

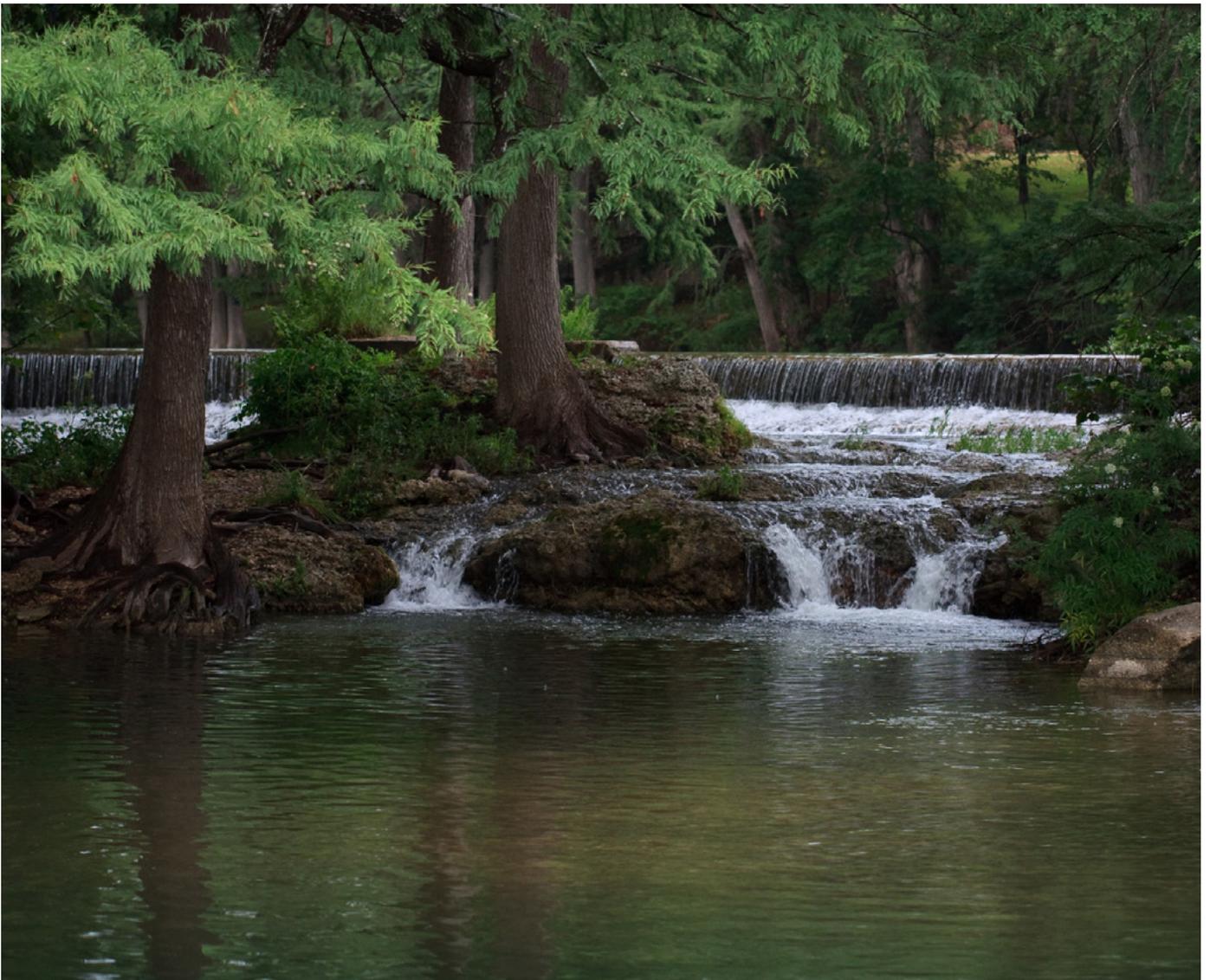
STATE OF TEXAS

Texas Water
Development Board

Annual Report

Drinking Water State Revolving Fund

www.twdb.texas.gov/financial/programs/DWSRF



SFY **2021**

TEXAS WATER DEVELOPMENT BOARD
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- A. SFY 2021 Annual Financial Report – DWSRF Financial Statements
- B. TCEQ – Small Systems Technical Assistance 2021 Annual Report
- C. TCEQ – State Program Management 2021 Annual Report
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1. Executive Summary

The purpose of the Texas Drinking Water State Revolving Fund (DWSRF) is to provide affordable financing to assist public drinking water systems meet or maintain compliance with the primary drinking water regulations or otherwise significantly further the health protection objectives of the Safe Drinking Water Act (SDWA). Funding through the DWSRF goes towards addressing needs in the areas of ensuring public health protection, maintaining and/or bringing systems into compliance, and supporting affordable and sustainable drinking water as set forth in the SDWA.

The Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ) collectively administer the state's DWSRF program. The TWDB is authorized by statute to administer the DWSRF program in accordance with the SDWA. The TCEQ, as the State's primacy regulatory agency, is responsible for implementing the drinking water regulations established by the SDWA, enforcing the national drinking water standards set by the U.S. Environmental Protection Agency (EPA), administering the Public Water System Supervision (PWSS) program, providing Small System Technical Assistance, and providing Capacity Development across the state.

