

**FY 2005**

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



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**FY 2005**  
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**FY 2005  
CLEAN WATER SRF INTENDED USE PLAN**

**I. INTRODUCTION**

The FY 2005 Intended Use Plan (IUP) is prepared in accordance with the provisions of the Water Quality Act of 1987 (Act), Section 606 C and Chapter 375 (Attachment A) of the Board rules.

The Board is continuing a long range plan to protect the future health of the Clean Water State Revolving Fund (CWSRF) while providing financial assistance for wastewater collection and treatment infrastructure to Texas local governments. A water quality based priority rating process provides control over the amount of loans made each year while not requiring applicants to expend funds and efforts preparing applications for which funds may not be available. This provides a means for the Board to meet federally mandated requirements while offering some borrowers additional interest subsidies.

**A. List of Projects**

The FY 2005 IUP contains an alphabetic listing of 54 projects totaling \$369,275,000 from entities that responded to a survey of all eligible applicants. Of these 54 projects, 50 were ranked by population category for construction projects, one nonpoint source project was received and three projects were not ranked (Table 2).

Population Categories	Total Number of Eligible Projects By Category	Total Cost of All Categories
A 3,000 or fewer	17	\$41,710,000
B 3,001 to 10,000	15	\$81,325,000
C 10,001 to 25,000	5	\$32,585,000
D 25,001 to 100,000	5	\$77,510,000
E 100,001 to 500,000	0	\$0
F 500,001 or greater	8	\$130,520,000
H Non-Point Source Projects	1	\$4,475,000
<b>Total of All Categories</b>	<b>51</b>	<b>\$368,125,000</b>

All applicants for construction funds will be invited to apply for the federal equivalency funds of \$73,000,000 upon Board approval of the IUP. After all federal equivalency funds are committed, the Board will inform the remaining applicants for construction funds of the availability of non-federal equivalency funds. The non-point source project will be invited to apply at the same time as the federal equivalency funds are announced.

**B. Disadvantaged Projects**

The 78<sup>th</sup> Legislature authorized the Board to provide up to \$30 million in CWSRF program funds for zero or one percent loans to eligible communities that qualify as disadvantaged. The

Board, at its December 16, 2003 meeting, approved rules establishing CWSRF communities funding. Specific provisions regarding disadvantaged communities funding can be found on Page 4, (Disadvantaged Communities Funding), Page 6 (Distribution of Funds to Disadvantaged Communities), Page 8 (Notice of Availability of Funds), Page 3 (Short Term Goals of the CWSRF) and Page 11 (Terms of Financial Assistance-Interest Rates for Disadvantaged Communities Loans).

Twelve disadvantaged projects applied for funds. Projects up to the thirty million dollar cap will be notified at the same time as the first round of letters informing entities of the availability of the federal equivalency funds.

<b>Applicant</b>	<b>Amount</b>	<b>Pop. Cat.</b>
Bartlett	\$1,550,000	A
Yantis	\$755,000	A
Point	\$1,445,000	A
Coolidge	\$695,000	A
La Grulla	\$19,555,000	B
Commerce	\$2,040,000	B
Marlin	\$7,780,000	B
Winnsboro	\$1,050,000	B
Bonham	\$1,675,000	B
Alpine	\$1,680,000	B
Los Fresnos	\$5,255,000	B
Mercedes	\$1,265,000	C

**II. LONG-TERM AND SHORT-TERM GOAL STATEMENTS [606 (C)(2)]**

**A. Long Term Goals of the CWSRF**

1. The long term goal of the State Water Pollution Control Revolving Fund is to maintain a living Program to restore and maintain the chemical, physical and biological integrity of the State’s waters that is responsive to changes in State priorities and needs. Progress toward meeting this goal will be documented by providing information on strategic assessment of changing needs and ongoing or completed changes aimed at addressing those needs.
2. To maintain the fiscal integrity of the SRF and to assure a continuous enhancement of the fund for future generations. Progress toward meeting this goal will be documented by discussion of changes to lending rate policies, loan monitoring activities and default information.
3. To maintain the Fund into perpetuity. Progress toward meeting this goal will be provided via reporting on the annual capacity modeling and changes in capacity.

## **B. Short Term Goals of the CWSRF**

1. The Board will continue to develop and employ programs to facilitate funding and implementation of nonpoint source projects which are consistent with an approved nonpoint source (NPS) management plan pursuant to the Act, §319. This will include assessing and modifying rules and procedures to maximize use of the program. Progress toward meeting this goal will be documented by providing information on rule or process changes aimed at improving use of the nonpoint source funding.
2. The Board will continue to meet with stakeholders including potential applicants, the Texas Commission on Environmental Quality and the Texas Soil and Water Conservation Board to increase awareness of the CWSRF as a funding alternative for identified management plan projects which address nonpoint source and estuary problems. Progress toward meeting this goal will be provided through reports on activities conducted and loans made.
3. The Board will strive to maximize use of the fund to provide funding for projects that are designed to meet the needs of the State. This includes providing special assistance to disadvantaged communities to allow them to meet their specific wastewater treatment needs.

## **III. DEVELOPMENT OF THE CWSRF INTENDED USE PLAN**

### **A. Solicitation of Project Information**

In accordance with Board rules (§375.17), project information was solicited from all eligible applicants by letter. The required information consists of:

- a description of the proposed facilities;
- the status of any required permit application, including projected effluent limitations;
- the estimated total project cost;
- an estimated schedule for planning, design and construction of the proposed project;
- a statement as to whether the applicant is under enforcement by EPA or the TCEQ; and
- such other information as may be requested by the Executive Administrator.

All projects submitted in a timely manner were rated and ranked within seven categories according to six population groups and one nonpoint source category. The Intended Use Plan (IUP) establishes the maximum amount of funds available for loans by including funding thresholds within each group.

