



# TEXAS WATER DEVELOPMENT BOARD



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September 24, 2010

Re: State Fiscal Year 2011 Clean Water State Revolving Fund Intended Use Plan

Dear Wastewater System Official:

On September 23, 2010, the Texas Water Development Board (TWDB) approved the State Fiscal Year (SFY) 2011 Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP) which includes the Project Priority List. The CWSRF IUP is available online at [www.twdb.state.tx.us/assistance/financial/fin\\_infrastructure/cwsrffund.asp](http://www.twdb.state.tx.us/assistance/financial/fin_infrastructure/cwsrffund.asp).

Notice is hereby given of the availability of approximately \$323,000,000 to fund CWSRF projects in SFY 2011. This amount includes:

- \$ 27,937,800 in Disadvantaged Community Funding
- \$294,679,160 in Mainstream Funding

Next week, the TWDB will begin extending invitations to apply for funding to entities with projects that are listed on the fundable projects list. Invitees will have 30 days from the date of invitation to notify the TWDB if they will accept or decline their invitation. Those entities accepting an invitation will have three months from the date of invitation to submit an application. Additional invitations will be mailed throughout the year as invitees decline or fail to submit a timely application. More information about each funding option will be provided in the invitation letters.

If you have any questions, please feel free to contact Suzanne Lucignani, CWSRF Specialist, by phone at 512-463-6277 or by email at [slucigna@twdb.state.tx.us](mailto:slucigna@twdb.state.tx.us).

Sincerely,

Stacy L. Barna  
Director of Program Development  
Project Finance

SLB:bv

#### *Our Mission*

*To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas.*

P.O. Box 13231 • 1700 N. Congress Avenue • Austin, Texas 78711-3231  
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November 5, 2010

Mr. Felix Benavides, P.E.  
City Engineer  
City of Pflugerville  
P.O. Box 589  
Pflugerville, TX 78691-0589

**Re: SFY 2011 Clean Water State Revolving Fund (CWSRF)  
Mainstream Funding Invitation**

Dear Mr. Benavides:

This letter serves as official notice that the City of Pflugerville (City) is eligible to apply for a CWSRF loan utilizing the Mainstream funding option to fund project numbers 8763 and 8764 as listed on the SFY 2011 CWSRF Intended Use Plan's (IUP's) Project Priority List. Please consider this letter as the City's invitation to submit an application for SFY 2011 CWSRF Mainstream funding to the Texas Water Development Board (TWDB).

SFY 2011 Mainstream funding is available at an interest rate of 1.30% below market rates and a term of 30 years. The City has 30 days from the date of this letter to notify the TWDB in writing if it will accept or decline this invitation. Therefore, the City's **invitation response deadline is December 6, 2010**. An invitation response form is enclosed for this purpose. If the TWDB does not receive the City's acceptance of this invitation by the deadline, the funds allocated to the City's project will be offered to eligible applicants in priority order.

If the City either previously indicated or, upon further review, has determined that project numbers 8763 and 8764 contain one or more green components, the City will need to fill out and return the Green Project Information Worksheets to verify Green Project Reserve eligibility. The green worksheets are accessible online at [www.twdb.state.tx.us/assistance/financial/resources/documents/twdb-0162.docm](http://www.twdb.state.tx.us/assistance/financial/resources/documents/twdb-0162.docm). The City has 30 days from the date of this letter to submit the green worksheets. Therefore, the City's **green worksheet submission deadline is December 6, 2010**.

If the City accepts the invitation and has submitted an invitation response, the next step is to schedule a pre-application conference. The TWDB recommends that the pre-application conference be scheduled as soon as possible due to the timeframe required for

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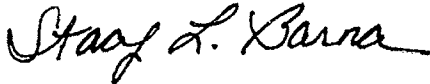


Mr. Felix Benavides, P.E.  
November 5, 2010  
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submittal of an application. Please note that the City will have three (3) months from the date of this letter to submit an application to the TWDB. Therefore, the City's **application deadline is February 7, 2011.** The City's projects will be bypassed if a completed application is not submitted in a timely manner. Projects that do not receive SFY 2011 funding may be submitted during the solicitation period for consideration to be included in a future fiscal year IUP.