The TWDB and the TCEQ provide these reports to summarize annual activities, achievements of goals, requirements met, and obligations made as set forth in the State Fiscal Year (SFY) 2021 Intended Use Plan (IUP) and Set-Aside Work Plans for the DWSRF program. The report describes the progress made toward short-term and long-term program goals, the financial status of the DWSRF, and compliance with federal DWSRF requirements during SFY 2021, which was from September 1, 2020, through August 31, 2021.

The SFY 2021 IUP described the intended uses of the funds available in the DWSRF financial assistance program and detailed how the TWDB planned to commit available funds. To comply with the federally mandated program requirements of priority ranking, those eligible entities interested in assistance were required to submit a project information form by March 10, 2020, to be added to the Initial Invited Projects List and be included in the first round of invitations for funding. The TCEQ, using project details outlined in the project information forms, scored them in accordance with their ranking system for SFY 2021, federal DWSRF regulations, and program rules. TWDB staff reviewed, scored, and ranked all submissions based on the requirements set forth in TWDB rules and criteria established for SFY 2021. An Initial Invited Projects List was created based upon project ranking and the established criteria.

During this SFY, the TWDB maintained an open IUP throughout the year to enable all interested parties to submit a project information form for inclusion on the Project Priority Lists. Applications from the initial round of invitations were based upon project ranking if the application was submitted by the established deadline. Following the initial round of invitations, subsequent rounds of invitations were sent to apply for assistance and funding was awarded on a first-come, first-served basis.

The TWDB continued to pursue program initiatives to protect public health and improve the quality of the state’s drinking water through the Urgent Need funding reserve. These efforts ensured that communities had access to low-cost financial assistance to meet their most dire needs.

Despite the Coronavirus Pandemic dramatically altering the way staff at the TWDB work, staff have been able to continue normal operations for the DWSRF. The Federal Fiscal Year (FFY) 2020 Appropriations authorized a \$86,280,000 federal capitalization grant that was used for the SFY 2021 IUP. The TWDB set the SFY 2021 DWSRF program capacity at \$150,000,000. Beginning with SFY 2020, a non-equivalency funding option was offered to applicants with a reduced interest rate subsidy. Applicants for equivalency project funding, those that required compliance with all federal cross-cutter requirements, were able to receive an interest rate subsidy of 155 basis points below market rates. Non-equivalency projects, those that did not need to comply with federal requirements, with the exception of federal anti-discrimination laws, were able to receive an interest rate subsidy of 125 basis points below market rates.

In addition to the EPA capitalization grant, the Texas DWSRF utilizes additional state funding sources to increase the program capacity. The additional available resources include the required state match of 20 percent of the grant, principal repayments from previous DWSRF loans, interest and investment earnings, and, as necessary, revenue bonds issued by the TWDB to fund project demand in excess of available cash on hand. During SFY 2021, utilizing all the funding sources mentioned, the TWDB made 23 DWSRF commitments totaling over \$118 million.

The TWDB continues to strive to improve our financial assistance programs to ensure applicants have access to the cost savings associated with utilizing these programs to advance safe drinking water infrastructure for all Texas citizens.

2. Goals and Achievements

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

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

Short-Term Goals of the Texas DWSRF Program

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

The TWDB continued efforts to promote the use of green infrastructure and technologies by setting a goal of committing an equivalent of 10 percent of the capitalization grant, or \$8,628,000, to approved green project costs via a Green Project Reserve. The TWDB enhanced the Green Project Reserve goal with the inclusion of a Green Subsidy category, which offered additional subsidy assistance to projects that contained green components equal to or greater than 30 percent of their total project costs. For more information on projects identified for Green Project Reserve goals and Green Subsidy amounts, please see Appendix A, Table 1.

2. *Offer terms of up to 30 years for the planning, acquisition, design, and/or construction for up to 75 percent of available funds in accordance with TWDB determined guidelines and the SDWA.*

Of the closings made during SFY 2021, 19 projects took advantaged of terms greater than 20-years. Details on loan terms for these projects may be found in Appendix B.

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

For SFY 2021, at least \$150 million was available under the DWSRF program. This amount includes \$30 million in principal forgiveness and at least \$120 million with subsidized interest rates or zero percent for special funding categories.

4. *Continue to enhance the DWSRF by cross-collateralizing the program with the Clean Water State Revolving Fund (CWSRF) program in accordance with state and federal law.*

During SFY 2015, the TWDB secured approval from the State Legislature during the 84th Legislative Session to cross-collateralize the CWSRF with the DWSRF. The TWDB utilized cross-collateralization when issuing bonds to support both programs during SFY 2021.

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

The TWDB hosted eight Financial Assistance workshops during the SFY. Six workshops were held in communities across the state, and two were webinars broadcast from TWDB's main office and are available on TWDB's website. Staff from the agency's regional project development teams participated in various outreach opportunities throughout the state at conferences, regional planning meetings, and one-on-one meetings with individual entities/authorities. The topics discussed during the workshops and outreach opportunities covered all TWDB financial assistance programs, the IUP process, the project information form submission, CWSRF federal requirements and program changes, specific project related questions and answers, and general outreach. A map showing workshop locations is included as Appendix A-19.

Despite the TWDB's limited ability to travel during the pandemic, staff continued to conduct customer assistance through virtual communication tools. The use of social media continues to

grow at the TWDB with increasing numbers of followers on Facebook, Twitter, LinkedIn, YouTube, and Instagram. TWDB Board members and staff continually share information on various social media sites.