### **B. Project Categories**

In order for a project to receive a priority ranking in the IUP, the applicant must submit the required information form, signed by a representative of the applicant, not later than March 22, 2003.

After Board staff rated the proposed projects, they were listed in the appropriate funding categories as follows:

- Category A - existing populations of 3,000 or fewer;
- Category B - existing opulations from 3,001 to 10,000;
- Category C - existing populations from 10,001 to 25,000;
- Category D - existing populations from 25,001 to 100,000;
- Category E - existing populations of 100,001 to 500,000;
- Category F - existing populations of 500,001 or greater; and
- Category G - Rural Community Hardship
- Category H - Nonpoint Source or Estuary Management - none received

Table 1 is an alphabetic listing of all projects proposed for FY 2005.

Tables 2A through 2H list the projects in ranking order for each category, along with cost categories and discharge requirements. Table 2I lists the non-ranked projects.

### C. **Disadvantaged Communities Funding**

During the 78th Legislative Session the Texas Water Development Board was authorized to provide funding for disadvantaged communities through the Clean Water State Revolving Fund (CWSRF). CWSRF Program funds of up to thirty million dollars per year will be made available for loans to disadvantaged communities.

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

To be eligible to receive zero or one (1) percent loans 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 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.

2. **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.

a. Adjusted median household income =

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

OR

b. 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 months<sup>7</sup>. 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.

#### **IV. CRITERIA AND METHOD OF DISTRIBUTION OF FUNDS**

The discussion below of the distribution of funds and funding cycles for projects reflects the requirements of Board rules. Reference is made to a “funding line.” The term “funding line” refers to the point on the ranked lists where funds available for loans would be expended. Note that an actual funding “line” does not appear on the ranked tables. The “line” will be adjusted downward if a project above the line declines or fails to submit a timely application.

Congress has continued to appropriate funds for CWSRF capitalization grants each year since the original period of authorization ended in 1994. As a condition of receiving CWSRF capitalization

grants, the Board must impose certain federal requirements of projects that receive any portion of the funds “directly made available by” capitalization grants. As described below, all applicants above the funding line will be invited to apply for the funds offered under Chapter 375, Subchapter B of the Board’s rules. Applications will be funded on a first/first served basis until the funds offered under this Subchapter have been utilized. Under Board rules at the time of this writing, these loans will receive a 195 basis point subsidy. The remaining applicants above the funding line will be invited to submit applications for the remainder of available funds and will receive a 95 basis point subsidy.

**A. Distribution of Funds to Categories**

All eligible projects were rated and the funds required by all projects in each category were totaled. Each category’s percentage of the total funds required for all categories was then computed. The portion of all funds available for FY 2005 was then assigned to each category based on the ratio of funds required by each category to the funds required by all categories; except that no category will receive less than 7% of the total funds available unless the total needs of a category are less than 7%.

After category percentages are assigned and available funds distributed among the categories, a funding line will be drawn within each category, not to exceed the funds available to each category. Projects above the funding line shall be eligible for assistance.

After the funding line is drawn, if funds are available pursuant to Subchapter B of Chapter 375 of the Board rules (relating to Provisions Pertaining to Use of capitalization Grant Funds), the Executive Administrator shall notify in writing all applicants above the funding line of the availability of such funds for the fiscal year and shall invite the submittal of applications. Such funds shall be distributed in accordance with the provisions of Subchapter B.

**Note:** Attachment A includes the text of §375.15 regarding the criteria and methods for distribution of funds under 31 TAC Chapter 375 Subchapter A, and the text of §375.213 regarding the distribution of funds under 31 TAC Chapter 375 Subchapter B.

**B. Distribution of Funds to Disadvantaged Communities**

Recently adopted Board rules establish the method for making loans to potentially eligible projects in disadvantaged communities identified on the FY 2005 CWSRF IUP. The executive administrator is directed to identify potential projects starting with Category A (communities with a population under 3,000). If the amount of available funds (\$30 million) exceeds the total project costs for all projects in Category A, the executive administrator will identify projects in Category B (communities with a population ranging from 3,001 to 10,000), in priority order, that could be funded without exceeding the total funds available. If the amount of available funds exceeds total project costs for projects in Categories A and B, the executive administrator will identify projects in Category C (communities with a population ranging from 10,000 to 25,000), in priority order, that could be funded without exceeding the amount of funds for loans.

A funding line will be drawn at the point where available funds equal total project costs. Category G also exists for projects proposed by rural hardship communities. It was created in response to a federal appropriation to the states for the purpose of providing hardship grants to



meet the wastewater needs of small, poor, rural communities with populations of less than 3,000. The U. S. Environmental Protection Agency (EPA) administered the grants, in conjunction with the CWSRF program. Texas received \$2,942,600 in FY 1997 and provided assistance to five poor rural communities. As of this date, the Board has not received any additional funds for the rural hardship community category; therefore staff does not plan to solicit applications from this category at this time.

The executive administrator will notify applicants of the availability of funding and invite them to apply for a loan. The executive administrator may also request the submission of any additional information necessary to determine if the applicant meets the criteria for being disadvantaged. Disadvantaged community applicants will be invited to apply for loans at the same time as federal Tier III applicants. Applicants will have three months from the date of the invitation to apply for a loan and three months from the date the application was received to obtain a commitment. If there are not enough applications to obligate the available funds, the executive administrator will re-rank the priority list by returning any incomplete applications and moving all projects with no or incomplete applications to the bottom of the priority list, in priority order, within the applicable category. (This applies only to disadvantaged community funding.) The funding line will be adjusted to ensure that available funding will equal total projects costs.

A second round of invitations will be made and these applicants will also have three months to apply for a loan and three months from the date the application was received to obtain a commitment. If there are not enough applications to obligate the available funds, the executive administrator will re-rank the priority list by returning any incomplete applications and moving all projects with no or incomplete applications to the bottom of the priority list, in priority order, within the applicable category. A funding line will be adjusted to ensure that available funding will equal total projects costs.