The TWDB looks forward to working with the City of Pflugerville on its wastewater improvement project. If you have any questions or comments, or are ready to set up a pre-application conference, please contact Mark Evans, CWSRF Project Lead, by phone at 512-463-8510 or by email at [mark.evans@twdb.state.tx.us](mailto:mark.evans@twdb.state.tx.us).

Sincerely,

A handwritten signature in black ink that reads "Stacy L. Barna". The signature is written in a cursive style with a large initial 'S'.

Stacy L. Barna  
Director of Program Development  
Project Finance

SLB:bv

Enclosure

Response Deadline: December 6, 2010

Suzanne Lucignani  
Program Development Division  
Texas Water Development Board  
P.O. Box 13231  
Austin, TX 78711-3231

Re: **SFY 2011 Clean Water State Revolving Fund (CWSRF)  
Invitation Response Form**

TWDB Staff:

I, (insert name) \_\_\_\_\_, acting on behalf of (insert name of political subdivision or water/wastewater system) \_\_\_\_\_, hereby submit formal notice that the above named political subdivision or water/wastewater system:

SELECT ONE BOX FROM EACH COLUMN.

DOES intend to apply for  
 DOES NOT intend to apply for

Disadvantaged Community funds  
 Mainstream funds  
 Mainstream funds, but would like to be invited if additional Disadvantaged Communities funds become available

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

In order to provide better service to potential applicants of this program, your input as to reasons for not pursuing CWSRF funding would be most helpful.

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Thank you for your response. This form may be returned by any of the following methods:

<p><u>Postal Mail:</u> Suzanne Lucignani Program Development Division Texas Water Development Board P.O. Box 13231 Austin, TX 78711-3231</p>	<p><u>Fax:</u> 512-475-2086 Attention: Suzanne Lucignani</p>	<p><u>Email:</u> suzanne.lucignani@twdb.state.tx.us</p>
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# Water for Texas

## Clean Water State Revolving Fund

### What is the Clean Water State Revolving Fund program, and who can apply?

The Clean Water State Revolving Fund provides loans at below-market interest rates and principal forgiveness for planning, designing, and constructing wastewater infrastructure. Eligible applicants are wastewater treatment management agencies, including interstate agencies, cities, commissions, counties, districts, river authorities, or other public bodies created by or pursuant to state law that have authority to dispose of sewage, industrial waste, or other waste; authorized Indian tribal organizations; and private entities (nonpoint source or estuary management projects only). The program includes mainstream and disadvantaged community funds.

Although nonprofit water supply corporations are considered political subdivisions for various other Texas Water Development Board (TWDB) programs, they are not eligible to receive assistance from the Clean Water State Revolving Fund.

### How can Clean Water State Revolving Fund loans be used?

Loans can be used for planning, designing, and constructing wastewater treatment facilities, wastewater recycling and reuse facilities, collection systems, stormwater pollution control, nonpoint source pollution control, and estuary management projects. For Fiscal Year 2011, beginning September 1, 2010, and to the extent that sufficient eligible projects apply for funding, not less than 20 percent of the funds available from the State Revolving Fund capitalization grant funds will be for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

### What loan terms are offered through the Clean Water State Revolving Fund?

The Clean Water State Revolving Fund offers fixed and variable rate loans at subsidized interest rates. The maximum repayment period for a loan from

this fund is 30 years from the completion of project construction. A cost-recovery loan origination fee of 1.85 percent is imposed to cover administrative costs of operating the Clean Water State Revolving Fund. Applicants have the option to finance the origination fee in their loan. Individual entities will be limited to funding in an amount not to exceed 15 percent of the total funds available.

Interest rates are locked in at closing:

- ▶ Mainstream funds offer a net long-term fixed interest rate of 1.30 percent below market rate for those applicants financing the origination fee.
- ▶ Disadvantaged community funds offer an interest rate of 1.30 percent below market rate to eligible communities and principal forgiveness of 70 percent if the community's adjusted annual median household income is less than or equal to 75 percent and greater than 60 percent of the state adjusted annual median household income. Principal is forgiven at 100 percent if the community's adjusted annual median household income is less than or equal to 60 percent of the state adjusted annual median household income. A limited amount of funding is available each year to applicants who qualify as disadvantaged communities.