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

The TWDB continued efforts to prioritize urgent need projects through outreach efforts, technical assistance, and utilization of urgent need funding. Eligible projects could receive principal forgiveness or a reduced interest rate on financing. By offering this funding, the objective was to assist communities with projects that addressed an imminent peril to public health, safety, environment or welfare with a threat of failure in response to an emergency condition were given higher preference for immediate assistance. During SFY 2021, no projects meeting these criteria applied for DWSRF funding.

- 7. Provide outreach, technical assistance and special allocations of funding to reduce the number of public water systems with unresolved health issues as part of the Securing Safe Water initiative.*

The TWDB allocated a specific portion of the available principal forgiveness in the Very Small Systems and Urgent Need funding options toward projects resolving the significant health violations as identified by the TCEQ. During SFY 2021, staff extended outreach to these identified systems to explain the DWSRF application process and encouraging them to apply for funding. As of August 31, 2021, only two systems have submitted a project information form for funding consideration. Details of the progress made may be found in Section 8, Program Initiatives.

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

The TWDB continued to offer the Asset Management Program for Small Systems (AMPSS) and the CFO to Go during the SFY. With AMPSS, the original six communities that received financial assistance to create asset management plans have completed their plans. During SFY 2021, any eligible entity, not just small systems, was eligible to receive up to \$75,000 at zero percent financing to prepare all applicable AMPSS deliverables. During SFY 2021, TWDB staff began coordinating with four SRF borrowers under the CFO to Go initiative. These entities have received free financial consulting expertise used to identify deficiencies in operations and develop corrective plans to address them. Details of TWDB's AMPSS program and the four CFO to Go recipients may be found in Section 8, Program Initiatives.

Long-Term Goals of the Texas DWSRF Program

- 1. Maintain the fiscal integrity of the DWSRF in perpetuity.*

The long-term financial health of the DWSRF is monitored through ongoing cash flow and capacity analyses. Efficient and effective use of program resources remained a top priority of the program, especially given the economic pressure of low interest and investment rates. The TWDB lending rate policy has been established to preserve the corpus of the capitalization grants and state match funds, excluding the amount of principal forgiveness and set-aside

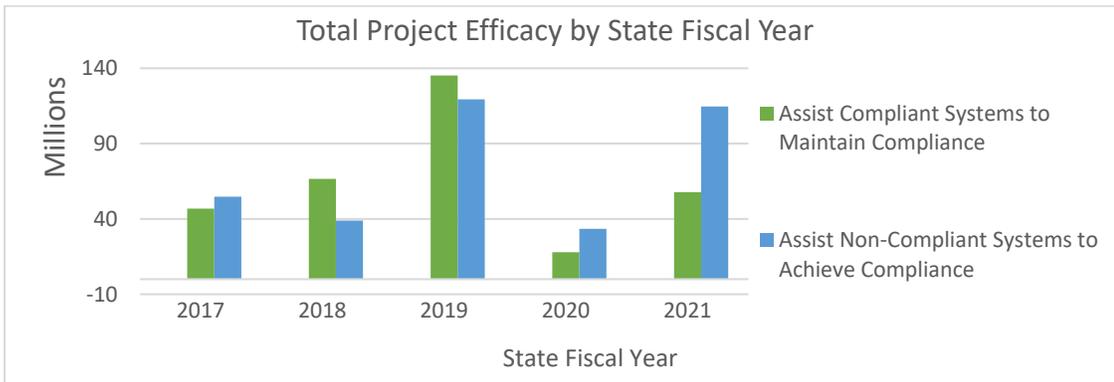
amounts from each grant. The TWDB will continue to manage the DWSRF to ensure funds will be available in perpetuity for activities under the SDWA.

The applications under the SFY 2021 IUP are subject to a minimum interest rate per maturity. The minimum annual interest rate (per maturity for bonds or for each interest payment for loans) for the Thomson Reuters Municipal Market Data (MMD) rating scale and for Non-rated securities for both Equivalency and Non-Equivalency funding adjusted for yield to maturity is:

AAA		AA		A		Baa and Non-rated	
Equivalency	Non-Equival	Equivalency	Non-Equival	Equivalency	Non-Equival	Equivalency	Non-Equival
0.95%	1.10%	1.10%	1.25%	1.30%	1.45%	1.60%	1.75%

The minimum interest rate would not apply to any portion of financing that is offered at zero percent (0%) under any funding option nor does it impact any eligible principal forgiveness category funding.

2. *Employ the resources in the DWSRF in the most effective and efficient manner to protect public health and assist communities in maintaining compliance with SDWA requirements and maintain a strong financial assistance program that is responsive to changes in the state’s priorities and needs.*



During SFY 2021, the TWDB provided DWSRF funds totaling over \$170 million to 26 projects that will protect public health and assist communities in maintaining or achieving compliance with SDWA requirements. To further achieve this goal, the TWDB has an established priority rating system that directly supports the goals of the SDWA. The TWDB reports on its efforts in achieving this goal using EPA’s National Information Management System (NIMS) and Project and Benefits Reporting (PBR) databases as required. The TWDB did experience an increase in the number of projects and the amount awarded to projects that will resolve or avoid compliance issues during SFY 2021.

3. *Assist borrowers in complying with the requirements of the SDWA by meeting the demands for funding eligible water projects by providing financial assistance with interest rates below current market levels and with Additional Subsidization in the form of principal forgiveness.*

The TWDB provided funding commitments during SFY 2021 to all eligible projects that submitted a complete application for assistance, except for those that withdrew or have applications still pending, thereby ensuring water systems within the state achieved or maintained compliance with the SDWA. Through the approval of leveraging and cross-collateralization with the CWSRF program, the TWDB can increase the capacity of low-interest funding options.