### **C. Notice of Availability of Funds**

The Executive Administrator has determined that it is necessary to seek projects to be funded under the requirements of Chapter 375, Subchapter B of the Board's rules. Notice is hereby given of availability of \$73,000,000 at a lower interest rate in accordance with the provisions of the Subchapter. Because Subchapter B imposes requirements greater than those of Subchapter A, the Board generally provides lower interest rates for projects funded under Subchapter B. The Board will limit funding under Subchapter B only to that dollar amount of projects reasonably necessary to meet federal requirements. In addition, notice is hereby given of availability of \$30,000,000 at zero or one (1) percent interest rate in accordance with provision of Subchapter B which covers disadvantaged communities funding.

After approval of the Intended Use Plan by the Board, the Executive Administrator will also provide notice by direct mail to political subdivisions with projects listed above the funding line in the annual Intended Use Plan. The notice shall invite applications for the lower interest rate funds and shall specify the date upon which such applications will be accepted and the approximate dollar amount of projects that the Board intends to fund through this chapter.

The Board will not provide funding under Subchapter B for refunding projects for which a loan has already been closed.

#### **D. Funding Cycles**

Applications from applicants receiving a notice under Subchapter B will be presented for Board action on a first-come, first-served basis unless a fund shortage exists. A fund shortage is considered to exist when on the first business day of the month of the Board meeting the cumulative amount of funds previously committed pursuant to subsection (a) of this section, plus the amount of funds required to fund all applications which are complete and ready for scheduling for Board action exceeds the amount of funds identified as available for such funding in the notice under subsection (a) of this section. Applications are considered to be complete and ready for Board action if they meet the requirements of §375.32 of this title (relating to Required General Information), §375.33 of this title (relating to Required Legal Information), and §375.34 of this title (relating to Required Fiscal Information) and either both §375.35 of this title (relating to Required Environmental Review and Determination) and §375.36 of this title (relating to Engineering Feasibility Data) of this title or §375.39 of this title (relating to Pre-Design Funding Option).

Applications which are ready for scheduling for Board action at the time a fund shortage occurs will be presented for Board action under this chapter in the order of their priority ranking in accordance with §375.16 of this title (relating to Rating Process).

Funds will not be made available to applicants under these provisions until available funds identified have been utilized. If funds are available under this subchapter for only part of an application, the remainder of the project may be funded under the CWSRF interest rate associated with loans under Subchapter A. Applications for projects for which no funds are available under this subchapter will be considered under Subchapter A, unless the applicant indicates it does not want to proceed under such chapter.

After the Executive Administrator determines that the funds made available pursuant to Subchapter B are sufficiently utilized to satisfy the federal requirements, the Executive Administrator shall notify in writing all remaining applicants above the funding line of the availability of funds for the fiscal year and shall invite the submittal of applications. Applicants will be allowed four months from the date of the notice of availability of funds or until August 31 of the fiscal year, whichever is sooner, to submit applications for assistance, and will be allowed two additional months to receive a loan commitment.

If, at any time during the above-described period an applicant above the funding line submits written notification that it does not intend to submit an application, or if additional funds become available for assistance, the funding line within each category may be moved downward in priority order to accommodate additional projects which would utilize the funds that would otherwise not be committed. The Executive Administrator will notify such additional applicants in writing and will invite the submittal of applications. Applicants receiving such notice will be allowed four months from the date of the notice or until August 31 of the fiscal year, whichever is sooner, to submit applications for assistance and will be allowed

two additional months to receive a commitment.

After the six-month period of availability of funds if all available funds are not committed, the Executive Administrator will return any incomplete applications and move all projects for which no applications or incomplete applications were submitted to the bottom of the ranked list within each category, where they will be placed in priority ranking order. The funding line will be redrawn within each category to utilize the funds remaining within the category.

Each IUP is a stand-alone document and lists projects for a given fiscal year. Thus, those projects placed at the bottom of the IUP list could potentially cycle back to the top of the list. Projects that submit inadequate or no application may re-submit for the following year's IUP. These projects will be ranked according to Board rules without regard to the project's ranking the previous year. After the funding line is re-drawn, the Executive Administrator shall notify in writing all applicants above the funding line of the availability of funds for the fiscal year and shall invite the submittal of applications. Applicants will be allowed four months from the date of the notice or until August 31 of the fiscal year, whichever is sooner, to submit applications for assistance and will be allowed two additional months to receive a commitment.

If funds are available from categories A through H after the Executive Administrator is able to make a determination that all applicants in each category have had the opportunity to be funded, the remaining funds will be made available to the other categories. The remaining funds will be pooled with any funds left over from the other categories and made available to Category A. If no applicants in Category A are able to utilize the funds, then the funds will be made available to Category B. If no applicants in Category B are able to utilize the funds, then the funds will be made available to Category C. If no applicants in Category C are able to utilize the funds then the funds will be made available to Category D. If no applicants in Category D are able to utilize the funds, then the funds will be made available to Category E. If no applicants in Category E are able to utilize the funds, then the funds will be made available to Category F.

**E. Limits on Funding**

Loan assistance will not exceed the cost estimate in the IUP without Board approval. In the event that the cost of a project exceeds the funds available, the applicant may seek additional funds from other appropriate Board programs. (See §375.15(1) of the Board rules.)

If there is a shortage of funds, no single applicant may receive more than 30 percent of the total funds available for the fiscal year.

**V. INFORMATION ON ACTIVITIES TO BE SUPPORTED [606 (C)(3)]**

**A. Section 212 Projects**

Table 1 is an alphabetic listing of all projects proposed for FY 2005. It includes a column showing the category of each project. Tables 2 A through 2 H list the projects in ranking order for each category, along with cost categories and discharge requirements.

