Expenditures by Grant Year	Expenditures based on Grant Yr from which Drawn	Balances based on Grant Year From Which Drawn
1997		\$ 70,153,800	\$ 1,403,076		\$ 1,403,076	\$ 1,403,076			
1998		\$ 54,014,400	\$ 1,080,288		\$ 1,080,288	\$ 1,080,288			
1999		\$ 56,612,200	\$ 1,132,244		\$ 1,132,244	\$ 1,132,244			
2000		\$ 58,836,500	\$ 1,176,730		\$ 1,176,730	\$ 1,176,730			
2001		\$ 59,079,800	\$ 1,181,596		\$ 1,181,596	\$ 1,181,596			
2002		\$ 62,023,700	\$ 1,240,474	\$ 1,240,474	\$ -	\$ -		\$ 1,240,474	\$ -
2003		\$ 61,651,000	\$ 1,233,020	\$ 1,180,000	\$ 53,020	\$ 53,020		\$ 193,543	\$ 986,457
2004		\$ 63,953,900	\$ 1,279,078	\$ 1,180,000	\$ 99,078	\$ 99,078	\$ 475,656		\$ 1,180,000
2005		\$ 63,818,500	\$ 1,276,370	\$ 1,276,370	\$ -	\$ -	\$ 369,758		\$ 1,276,370
2006	1	\$ 67,799,550	\$ 1,355,991	\$ 1,355,991	\$ -	\$ -	\$ 588,604		\$ 1,355,991
2007	2	\$ 67,799,550	\$ 1,355,991	\$ 1,355,991	\$ -	\$ -			\$ 1,355,991
<b>Totals</b>		<b>\$ 387,046,200</b>	<b>\$ 13,714,858</b>	<b>\$ 7,588,826</b>	<b>\$ 6,126,032</b>	<b>\$ 6,126,032</b>	<b>\$ 1,434,017</b>	<b>\$ 1,434,017</b>	<b>\$ 6,154,809</b>

Grant Year	Note	Grant Amount	Maximum Allowed Set-Aside (15%)	TWDB 1452(k) Unspecified	TWDB 1452(k) Specified (Awarded)	Transferred to Loan Fund	Cumulative 1452(k) Expenditures	TWDB 1452(k) Balance	Balances based on Grant Year From Which Drawn
1997	3				\$ 2,500,000		\$ 2,500,000	\$ -	
1997		\$ 70,153,800	\$ 10,523,070	\$ 10,523,070.0		\$ 10,523,070.0			
1998		\$ 54,014,400	\$ 8,102,160	\$ 8,102,160	\$ -	\$ 8,102,160		\$ -	
1999	4	\$ 56,612,200	\$ 8,491,830	\$ 2,830,610	\$ 5,661,220		\$ 2,145,000	\$ 3,516,220	\$ 3,516,220
2000	4	\$ 58,836,500	\$ 8,825,475	\$ 2,941,825	\$ 5,883,650	\$ 5,409,870		\$ 473,780	\$ 473,780
2001	4	\$ 59,079,800	\$ 8,861,970	\$ 8,861,970	\$ 5,907,980	\$ 5,907,980		\$ -	
2002		\$ 62,023,700	\$ 9,303,555	\$ 9,303,555	\$ -	\$ 9,303,555		\$ -	
2003		\$ 61,651,000	\$ 9,247,650	\$ 9,247,650	\$ -	\$ 9,247,650		\$ -	
2004		\$ 63,953,900	\$ 9,593,085	\$ 9,593,085	\$ -	\$ 9,593,085		\$ -	
2005		\$ 63,818,500	\$ 9,572,775	\$ 9,572,775	\$ -	\$ 9,572,775		\$ -	
2006	1	\$ 67,799,550	\$ 10,169,933	\$ 10,169,933	\$ 3,389,978	\$ 10,169,933		\$ 3,389,978	\$ 3,389,978
2007	2	\$ 67,799,550	\$ 10,169,933	\$ 10,169,933	\$ 3,389,978	\$ 10,169,933		\$ 3,389,978	\$ 3,389,978
<b>Totals</b>		<b>\$ 685,742,900</b>	<b>\$ 102,861,435</b>	<b>\$ 91,316,565</b>	<b>\$ 26,732,805</b>	<b>\$ 88,000,010</b>	<b>\$ 4,645,000</b>	<b>\$ 10,769,955</b>	<b>\$ 10,769,955</b>