To encourage entities to use the DWSRF, reductions from market interest rates on financing were provided to recipients in the form of a 155 basis point reduction for equivalency projects and a 125 basis points reduction for non-equivalency projects. The resulting effects were substantial cost savings for the communities. To provide additional savings to disadvantaged communities, green projects, urgent need, and very small systems, the TWDB allocated \$30,000,000 of additional subsidy as shown in the SFY 2021 IUP.

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

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

Additionally, the TWDB continued to support two programs to assist communities with effective financial, managerial, and technical capacity. The first is the Asset Management Program for Small Systems, or AMPSS. The program is intended to assist small, rural wastewater systems with the development and implementation of an asset management plan and other management tools through use of program funds. The second is the “CFO to Go” Initiative. The TWDB will contract with Certified Public Accountants (CPA) to provide agreed upon procedures and technical assistance services to designated recipients with the intent to assist struggling communities maintain adequate compliance with the requirements of the DWSRF. Further details are available in Program Initiatives, Asset Management Program for Small Systems (AMPSS) and CFO to Go Initiative, respectively.

3. Subsidies to Promote Sustainability

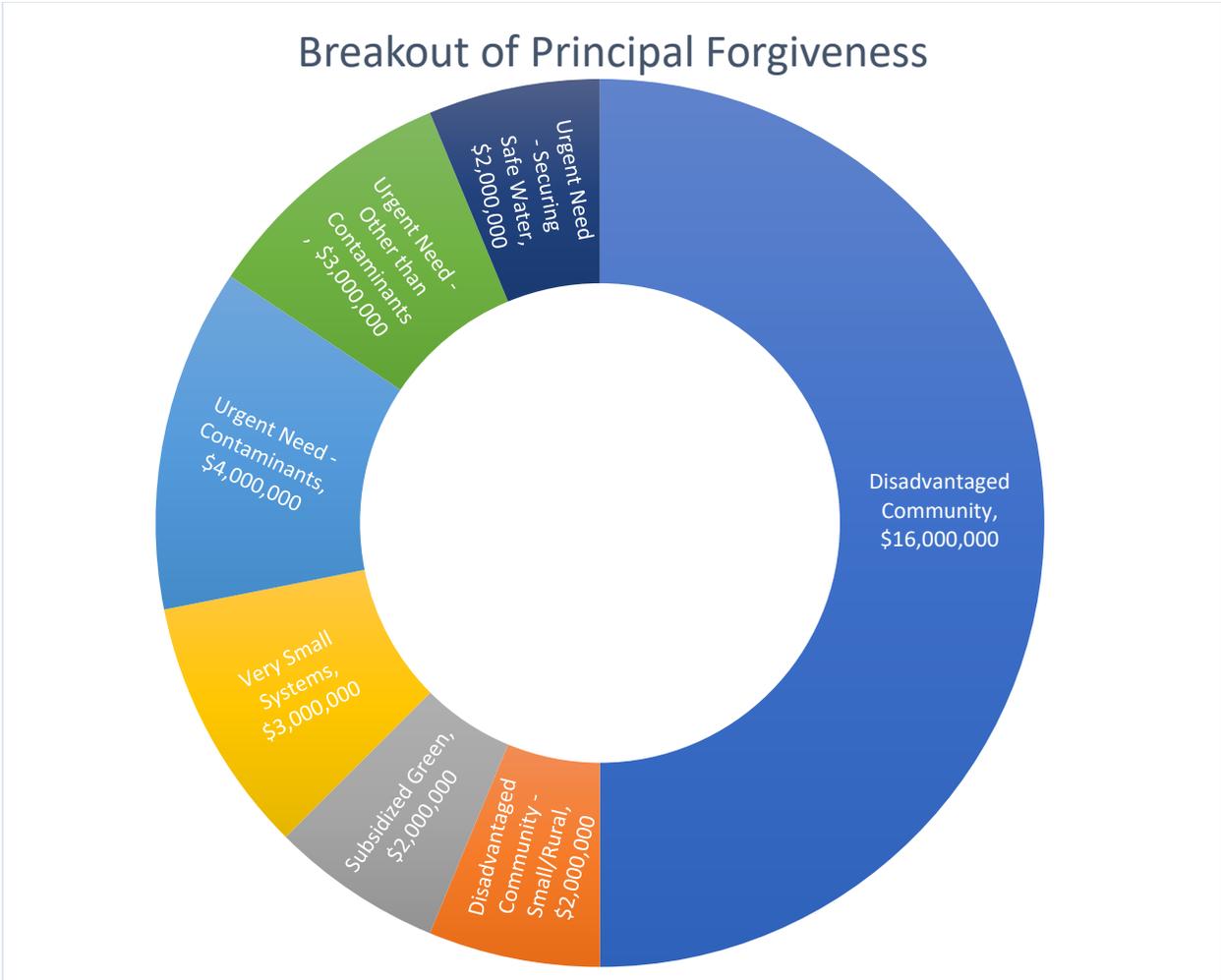
According to EPA guidance, among projects with comparable public health and water quality benefits, priority for construction financing should be given to communities that could not otherwise obtain financing for the following purposes:

- Projects that are based on a “fix it first” approach which focuses on system upgrades and replacement in existing communities;

- Investigations, studies, or plans that improve the technical, financial, and managerial capacity of the assistance recipient to operate, maintain, and replace financed infrastructure; and
- Preliminary planning, alternatives assessment, and eligible capital projects that reflect the full life cycle costs of infrastructure assets, conservation of natural resources, and alternative approaches to integrate natural or “green” systems into the built environment.