## **B. Terms of Financial Assistance**

The Texas Water Development Board will determine the terms of financial assistance on a project-by-project basis. The Board will establish the applicable interest rates for the Texas SRF. The fixed interest rates for loans under Chapter 375 subchapter A are set at rates 70 basis points below the fixed rate index rates for borrowers plus an additional reduction. (Please refer to §375.52 in Appendix A). The fixed interest rates for loans under Chapter 375 subchapter B are set at rates 170 basis points below the fixed rate index rates for borrowers plus an additional reduction. (Please refer to §375.222 in Appendix A). All SRF variable lending rates will equal the Board's borrowing rate plus 25 basis points. The fixed lending rate for borrowers is the market rates for the Delphis Hanover Corporation's Range of Yield Curve Scales minus 70 basis points. The Board will consider but will not be limited to the criteria set forth below:

1. The interest rate or rates required to retire State bonds.
2. The interest rate necessary to maintain the buying power of the Fund.
3. Separate lending rate scales may be established for special and unusual projects which may require special financing.

The Disadvantaged Community Program offers 1.0% loans for projects serving areas in which the adjusted median household income for the service areas is between 75% and 70% of the state adjusted median household income. Loans with a 0.0% interest rate are offered to service areas with an adjusted median household income that is less than or equal to 70% of the state adjusted median household income.

An estimated \$369,300,000 will be available to fund projects during FY 2005. Funding will be provided through:

- \$156,740,487 loan repayments and interest earnings;
- \$12,216,089 Match Bonds;
- \$139,262,981 in additional CWSRF bond issue(s);
- \$61,080,444 in ACH draws; and
- sale of additional revenue bonds, if additional funds are required.

## **VI. ASSURANCES AND SPECIFIC PROPOSALS**

*Citations refer to sections Title VI of the Clean Water Act of 1987*

### **A. 602(a) - Environmental Reviews**

The TWDB will conduct environmental reviews as specified in TWDB Rules. None of the projects listed in the FY 2005 IUP is expected to require an Environmental Impact Statement.

### **B. 602 (b)(2) - State Matching Funds**

The TWDB agrees to deposit into the CWSRF from State monies an amount equal to 20% of the amount of each project disbursement on or before the date on which the State receives each Federal disbursement of funds for each project.

**C. 602 (b)(3) - Binding Commitments**

The TWDB will enter into binding commitments for 120% of each quarterly payment within one year of receipt of that payment.

**D. 602 (b)(4) - Expeditious and Timely Expenditures**

The TWDB will expend all funds in the CWSRF in a timely and expeditious manner.

**E. 602 (b)(5) - First Use for Enforceable Requirements**

The TWDB has previously met this requirement.

**F. 602 (b)(6) - Compliance with Title II Requirements**

The TWDB will meet the specific statutory requirements for publicly owned wastewater treatment projects constructed in whole or in part with funds directly made available by Federal capitalization grants for Title II equivalency and Federal Cross-Cutters.

**G. 602 (b)(7) - State Laws and Procedures**

The TWDB agrees to expend each quarterly grant payment in accordance with State laws and procedures.

**H. 603 (f) - Consistency with Planning**

The TWDB agrees that it will not provide assistance to any project unless that project is consistent with plans developed under Sections 205(j), 208, 303(e), 319 or 320 of the Water Quality Act of 1987.

**I. Compliance with Cross-Cutter Requirements**

It is a capitalization grant requirement that projects assisted with funds directly made available by capitalization grants comply with Cross-Cutting authorities. This requirement has been met for all capitalization grants through FY 2004. Projects funded under Chapter 375 Subchapter B will meet Cross-Cutter requirements for the FY 2005 grant.

## **VII. ADMINISTRATIVE COST OF THE CWSRF**

The Act permits amounts from the Clean Water State Revolving Fund to be used for program administration, provided that such amounts do not exceed four percent of all capitalization grant awards. The total amount of funds available for administration from all grants through FY 2004 is \$46,394,038. Since the beginning of the program, CWSRF funds totaling \$23,829,179 have been expended for administrative costs, leaving a balance of \$22,564,859 available under the four percent cap.

Since November 1995 Board rules have provided for the assessment of loan origination fees as a means of replacing federal grant funds to pay the administrative costs of operating the Clean Water SRF loan program. A provision in the FY 2004 federal appropriation bill is as follows:

“That notwithstanding section 603(d)(7) of the Federal Water Pollution Control Act, as amended, the limitation on the amounts that may be used by a State to administer the fund shall not apply to amounts included as principal in loans made by such fund in fiscal year 2004 and prior years where such amounts represent costs of administering the fund, to the extent that such amounts are or were deemed to be reasonable by the Administrator, accounted for separately from other assets in the fund, and used for eligible purposes of the fund, including administration.”

The Board continues to assess an administrative cost recovery fee on each loan. Amounts collected are deposited to the Administrative Cost Recovery Fund, which is separate from the Program Fund. These amounts provide for the reasonable costs of administering the Clean Water State Revolving Fund. Current law as of this writing provides that administrative fees collected on loans closed after FY 2002 will be subject to the 4% cap. Fees totaling \$6,105,000 held outside the cap are available as well as the remaining \$22,564,859 under the 4% cap. These amounts will support the administrative needs of the CWSRF for the near term.