### What is the application and approval process?

**Preapplication.** Each year, the TWDB notifies all known potential entities of the availability of funding and timelines for the upcoming cycle. Prospective loan applicants are asked to submit project information that describes their existing wastewater facilities, facility needs, the nature of

**Texas Water**   
**Development Board**

the project being considered, and project cost estimates. This information is used to rate each proposed project and place prospective projects in priority order on the project priority list in the Intended Use Plan. A fundable projects list is established, and available funds are distributed in accordance with the funding order specified in the Intended Use Plan. All applicants on the fundable projects list will be notified and invited to submit complete applications within three months of the date of the invitation letter. All applicants are encouraged to schedule a preapplication conference that will guide them through the Clean Water State Revolving Fund application process. The fundable projects list is revised as projects decline or funding becomes available. Invitations are then sent to the next eligible applicant on the list.

**Application and Commitment.** Applications consist of an engineering feasibility report and environmental information and contain certain general, fiscal, and legal information. The time frame for submitting an application is dictated in the invitation to submit funding offered by the TWDB. Applications for loans are considered for approval by the TWDB governing Board at its monthly public meetings.

**Loan Closing Option.** In Fiscal Year 2011, the TWDB will begin offering applicants the opportunity to use a more efficient type of financial assistance that involves funding the planning, acquisition, and/or design portion of projects separately from the construction portion. Beginning with the Fiscal Year 2012 Intended Use Plan, applicants will be required to be ready to advertise for bids or procurement packages at the time a commitment is sought and to have acquired bids prior to closing their loans. The previous predesign funding option will continue to be offered on a limited basis.

The predesign funding option allows an applicant to receive a single loan commitment for both the planning, acquisition, and/or design and the construction portions of a project. The TWDB must deem the construction portion of the project ready to proceed before funds for the construction phase are released. This option may only be considered for projects where no significant permitting, social, contractual, environmental, engineering, or financial issues make the funding unavailable.

#### Are there any special requirements?

- ▶ Applicants for loans greater than \$500,000 must adopt a water conservation and drought contingency plan, as mandated under the Texas Administrative Code Title 31 § 363, Subchapter A.
- ▶ For Fiscal Year 2011, the Clean Water Act requires that all projects have a National Environmental Policy Act-type environmental review. TWDB staff members are available to assist applicants in determining the scope of investigation required, preparing reports, and coordinating with environmental regulatory agencies.

- ▶ The Davis-Bacon Act wage rates must be applied to all assistance agreements made in whole or in part with the Clean Water State Revolving Fund.
- ▶ All Clean Water State Revolving Fund projects must comply with the TWDB's Disadvantaged Business Enterprise program, which requires applicants and prime contractors to follow six affirmative steps in procurement: (1) include qualified disadvantaged business enterprises on solicitation lists; (2) solicit potential disadvantaged business enterprises whenever they are potential sources; (3) reduce contract size/quantities, when economically feasible, to permit maximum participation of disadvantaged business enterprises; (4) establish delivery schedules to encourage participation by disadvantaged business enterprises; (5) use the services and assistance of the Small Business Administration, the Minority Business Development Agency, and the U.S. Department of Commerce, as appropriate; and (6) require all prime contractors to follow steps 1 through 5 when awarding subcontracts or subagreements.
- ▶ Detailed information and required forms for the Disadvantaged Business Enterprise Program are available online at [http://www.twdb.state.tx.us/assistance/financial/fin\\_infrastructure/dbe.asp](http://www.twdb.state.tx.us/assistance/financial/fin_infrastructure/dbe.asp).

#### Where may I get more information?

If you do not have access to the Internet or have specific questions regarding the required procurement steps, please contact Otis Williams at (512) 463-1878. For other information, contact the TWDB at (512) 463-8510. Additional information on the Clean Water State Revolving Fund and other agency programs is also available on the TWDB Web site at [http://www.twdb.state.tx.us/assistance/financial/financial\\_main.asp](http://www.twdb.state.tx.us/assistance/financial/financial_main.asp).

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