During SFY 2021, the TWDB prioritized the use of additional subsidization for those entities that met EPA’s guidance criteria. Disadvantaged communities were allocated most of the available subsidy for system upgrades and replacements. The TWDB initially made available \$16,000,000 of additional subsidy for qualifying disadvantaged communities. An additional \$2,000,000 was initially made available to Small/Rural disadvantaged communities. If any disadvantaged small/rural communities required a loan component to cover project costs, the TWDB offered zero percent interest. The total allocation in this category was to not exceed \$15,000,000 from the total funds available. The TWDB also made available \$3,000,000 of additional subsidy for very small system projects (serving 1,000 or fewer in population) of which \$1,000,000 was allocated to the Securing Safe Water initiative through the first round of funding. The other components of this guidance were fulfilled in part by awarding additional points in the project ranking criteria for entities implementing effective management that will contribute to sustainable operations.

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



For the Urgent Need – Contaminants reserve, the TWDB allocated \$2,000,000 in principal forgiveness to these projects. For the Urgent Need – Other reserve, the TWDB allocated \$3,000,000 in principal forgiveness. Also available was \$2,000,000 in principal forgiveness for the Urgent Need – Securing Safe Water initiative. If any Urgent Need project required a loan component to cover project costs, the TWDB offered zero percent interest. This was made available using an allocation not to exceed \$25 million from the total funds available.

Finally, the TWDB continued to make available \$2,000,000 in zero percent interest loan funding to any eligible system pursuing the completion of an Asset Management plan consistent with the scope of work and deliverables for the AMPSS program. An eligible system could receive up to \$75,000. Details about the Securing Safe Water and AMPSS programs can be found in section 8 and details of the additional subsidies provided are shown in Appendix A, Table 1.

4. Green Project Reserve

To further the EPA’s sustainability strategy, the TWDB set a goal to fund green projects in the amount of 10 percent of the capitalization grant. The green project funding was allocated to

projects that addressed green infrastructure, water efficiency, energy efficiency, or other environmentally innovative activities.

The TWDB designated projects as green in the IUP based upon designation by the entity and a review of the initial information submitted demonstrating their green components. The TWDB developed a green project information worksheet to facilitate a uniform approach to providing the information proving eligibility. All eligible projects considered as having green components received an invitation to apply for financial assistance. The TWDB committed to fund \$1,093,592 in green project costs during SFY 2021. Details of the Green Project Reserve are shown in Appendix A, Table 2.

5. Income from Program Fees

The TWDB assesses fees to recover administrative costs associated with the DWSRF. These fees are placed in a separate account held outside of the program funds. The fees are an assessment of two percent (2%) of the portion of the DWSRF financial assistance that is to be repaid and is assessed in full at closing.

For SFY 2021, the TWDB collected \$4,838,991.75 in DWSRF administrative fees. Fees are budgeted as a source of revenue for financing DWSRF administration expenses. During SFY 2021, no funds were transferred from the fee account to the general fund for operations. The balance of funds within the fee account was \$53,521,626.67 as of August 31, 2021.

6. Method of Cash Draw

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

The TWDB demonstrates that the required state match has been deposited and utilized prior to drawing 100 percent federal funds.

In accordance with statute and the FFY 2020 Capitalization Grant, the TWDB deposited \$17,256,000 into the DWSRF to fully meet its requirement to match an amount at least equal to 20 percent of the amount awarded in the capitalization grant. Of the \$17,256,000, \$5,928,171 was sourced to the \$21,000,000 bond proceeds deposit on April 26, 2018, \$8,980,658 was sourced to the \$25,000,000 bond proceeds deposit on April 24, 2019, and \$2,336,171 was sourced to state appropriations which were deposited on December 30, 2019. Remaining funds from the \$25,000,000 deposit in April 2019, totaling \$16,019,342, will be applied toward the FFY 2020 Capitalization Grant match requirement. Details of the state match are shown in Appendix A, Table 3.

7. Timely and Expeditious Use of Funds

As of August 31, 2021, the outstanding capitalization grant balance was \$7,577,182.38. Federal draws for SFY 2021 totaled \$78,702,817.62. The TWDB closed on 27 projects totaling

\$172,577,187. Additionally, 11 projects totaling \$68,672,955 began work while 8 projects totaling \$28,100,000 were completed. The TWDB has ensured that recipients of financial assistance make sufficient progress to reasonably ensure completion of their project within the project period. Details of fund balances are shown in Appendix A, Table 4.

During SFY 2021, the TWDB did not need to support either the CWSRF or DWSRF programs with an inter-fund loan or transfer of funds.

8. Program Initiatives

Additional Subsidization

The additional subsidization associated with the FFY 2020 grant was not fully allocated as of August 31, 2021. The TWDB received applications for six projects requesting principal forgiveness totaling \$10,007,280. Two projects have received commitments and the remaining applications are still under review. Details of the additional subsidization are shown in Appendix A, Table 1.