## **TABLES**





## Key to Tables

<b>Total Points</b>	The basic priority ranking score
<b>% Cap Population Category</b>	Per capita income is a secondary tie breaker  Projects are grouped according to population:
<b>Category A</b>	3,000 or fewer
<b>Category B</b>	3,001 to 10,000
<b>Category C</b>	10,001 to 25,000
<b>Category D</b>	25,001 to 100,000
<b>Category E</b>	100,001 to 500,000
<b>Category F</b>	500,000 or greater
<b>Category H</b>	Non-Point Source Projects
<b>Category I</b>	Non Ranked
<b>Category J</b>	Disadvantaged Communities

<b>Cost Categories</b>	<b>Costs for each facility are shown in the following categories:</b>
<b>I</b>	Secondary Treatment and best Practicable Wastewater Technology
<b>II</b>	Advanced Treatment
<b>IIIA</b>	Infiltration/Inflow Correction
<b>IIIB</b>	Major Sewer Rehabilitation
<b>IVA</b>	New Collectors and Appurtenances
<b>IVB</b>	New Interceptors and Appurtenances
<b>V</b>	Correction of Combined sewers



**Table 1**  
**Alphabetical Listing of All CWSRF Projects**  
**FY 2005**



**FY 2005 Intended Use Plan  
Clean Water State Revolving Fund  
Table 1  
Alphabetic Listing of All Projects**

Applicant	Amount	Pop. Cat.	Total Points	% Cap	Disadvantaged	Description
Aledo	\$3,485,000	A	4	80		Diversion interceptors to new plant
Alpine	\$1,680,000	B	0	32.4	X	Collection system rehabilitation, relief interceptors, extend collection system to unserved area, and generator at plant
Anna						<b>POSTMARKED AFTER DEADLINE</b>
Aransas Pass	\$1,115,000	B	1.5	66		Collection system rehabilitation and overflow control
Arcola	\$735,000	A	6	136		Plant expansion
Bartlett	\$1,550,000	A	6	96.6	X	Plant expansion, lift station, and collection system rehabilitation and overflow control
Bonham	\$1,675,000	B	0	46	X	Collection system rehabilitation and overflow control
Brazoria	\$4,485,000	A	3	94.6		Collection system rehabilitation and overflow control and plant rehabilitation
Cameron Co Drainage District #3	\$4,475,000	<b>NPS</b>				Non-point source retention pond and wetlands system
Commerce	\$2,040,000	B	3	57.6	X	Collection system rehabilitation and overflow control
Coolidge	\$695,000	A	0	42	X	Plant rehabilitation
Country Club Estates - Park Utility Trust	\$1,150,000	A	7	87.6		<b>NOT ELIGIBLE</b>
East Tawakani	\$3,910,000	A	2.1	78		Plant expansion and collection system rehabilitation and extension into unserved area
El Paso PSB	\$11,480,000	F	4	70.2		Interceptors for developing area
Emory	\$5,870,000	A	2	79.8		Plant expansion and collection system rehabilitation and extension into unserved area
Far Hills UD	\$2,360,000	A	2	80.8		New plant to receive diversion
Farmersville	\$3,915,000	B	2.5	70.7		Diversion to plant expansion
Farmersville	\$1,330,000	B	2	79.2		Collection system rehabilitation and overflow control
Fort Bend Co FWSD #1	\$8,940,000	B	1.1			Collection system and plant capacity for an unserved area
Fort Worth	\$5,055,000	F	1	66.3		Gravity and pressure interceptors for developing area
Grand Saline	\$2,065,000	B	0	51.5		Plant rehabilitation
Greenville	\$10,000,000	C	3.5	66		Plant expansion
Groves	\$7,355,000	C	1.5	70.2		Collection system rehabilitation and overflow control
Hardin Co WCID #1	\$1,515,000	A	0			Plant replacement
Harris Co FWSD #27	\$8,425,000	A	4.5	74.4		Collection system rehabilitation and overflow control
Harris Co WCID #36	\$14,400,000	B	1.5	65		Collection system rehabilitation and overflow control

Applicant	Amount	Pop. Cat.	Total Points	% Cap	Disadvantaged	Description
Houston	\$46,345,000	F	0			Collection system rehabilitation and overflow control
Houston	\$1,345,000	F	0			Lift station rehabilitation
Houston	\$1,350,000	F				<b>NOT ELIGIBLE</b>
Justin	\$4,520,000	B	0	43.8		Diversion to new plant
La Grulla	\$19,555,000	B	6.1		X	Extend collection system into unserved area and expand plant
La Joya ISD	\$130,000	D	0			Lift station rehabilitation for overflow control; .
Lamesa	\$6,005,000	B	4.5			Plant expansion
Lorena	\$2,260,000	A	6	101		Plant expansion and collection system rehabilitation and overflow control
Los Fresnos	\$5,255,000	B	0	27.1	X	Collection system rehabilitation and overflow control
Lumberton MUD	\$8,765,000	C	1	49.8		Developing area trunk sewer, lift station elimination, minor plant improvements
LVWD	\$20,310,000	D	1.1	70.2		Extend collection system into unserved areas
Marlin	\$7,780,000	B	3	43.6	X	Plant expansion
Mercedes	\$1,265,000	C	4	54.3	X	Collection system rehabilitation and overflow control
Missouri City	\$7,585,000	D	7	44.3		Plant expansion with effluent beneficial reuse
Mount Calm	\$550,000	A	2	51.4		Upgrade plant
Palestine	\$5,200,000	C	2	53.8		Collection system rehabilitation and overflow control
Pharr	\$46,570,000	D	6	76.7		Collection system rehabilitation and overflow control, minor plant improvements
Point	\$1,445,000	A	2	47.5	X	Collection system rehabilitation and overflow control
Premont	\$2,470,000	A	6			No discharge plant expansion
Red Water	\$470,000	A	6	154		Collection system rehabilitation and overflow control
San Juan	\$2,915,000	D	6.1	31.6		Extend collection system into unserved areas
SAWS	\$16,075,000	F	4	26.9		Siphon rehabilitations, lift station eliminations, and Dos Rios WRC plant dewatering facilities
SAWS	\$34,215,000	F	2	80.3		Medio Creek WRC expansion
SAWS	\$3,520,000	F	4	26.9		Salado WRC headworks improvements and diversion interceptors to close Salado WRC
SAWS	\$12,485,000	F	3	49.6		Major collection system rehabilitation/replacement, Dos Rios WRC grit facilities improvements
Trenton	\$730,000	A	3	147		Collection system rehabilitation and overflow control
Winnsboro	\$1,050,000	B	0	64.1	X	Collection system rehabilitation and overflow control
Yantis	\$755,000	A	5	19.8	X	Collection system rehabilitation and overflow control, extend collection system to unserved area, and plant improvements
<b>TOTAL</b>	<b>\$369,275,000</b>					