Grant Year	Note	Grant Amount	Maximum Allowed Set-Aside (10%)	TCEQ SPM Specified (In Grant)	TCEQ SPM Unspecified	Transferred to Loan Fund	TCEQ Cumulative SSTA Expenditures by Grant Year	Expenditures based on Grant Yr from which Drawn	Balances based on Grant Year From Which Drawn
1998		\$ 54,014,400	\$ 5,401,440	\$ 4,875,000	\$ 526,440	\$ 526,440		\$ 4,875,000	\$ -
1999		\$ 56,612,200	\$ 5,661,220	\$ 4,505,732	\$ 1,155,488	\$ 1,155,488		\$ 4,505,732	\$ -
2000		\$ 58,836,500	\$ 5,883,650	\$ 4,505,732	\$ 1,377,918	\$ 1,377,918		\$ 4,505,732	\$ -
2001		\$ 59,079,800	\$ 5,907,980	\$ 5,900,000	\$ 7,980	\$ 7,980		\$ 5,900,000	\$ -
2002		\$ 62,023,700	\$ 6,202,370	\$ 5,900,000	\$ 302,370	\$ 302,370		\$ 5,900,000	\$ -
2003		\$ 61,651,000	\$ 6,165,100	\$ 5,900,000	\$ 265,100	\$ 265,100		\$ 5,900,000	\$ -
2004		\$ 63,953,900	\$ 6,395,390	\$ 6,395,390	\$ -	\$ -		\$ 3,447,076	\$ 2,948,314
2005		\$ 63,818,500	\$ 6,381,850	\$ 6,381,850	\$ -	\$ -		\$ -	\$ 6,381,850
2006	1	\$ 67,799,500	\$ 6,779,950	\$ 6,779,950	\$ -	\$ -		\$ -	\$ 6,779,950
2007	2	\$ 67,799,500	\$ 6,779,950	\$ 6,779,950	\$ -	\$ -		\$ -	\$ 6,779,950
<b>Totals</b>		<b>\$ 615,589,000</b>	<b>\$ 61,558,900</b>	<b>\$ 57,923,604</b>	<b>\$ 3,635,296</b>	<b>\$ 3,635,296</b>	<b>\$ -</b>	<b>\$ 35,033,540</b>	<b>\$ 22,890,064</b>

Texas Water Development Board  
**FY 2007 Drinking Water State Revolving Fund Intended Use Plan**  
 Attachment B  
 Set-Aside Expenditures and Balances

Grant Year	Note	Grant Amount	Maximum Allowed TWDB Administrative Set-Aside (4%)	TWDB Administrative Set-Aside Specified (Awarded)	TWDB Administrative Set-Aside Unspecified	Transferred to Loan Fund	TWDB Cumulative Expenditures by Grant Year	Expenditures based on Grant Yr from which Drawn	Balances based on Grant Year From Which Drawn
1997		\$ 70,153,800	\$ 2,806,152	\$ 2,806,152	\$ -	\$ -	\$ 2,806,152	\$ 2,806,152	\$ -
1998		\$ 54,014,400	\$ 2,160,576	\$ -	\$ 2,160,576	\$ 2,160,576	\$ -	\$ -	\$ -
1999		\$ 56,612,200	\$ 2,264,488	\$ 2,160,576	\$ 103,912	\$ 103,912	\$ 2,160,576	\$ 2,160,576	\$ -
2000		\$ 58,836,500	\$ 2,353,460	\$ -	\$ 2,353,460	\$ 2,353,460	\$ -	\$ -	\$ -
2001		\$ 59,079,800	\$ 2,363,192	\$ 2,264,488	\$ 98,704	\$ 98,704	\$ 2,264,488	\$ 2,264,488	\$ -
2002		\$ 62,023,700	\$ 2,480,948	\$ 2,353,460	\$ 127,488	\$ 127,488	\$ 2,353,460	\$ 2,353,460	\$ -
2003		\$ 61,651,000	\$ 2,466,040	\$ 2,363,192	\$ 102,848	\$ 102,848	\$ 2,363,192	\$ 2,363,192	\$ -
2004		\$ 63,953,900	\$ 2,558,156	\$ 2,480,948	\$ 77,208	\$ 77,208	\$ 364,287	\$ 364,287	\$ 2,116,661
2005		\$ 63,818,500	\$ 2,552,740	\$ 2,466,040	\$ 86,700	\$ 86,700			\$ 2,466,040
2006	1	\$ 67,799,550	\$ 2,711,982	\$ 2,552,740	\$ 159,242	\$ 159,242			\$ 2,552,740
2007	2	\$ 67,799,550	\$ 2,711,982	\$ 2,711,982	\$ -	\$ -			\$ 2,711,982
<b>Totals</b>		<b>\$ 387,046,200</b>	<b>\$ 27,429,716</b>	<b>\$ 22,159,578</b>	<b>\$ 5,270,138</b>	<b>\$ 5,270,138</b>	<b>\$ 12,312,155</b>	<b>\$ 12,312,155</b>	<b>\$ 9,847,423</b>

(1)	Not awarded as of 5/31/06
(2)	Estimate based on FY 2006
(3)	Source Water Protection (TCEQ)
(4)	Loans for Incentive based Source Water Protection Measures (TWDB)

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**Public Drinking Water**

**Combined Rating Factor**

**Health and Compliance Factors**

**Primary Compliance Factors**

**Microbiological Factors** **(TCV=s)+(ACV=s)+(TT)-1**

The sum of the total coliform MCL violations, acute coliform MCL violations, and the treatment technique violations (including all exceedances of the 0.5 NTU standard), disregarding one violation.