Disadvantaged Communities Funding

In SFY 2021, the TWDB closed on \$40,957,187 in funding for eight disadvantaged community projects and received applications for four projects totaling \$7,189,388 in principal forgiveness. Two of those projects have received commitments and count toward the FFY 2020 grant. If the remaining two applications receive commitments they will also count towards the FFY 2020 grant. A disadvantaged community is a community that meets the DWSRF's Affordability Criteria based upon income, unemployment rates, and population trends. For details on the DWSRF Affordability Criteria, please see the SFY 2021 IUP, Appendix D, Affordability Criteria to Determine Disadvantaged Community Eligibility.

Application Process

The TWDB changed its invitation process during the fiscal year. Previously, projects were invited in excess of the funding capacity available. During SFY 2021, applicants listed on the IUP's Invited Projects List were required to complete and submit an intent to apply form showing their interest in SRF funding. If they failed to submit their intent form by the established deadline, their project was bypassed. This allowed those with projects further down the Project Priority List earlier access to program funds.

The first round of invitations included projects whose total costs exceeded the amount of the capitalization grant, as evidenced by the Initial Invited Projects List within the SFY 2021 IUP. Applications received by the initial deadline were considered in the priority order listed on the Project Priority List. If any funds remain unallocated, then other projects on the Project Priority List were invited to apply in rank order.

The TWDB continued to utilize an open IUP to allow for the addition of new projects at any time throughout the year. The open IUP encouraged entities with projects that were not on the initial list to submit a Project Information Form at any time during the year. Those projects were added to the bottom of the SFY 2022 IUP Project Priority List in the order in which they were received.

Bypass of Projects on the Project Priority List

The SFY 2021 IUP, in accordance with DWSRF regulations, included a process to bypass higher ranked projects to ensure that funds available are utilized in a timely manner, and that statutory and capitalization grant requirements were met. Following the application process listed above, higher ranked projects that did not apply for financial assistance were bypassed by lower ranked projects that were ready to apply for financial assistance.

American Iron and Steel

To implement the requirements for American Iron and Steel, the TWDB: (1) advised all DWSRF applicants of the need to comply with the American Iron and Steel requirements during pre-application meetings, via guidance documents, and the agency's website; (2) included a condition in TWDB resolutions requiring recipients of DWSRF financial assistance to comply with the American Iron and Steel requirements; (3) ensured that all financial assistance agreements contained a clause mandating compliance with American Iron and Steel requirements; and (4) provided recipients with de minimis logs and certification forms.

Asset Management Program for Small Systems (AMPSS)

During SFY 2018, the TWDB began implementation of a pilot program for small systems to undertake asset management planning. The pilot program allowed qualified contractors to work with six small water and wastewater system providers to create asset management plans including, but not limited to, an inventory of assets with replacement dates and estimated costs, best practices for operation and maintenance, and associated financial plans for obtaining funding to meet future needs. Funding for the pilot was obtained through use of the CWSRF and DWSRF origination fees. A total of \$450,000 was authorized for use. As of August 31, 2020, all six communities had completed their asset management plans.

In late SFY 2021, a full-time staff member was hired to be coordinator of AMPSS going forward. Activities in SFY 2021 included reviewing the pilot program to find areas of improvement and ways to encourage long-term sustained asset management practices from the participant systems. Looking forward to SFY 2022, PAR staff intends on updating the scope of work for the contract with lessons learned and launching the next round of AMPSS using the same funding source as the pilot.

CFO to Go

Beginning in SFY 2019, the TWDB implemented a program to assist CWSRF and DWSRF financial assistance recipients. The focus of the program is to help recipients improve or maintain adequate compliance with State Revolving Fund program requirements. The TWDB contracts with Certified Public Accountants and assigns them to assist with the design and implementation of recipients' financial reporting, compliance and internal control processes and procedures. Some examples of contracted activities include: monitoring compliance with financial instrument covenants; monitoring allowable costs and compliance with cost principles; financial reporting; advising recipients on the design and implementation of internal control procedures;

and, enhancing procedures for the preparation of financial statements, among others. For fiscal 2021, a total of \$350,000 was authorized for use.

During SFY 2021, the TWDB coordinated financial consulting services for four communities.

<u>Subrecipient</u>	<u>Consulting Firm</u>	<u>Max. Amount</u>	<u>Source of Fees for Payment</u>
City of Roxton	McConnell & Jones, Weaver & Tidwell	\$49,000	C/DWSRF
City of Loraine	Weaver & Tidwell	\$73,000	CWSRF
Pleasant Springs WSC	CohnReznick	\$32,642	DWSRF
River Acres WSC	CohnReznick	\$38,508	DWSRF

\$193,150

Efforts to Address Systems with Urgent Needs

The TWDB continues to join with other state, federal, and local agencies to aid communities impacted by disasters. Through the DWSRF’s Urgent Need funding reserves, the TWDB was able to make available principal forgiveness and zero-interest financing for damaged and imperiled infrastructure. Detailed descriptions of Urgent Need projects may be found in Appendix B, Descriptions of Closed Projects.

Securing Safe Water

Beginning in SFY 2020, the TWDB began an initiative called “Securing Safe Water” that involved a comprehensive outreach, technical assistance, and funding strategy to reduce the number of public water systems that have unresolved health issues. By providing these services and funding, the TWDB worked to facilitate EPA’s Strategic Plan goal of significantly reducing the number of public water systems with reported health violations.