**TABLES 2A through 2J**  
**Projects in Ranking Order by Population (2A – 2F)**  
**Non Point Source Project (2H)**  
**Non Ranked Projects (2I)**  
**Disadvantaged Community Projects (2J)**

FY 2005 Intended Use Plan							
Clean Water State Revolving Fund							
Table 1							
Alphabetic Listing of All Projects							
SRF #	Applicant	Amount	Pop. Cat.	Total Points	% Cap	Disadvantaged	Description
4038-01	Aledo	\$3,485,000	A	4	80		Diversion interceptors to new plant
2019-01	Alpine	\$1,680,000	B	0	32.4		Collection system rehabilitation, relief interceptors, extend collection system to unserved area, and generator at plant
	Anna						<b>POSTMARKED AFTER DEADLINE</b>
2049-01	Aransas Pass	\$1,115,000	B	1.5	66		Collection system rehabilitation and overflow control
2052-01	Arcola	\$735,000	A	6	136		Plant expansion
2092-01	Bartlett	\$1,550,000	A	6	96.6	X	Plant expansion, lift station, and collection system rehabilitation and overflow control
2160-01	Bonham	\$1,675,000	B	0	46	X	Collection system rehabilitation and overflow control
2173-01	Brazoria	\$4,485,000	A	3	94.6		Collection system rehabilitation and overflow control and plant rehabilitation
	Cameron Co Drainage District	\$4,475,000	NPS				Non-point source retention pond and wetlands system
2307-01	Commerce	\$2,040,000	B	3	57.6	X	Collection system rehabilitation and overflow control
2316-01	Coolidge	\$695,000	A	0	42	X	Plant rehabilitation
	Country Club Estates - Park Utility Trust (Taylor Landing)	\$1,150,000	A	7	87.6		Replace existing gravity sewer system with a low pressure collection system; replace existing 35 year old package WWTP with a new WWTP.
2434-01	East Tawakani	\$3,910,000	A	2.1	78		Plant expansion and collection system rehabilitation and extension into unserved area
2449-08	El Paso PSB	\$11,480,000	F	4	70.2		Interceptors for developing area
2468-01	Emory	\$5,870,000	A	2	79.8		Plant expansion and collection system rehabilitation and extension into unserved area
2483-01	Far Hills UD	\$2,360,000	A	2	80.8		New plant to receive diversion
2485-01	Farmersville	\$3,915,000	B	2.5	70.7		Diversion to plant expansion
2485-02	Farmersville	\$1,330,000	B	2	79.2		Collection system rehabilitation and overflow control
4465-01	Fort Bend Co FWSD #1	\$8,940,000	B	1.1			Collection system and plant capacity for an unserved area
2524-10	Fort Worth	\$5,055,000	F	1	66.3		Gravity and pressure interceptors for developing area
2596-01	Grand Saline	\$2,065,000	B	0	51.5		Plant rehabilitation
2609-01	Greenville	\$10,000,000	C	3.5	66		Plant expansion
2617-02	Groves	\$7,355,000	C	1.5	70.2		Collection system rehabilitation and overflow control
2650-02	Hardin Co WCID #1	\$1,515,000	A	0			Plant replacement
4461-01	Harris Co FWSD #27	\$8,425,000	A	4.5	74.4		Collection system rehabilitation and overflow control
2770-02	Harris Co WCID #36	\$14,400,000	B	1.5	65		Collection system rehabilitation and overflow control
2834-16	Houston	\$46,345,000	F	0			Collection system rehabilitation and overflow control
2834-15	Houston	\$1,345,000	F	0			Lift station rehabilitation
2834-14	Houston	\$0	F				<b>NOT ELIGIBLE</b>
2957-01	Justin	\$4,520,000	B	0	43.8		Diversion to new plant
3001-01	La Grulla	\$19,555,000	B	6.1		X	Extend collection system into unserved area and expand plant
3002-01	La Joya ISD	\$130,000	D	0			Lift station rehabilitation for overflow control; .
3039-01	Lamesa	\$6,005,000	B	4.5			Plant expansion
3091-01	Lorena	\$2,260,000	A	6	101		Plant expansion and collection system rehabilitation and overflow control
3093-01	Los Fresnos	\$5,255,000	B	0	27.1	X	Collection system rehabilitation and overflow control
3114-04	Lumberton MUD	\$8,765,000	C	1	49.8		Developing area trunk sewer, lift station elimination, minor plant improvements
3954-02	LVWD	\$20,310,000	D	1.1	70.2		Extend collection system into unserved areas
3134-01	Marlin	\$7,780,000	B	3	43.6	X	Plant expansion
3178-01	Mercedes	\$1,265,000	C	4	54.3	X	Collection system rehabilitation and overflow control
4062-02	Missouri City	\$7,585,000	D	7	44.3		Plant expansion with effluent beneficial reuse
3239-02	Mount Calm	\$550,000	A	2	51.4		Upgrade plant
3369-03	Palestine	\$5,200,000	C	2	53.8		Collection system rehabilitation and overflow control
3409-02	Pharr	\$46,570,000	D	6	76.7		Collection system rehabilitation and overflow control, minor plant improvements
3426-01	Point	\$1,445,000	A	2	47.5	X	Collection system rehabilitation and overflow control
3459-01	Premont	\$2,470,000	A	6			No discharge plant expansion