**Chronic Chemical** **Result/MCL**

The compliance result above the MCL for any chronic exposure chemical, divided by the MCL level.

**Acute Chemical** **(Result/MCL) X 3**

Three times the compliance result above the MCL for Nitrate or Nitrite, Divided by the MCL level.

**Carcinogen** **(Result/MCL) X 2**

Two times the compliance result above the MCL for any carcinogenic chemical, divided by the MCL level.

**Lead / Copper** **(Greater of (Pb90/0.015) or (Cu90/1.3)) X 2**

Two times the greater of the 90th percentile lead level divided by the lead action level or the 90th percentile copper level divided by the copper action level.

**Filtration** **12 points**

12 points awarded to any system with one or more sources identified as surface water or groundwater under the direct influence of surface water for which no filtration is provided.

**Population Factor**

**Population Factor**

0-100	0
101-1,000	1
1,001-10,000	2
10,001-100,000	3
100,001-	4

The population factor should be added to the sum of the other Primary compliance factors to determine the overall compliance rating.

**Secondary Compliance Factors**

**Secondary Chemical** **(Result/MCL) X 0.5**

One half the compliance result above the MCL for any secondary chemical violation for sulfate, chloride and total dissolved solids, divided by the MCL level. (Maximum of 1 pt.)

**Physical Deficiency Factor**

A rating based on the confirmed existence of physical deficiencies within the water system. This rating will be used to prioritize systems with no other Health and Compliance Factors or Affordability Factors.

<b>Deficiency</b>	<b>pts</b>	<b>Deficiency</b>	<b>pts</b>
Pressure <20 psi	1.0	Production <85%	.25
No disinfection	1.0	Storage < 85%	.25
Pressure >20 & <35 psi	.20	Water Loss >25%	.25
Other Secondary MCLs	.20		

**Consolidation Factor**

The sum of all factors for each system which will be consolidated. One half the sums of all factors for each system which will be provided wholesale water.

**Tie Breaker**

Equal Combined rating factors will be ranked in descending order according to population

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**Source Water Protection**

**SYSTEM VULNERABILITY - 6 points**

**Ground Water** - The well is vulnerable if there is insufficient thickness of clay or similar earth materials between the ground surface and top of the water producing aquifer. Geologic protection is defined as the presence of one layer of clay 30 feet thick or thicker or the presence of thinner clay layers whose cumulative thickness is 100 feet thick or thicker. Other criteria which will be considered in determining vulnerability include Nitrate (N)>2 mg/1, selected vulnerable aquifer (aquifers with rapid flow), and confirmed organic chemical detection. These definitions were created for and are used in the Waiver Program for Phases II and V National Primary Drinking Water Regulations. This program was approved by ISOPIA. All community and non transient/non community public water systems have been evaluated using these criteria.

**Surface Water** - All surface water in Texas is obtained through water flowing within watersheds. A watershed is defined as the contributing area of water to a surface water body such as a river or reservoir. Some watersheds in Texas are enormous. Watersheds of this size can only be addressed with gross, regional recommendations for source water protection. Smaller watersheds will be awarded higher points because source water protection efforts can be more effectively focused. Small watersheds where individual landowners and businesses can be contacted and convinced that their efforts may have a direct impact to the drinking water quality of a specified water system are ideal source water protection candidates. A small watershed is defined as approximately 20 square miles or less with known geographic limits plotted on USGS 7.5 minute topographic maps. Additional points may be awarded to those systems who have confirmed organic chemical detections.

**Ability to Implement Best Management Practices - 3 points**

Two points will be awarded to systems who have the ability and authority to implement land use controls including but not limited to ordinances and land acquisition. One point will be awarded to those systems who have the ability to implement other non-land use controls such as public education, contingency planning, and conducting toxic and/or hazardous waste collection events. One point will be awarded to those systems who plug abandoned wells within the delineated source water protection area. For those systems who have confirmed siting and/or well construction problems listed on the most recent TCEQ sanitary survey, one point may be awarded for proposals which will correct these problems.

**Affordability Factor (from TWDB) - 1 point**

One point if the service area lies within a census tract which average income is 25% less or the unemployment rate is 25% more than the state average.