At the start of the SFY, the TCEQ shared a list of over 270 public water systems with health violations. By the end of the SFY, TWDB staff had contacted and provided information on the DWSRF to the entire list of systems. The TWDB’s Outreach staff and the TCEQ’s Enforcement Division staff continue outreach efforts to these communities in hopes of resolving their chronic issues. One project submitted an application for funding in SFY 2021. As of August 31, 2021, a total of six systems have submitted a financial application for consideration and closed on commitments.

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

Financial Indicators

The TWDB annually reviews key financial health indicators of the DWSRF program to ensure the program is keeping “pace” with the national benchmarks. Indicators include: Federal Return on Investment, Executed Loans as a % of Funds Available, Disbursements as a % of Executed Loans, Additional Loans Made Due to Leveraging, and Sustainability (retained earnings). National data

for SFY 2021 is unavailable for this comparison, however, the TWDB's overall indicators have been comparable to the national averages.

9. Performance Evaluation Review

Follow-up

The DWSRF requires that states comply with Section 1452 of the Safe Drinking Water Act, 40 CFR 35.3570(c). The EPA conducts an annual Performance Evaluation Review (PER) to evaluate compliance with the program and grant requirements. The SFY 2021 PER review was conducted April 20, 2021 – June 3, 2021. The review was based upon the TWDB SFY 2020 annual activity. For the review, there were interactive discussions, file reviews, completion of the standardized national EPA checklists of program evaluation questions, and an analysis of the EPA Office of Chief Financial Officer's selected cash transactions. The EPA shared one recommendation, which the TWDB accepted. Overall, the EPA found that the TWDB is meeting compliance with Section 1452 of the SDWA, 40 CFR 35.3570(c), and the capitalization grant conditions.

10. Compliance Statements

Compliance with FFY 2020 DWSRF Grant Agreement Conditions

The TWDB has complied with all administrative and programmatic conditions in the FFY 2020 DWSRF Capitalization Grant Assistance Agreement (Agreement). The Agreement was adhered to by the TWDB in an appropriate and expeditious manner in compliance with state and federal law. The TWDB understands the terms and conditions as set forth in the Agreement. Any proposed changes or necessary corrections were provided to EPA for appropriate Agreement Amendments.

State Statutes

The TWDB has complied with all applicable state laws pertaining to the TWDB's DWSRF program.

Appendix A: DWSRF SFY 2021 Tables

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	Map of Workshops Conducted in SFY 2021	A.18

Table 1						
Green Project Reserve and Additional Subsidization - 2020 IUP / 2019 Grant						
IUP and/or Grant Targets	GPR: \$ 8,622,500		Add Sub Minimum			\$ 22,418,500
			Add Sub Maximum			\$ 47,423,750
Recipient	Amount	Green	Green Subsidy	V.S.S.	Disadvantaged	Urgent Need
Annona	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Carbon	754,600	285,384	42,808	300,000	411,792	-
Coke County WSC	300,000	-	-	300,000	-	-
Commodore Cove Improvement District	295,000	-	-	295,000	-	-
Eagle Pass	3,997,286	3,997,286	357,286	-	-	-
Evadale WCID #1	300,000	-	-	300,000	-	-
Gordon	901,323	675,486	101,323	300,000	400,000	-
H2O Tech, Inc	53,467	-	-	-	-	53,467
Newton	537,600	-	-	300,000	237,600	-
North Alamo WSC	6,976,373	4,271,261	754,873	-	1,831,500	-
Paducah	3,392,958	-	-	-	1,677,958	-
Pharr	17,880,000	-	-	-	4,000,000	-
Presidio Co. WCID/Redford	300,000	-	-	-	-	300,000
Quitaque	1,495,000	-	-	300,000	650,000	-
Raymondville	2,599,412	-	-	-	1,079,412	-
Riesel	5,860,000	-	-	-	-	500,000
Roby	550,000	-	-	300,000	-	-
Rotan	5,202,068	5,090,553	763,583	-	2,163,485	-
Sweetwater	3,100,000	-	-	-	\$913,725	-
Sandbranch Development & WSC	300,000	-	-	300,000	-	-
Total Closed	\$ 55,095,087	\$ 14,319,970	\$ 2,019,873	\$ 2,995,000	\$ 13,365,472	\$ 853,467
					Total Additional Subsidy: \$ 19,233,812	

Table 1						
Green Project Reserve and Additional Subsidization - 2021 IUP / 2020 Grant						
IUP and/or Grant Targets	GPR: \$ 8,628,000		Add Sub Minimum			\$ 17,256,000
			Add Sub Maximum			\$ 42,277,200
Recipient	Amount	Green	Green Subsidy	V.S.S.	Disadvantaged	Urgent Need
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Closed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Barksdale WSC	\$ 124,300	\$ -	\$ -	\$ 124,300	\$ -	\$ -
Arp	7,367,750	6,172,164	925,825	300,000	3,739,348	800,000
Total Unclosed	\$ 7,492,050	\$ 6,172,164	\$ 925,825	\$ 424,300	\$ 3,739,348	\$ 800,000
Comanche	\$ 2,300,000	\$ 1,118,451	\$ 167,768	\$ -	\$ 626,140	\$ -
Alice	7,000,000	-	-	-	2,046,000	-
Gladewater	2,638,000	-	-	-	777,900	-
Ellinger Sewer & Water SC	1,400,000	-	-	-	-	500,000
Total Uncommitted	\$ 13,338,000	\$ 1,118,451	\$ 167,768	\$ -	\$ 3,450,040	\$ 500,000
Grand Totals	\$ 20,830,050	\$ 7,290,615	\$ 1,093,592	\$ 424,300	\$ 7,189,388	\$ 1,300,000
					Total Additional Subsidy: \$ 10,007,280	