FY 2005 Intended Use Plan								
Clean Water State Revolving Fund								
Table 1								
Alphabetic Listing of All Projects								
SRF #	Applicant	Amount	Pop. Cat.	Total Points	% Cap	Disadvantaged	Description	
4031-01	Red Water	\$470,000	A	6	154		Collection system rehabilitation and overflow control	
4014-01	San Juan	\$2,915,000	D	6.1	31.6		Extend collection system into unserved areas	
4190-06	SAWS	\$16,075,000	F	4	26.9		Siphon rehabilitations, lift station eliminations, and Dos Rios WRC plant dewatering facilities	
4190-07	SAWS	\$34,215,000	F	2	80.3		Medio Creek WRC expansion	
4190-08	SAWS	\$3,520,000	F	4	26.9		Salado WRC headworks improvements and diversion interceptors to close Salado WRC	
4190-09	SAWS	\$12,485,000	F	3	49.6		Major collection system rehabilitation/replacement, Dos Rios WRC grit facilities improvements	
3755-01	Trenton	\$730,000	A	3	147		Collection system rehabilitation and overflow control	
3902-01	Winnsboro	\$1,050,000	B	0	64.1	X	Collection system rehabilitation and overflow control	
3918-01	Yantis	\$755,000	A	5	19.8	X	Collection system rehabilitation and overflow control, extend collection system to unserved area, and plant improvements	
		<b>\$369,275,000</b>						



**FY 2005 Intended Use Plan  
Clean Water State Revolving Fund  
Table 2 - Ranking By Population Category**

<b>Category B - Population 3,001 to 10,000</b>							<b>Cost Categories</b>						<b>Discharge Requirements</b>			
<b>SRF #</b>	<b>Applicant</b>	<b>Amount</b>	<b>Pop. Cat.</b>	<b>Total Points</b>	<b>% Cap</b>	<b>Disadvantaged</b>	<b>I</b>	<b>II</b>	<b>IIIA</b>	<b>IIIB</b>	<b>IVA</b>	<b>IVB</b>	<b>CBOD</b>	<b>TSS</b>	<b>NH3</b>	<b>DO</b>
3001-01	La Grulla	\$19,555,000	B	6.1		X	X				X		30	30		
3039-01	Lamesa	\$6,005,000	B	4.5				X					10	15		4
2307-01	Commerce	\$2,040,000	B	3	57.6	X			X				10	15	2	6
3134-01	Marlin	\$7,780,000	B	3	43.6	X		X					10	15	2	5
2485-01	Farmersville	\$3,915,000	B	2.5	70.7			X					10	15	3	4
2485-02	Farmersville	\$1,330,000	B	2	79.2					X			10	15		4
2049-01	Aransas Pass	\$1,115,000	B	1.5	66				X	X			20	20		4
2770-02	Harris Co WCID #36	\$14,400,000	B	1.5	65				X	X			10	15	3/5	4
4465-01	Fort Bend Co FWSD #1	\$8,940,000	B	1.1				X			X		10	15	4	4
3902-01	Winnsboro	\$1,050,000	B	0	64.1	X			X				10	15	3	5
2596-01	Grand Saline	\$2,065,000	B	0	51.5			X					10	15	3	4
2160-01	Bonham	\$1,675,000	B	0	46	X			X	X			10	15	3	4
2957-01	Justin	\$4,520,000	B	0	43.8			X					10	15	5	6
2019-01	Alpine	\$1,680,000	B	0	32.4		X			X	X	X	20	20		4
3093-01	Los Fresnos	\$5,255,000	B	0	27.1	X			X	X			10	15	3	4
		<b>\$81,325,000</b>														

<b>Category C - Population 10,001 to 25,000</b>							<b>Cost Categories</b>						<b>Discharge Requirements</b>			
<b>SRF #</b>	<b>Applicant</b>	<b>Amount</b>	<b>Pop. Cat.</b>	<b>Total Points</b>	<b>% Cap</b>	<b>Disadvantaged</b>	<b>I</b>	<b>II</b>	<b>IIIA</b>	<b>IIIB</b>	<b>IVA</b>	<b>IVB</b>	<b>CBOD</b>	<b>TSS</b>	<b>NH3</b>	<b>DO</b>
3178-01	Mercedes	\$1,265,000	C	4	54.3	X				X			10	15	3	4
2609-01	Greenville	\$10,000,000	C	3.5	66			X					20	20	2	2/4
3369-03	Palestine	\$5,200,000	C	2	53.8				X	X			10	15	3	5
2617-02	Groves	\$7,355,000	C	1.5	70.2				X				10	15	3	4
3114-04	Lumberton MUD	\$8,765,000	C	1	49.8			X	X			X	10	15		6
		<b>\$32,585,000</b>														

**FY 2005 Intended Use Plan  
Clean Water State Revolving Fund  
Table 2 - Ranking By Population Category**

<b>Category D - Population 25,001 to 100,000</b>							<b>Cost Categories</b>						<b>Discharge Requirements</b>			
<b>SRF #</b>	<b>Applicant</b>	<b>Amount</b>	<b>Pop. Cat.</b>	<b>Total Points</b>	<b>% Cap</b>	<b>Disadvantage d</b>	<b>I</b>	<b>II</b>	<b>IIIA</b>	<b>IIIB</b>	<b>IVA</b>	<b>IVB</b>	<b>CBOD</b>	<b>TSS</b>	<b>NH3</b>	<b>DO</b>
4062-02	Missouri City	\$7,585,000	D	7	44.3			X					10	15	3	5
4014-01	San Juan	\$2,915,000	D	6.1	31.6						X		10	15	3	6
3409-02	Pharr	\$46,570,000	D	6	76.7			X		X			10	15	3	4
3954-02	LVWD	\$20,310,000	D	1.1	70.2						X		20	20	5	4
3002-01	La Joya ISD	\$130,000	D	0						X						
		<b>\$77,510,000</b>														
<b>Category F - Population 500,001 or greater</b>							<b>Cost Categories</b>						<b>Discharge Requirements</b>			
<b>SRF #</b>	<b>Applicant</b>	<b>Amount</b>	<b>Pop. Cat.</b>	<b>Total Points</b>	<b>% Cap</b>	<b>Disadvantage d</b>	<b>I</b>	<b>II</b>	<b>IIIA</b>	<b>IIIB</b>	<b>IVA</b>	<b>IVB</b>	<b>CBOD</b>	<b>TSS</b>	<b>NH3</b>	<b>DO</b>
2449-08	El Paso PSB	\$11,480,000	F	4	70.2							X	20	20	5	4
4190-06	SAWS	\$16,075,000	F	4	26.9			X		X			10	15	2	4
4190-08	SAWS	\$3,520,000	F	4	26.9			X				X	10	15	2	4
4190-09	SAWS	\$12,485,000	F	3	49.6			X		X			5	12	2	6
4190-07	SAWS	\$34,215,000	F	2	80.3			X					10	15	2	4
2524-10	Fort Worth	\$5,055,000	F	1	66.3							X	7	15	2/4	6
2834-15	Houston	\$1,345,000	F	0						X			10	15	3	
2834-16	Houston	\$46,345,000	F	0					X				10	15	3	
		<b>\$130,520,000</b>														



**FY 2005 Intended Use Plan  
Clean Water State Revolving Fund  
Table 2 - Ranking By Population Category**

**Category J - Disadvantaged Program**

The disadvantaged program has an allocation of up to \$30,000,000 for funding of projects in population categories A, B, and C (under 25,000 in population). Entities are invited to apply based on population category, starting with A and ranking within each population category until all funds are allocated.

SRF #	Applicant	Amount	Pop. Cat.	Total Points	% Cap	Disadvantaged
2092-01	Bartlett	\$1,550,000	A	6	96.6	X
3918-01	Yantis	\$755,000	A	5	19.8	X
3426-01	Point	\$1,445,000	A	2	47.5	X
2316-01	Coolidge	\$695,000	A	0	42	X
3001-01	La Grulla	\$19,555,000	B	6.1		X
2307-01	Commerce	\$2,040,000	B	3	57.6	X
3134-01	Marlin	\$7,780,000	B	3	43.6	X
3902-01	Winnsboro	\$1,050,000	B	0	64.1	X
2160-01	Bonham	\$1,675,000	B	0	46	X
3093-01	Los Fresnos	\$5,255,000	B	0	27.1	X
3178-01	Mercedes	\$1,265,000	C	4	54.3	X
		<b>\$43,065,000</b>				

**TEXAS**  
**CLEAN WATER STATE REVOLVING FUND**  
**Statement of Sources and Uses of Capital For Loans**  
**For FY 2005**

**SOURCES:**

Loan Repayments & Investment Earnings	\$ 156,740,487
Match Bonds	12,216,089
Additional SRF Bond Issue(s)	139,262,981
ACH Draws	61,080,444
	<hr/>
<b>Total Sources For Loans</b>	<b><u><u>\$ 369,300,000</u></u></b>

**Uses:**

Loans	<b><u><u>\$ 369,300,000</u></u></b>
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## FY 2005 Funds Allocated by Population Category

Available funds are allocated to the project categories on the basis of each category's percentage of the total costs submitted. Because Board rules provide for a minimum of 7% of the available funds to be allocated to Categories A through F, the allocation of funds involves these steps:

1. The ratio of each category's costs to the total for all categories is calculated.

Population Categories	Total Number of Eligible Projects By Category	Total Cost of All Categories	Category Percentage of Total Cost	Categories Receiving Fixed Shares of Available Funds
A 3,000 or fewer	17	\$41,710,000	11.33%	\$0
B 3,001 to 10,000	15	\$81,325,000	22.09%	\$0
C 10,001 to 25,000	5	\$32,585,000	8.85%	\$0
D 25,001 to 100,000	5	\$77,510,000	21.06%	\$0
E 100,001 to 500,000	0	\$0	0.00%	\$0
F 500,001 or greater	8	\$130,520,000	35.46%	\$0
H Non-Point Source Projects	1	\$4,475,000	1.22%	\$4,475,000
<b>Total of All Categories</b>	<b>51</b>	<b>\$368,125,000</b>	<b>100.00%</b>	<b>\$4,475,000</b>

2. Categories having >7% of total costs are totaled. The ratio of each of these categories to the total for all is then calculated.

Population Categories	Total Number of Eligible Projects By Category	Total Cost of All Categories >7% of Total	[These percentages will be applied to the available funds less the amounts for categories with fixed shares]	Available Funds of \$369,300,000 less Fixed Shares (\$4,475,000)
A 3,000 or fewer	17	\$41,710,000	11.47%	\$41,844,770
B 3,001 to 10,000	15	\$81,325,000	22.36%	\$81,587,772
C 10,001 to 25,000	5	\$32,585,000	8.96%	\$32,690,286
D 25,001 to 100,000	5	\$77,510,000	21.31%	\$77,760,445
E 100,001 to 500,000	0	\$0	0.00%	\$0
F 500,001 or greater	8	\$130,520,000	35.89%	\$130,941,727
H Non-Point Source Projects	1	\$0	0.00%	\$0
<b>Total of All Categories</b>	<b>51</b>	<b>\$363,650,000</b>	<b>100.00%</b>	<b>\$364,825,000</b>

### Allocation of FY 2005 Funds

Population Categories	Total Number of Eligible Projects By Category	Available Funds By Category
A 3,000 or fewer	17	\$41,710,000
B 3,001 to 10,000	15	\$81,325,000
C 10,001 to 25,000	5	\$32,585,000
D 25,001 to 100,000	5	\$77,510,000
E 100,001 to 500,000	0	\$0
F 500,001 or greater	8	\$130,520,000
H Non-Point Source Projects	1	\$4,475,000
<b>Total of All Categories</b>	<b>51</b>	<b>\$368,125,000</b>