GPR = Green Project Reserve

Add Sub = Additional Subsidization in the form of principal forgiveness

Table 2				
Green Project Reserve - 2019 IUP / 2018 Grant				
Recipient	Project Number - Commitment Numbers	Green Category(ies)	Green Amount	Green Project Description
Commodore Cove Improvement Dist.	62718 - LF1000922	Green Infrastructure	\$ 360,000	The application of innovative treatment technologies or systems that improve environmental conditions, specifically, projects that significantly reduces the amount of chemicals needed for water treatment and that reduce the amount of chemicals and residuals in the treated water are eligible under Part B, Section 4.5-2.
Eastland County WSD	62830 - LF1000978	Green Infrastructure	2,919,485	This project includes improvements to high service pumps and clearwell, improvements to chlorine dioxide system, and new disinfection by-product removal system.
Garland	62842 - LF1000965	Green Infrastructure	6,500,245	Existing water meters will be replaced with newer radio read meter technology. The replacement of existing malfunctioning water meters or upgrading existing meters with advanced metering infrastructure technology is categorically eligible under Part B, Section 2.2-3a(i).
Palo Pinto WSC	62821 - LF1000989	Water Efficiency	1,558,991	Water line replacement is business case eligible under the Water Efficiency category, Part B, 2.5-2. Storage tank replacement/rehabilitation to reduce water loss is business case eligible under the Water Efficiency category, Part B, 2.5-3.
Roscoe	62832 - LF1001002	Green Infrastructure	2,256,486	The proposed project will include the installation of new water lines to eliminate leaks and reduce water loss. The green component includes saving water that is currently lost due to leaking system; saving electrical energy by elimination pumping of water lost; and replacing piping to eliminate sources of contaminants migrating into water supply.
Total Closed		5	\$ 13,595,207	

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

Green Project Reserve - 2020 IUP / 2019 Grant				
Recipient	Project Number - Commitment Numbers	Green Category(ies)	Green Amount	Green Project Description
Carbon	62718 - LF1000922	Green Infrastructure	\$ 285,384	The radio read meters and software installation is Categorically Eligible (CE) in accordance with Part B, Section 2.2-4 for retrofitting/adding AMR capabilities or leak equipment to existing meters. The Supervisory Control and Data Acquisition (SCADA) system is CE in accordance with 2.2-10 for its intended use as distribution system leak detection equipment.
Eagle Pass	62832 - LF1001002	Water Efficiency	\$ 3,997,286	The project consists of upgrading the metering system from AMR to AMI to quickly detect leaks and increase water conservation. Retrofitting or adding AMI capabilities is categorically eligible under Part B, Section 2.2-4.
Gordon	62862 - LF1001149	Water Efficiency	675,486	Water line replacement is business-case eligible under Part B, Section 2.5-2. AMR/AMI replacement is categorically eligible under Part B, Section 2.2-3.
North Alamo WSC	62842 - LF1000965	Energy Efficiency	4,271,261	Retrofit of reverse osmosis membranes and installation of a new nano-filtration train at the Corporation's Doolittle plant, are recommended as a result of energy assessment and pilot studies. Energy assessment shows specific energy savings of 50 percent. Preliminary pilot test results show up to 59 percent specific energy savings. The project is business case eligible under Part B, Section 3.5-1.
Rotan	62821 - LF1000989	Water Efficiency	5,090,553	The water line installation is business case eligible in accordance with Part B, Section 2.4-1 for water efficiency through water saving elements. A business case is provided in accordance with 2.5-2 for distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks.
Total Closed		5	\$ 14,034,586	

Green Project Reserve Requirement: \$ 8,704,000
161%

Green Project Reserve - 2021 IUP / 2020 Grant				
Recipient	Project Number - Commitment Numbers	Green Category(ies)	Green Amount	Green Project Description
Arp	62905 - LF1001437	Water Efficiency	\$ 6,172,164	The City intends to replace approximately 41,000 linear feet of asbestos cement, cast iron, and galvanized iron pipes with high density polyethylene (HDPE) pipe and replace existing meters with an automatic meter reading (AMR) system. The project will also include the replacement of existing fire hydrants, valves, and valve boxes within the system.
Total Unclosed		1	\$ 6,172,164	
Comanche	62906 - L1001415	Water Efficiency	\$ 1,118,451	The proposed project consists of installing isolation valves on the City's main water line, upgrading existing water lines and service meters, improvements to the existing 1.1 MG northwest standpipe, and improvements to the existing pump station.
Total Uncommitted		1	\$ 1,118,451	
Grand Total		2	\$ 7,290,615	

Green Project Reserve Requirement: \$ 8,704,000
84%

Table 3 - Grant and Match Funds

FFY	SFY/ IUP	Grant Award #	SRF Grant	State Match 20%	State Match provided from State Appropriations/ Other Sources	State Match provided from Bonds	State Match Provided	In-Kind
1997	1997	FS-99679501	\$ 70,153,800	\$ 14,030,760	\$ -	\$ -	\$ -	\$ -
1998	1998	FS-99679502	54,014,400	10,802,880	13,166,911	-	13,166,911	-
1999	1999	FS-99679503	56,612,200	11,322,440	5,843,600	3,000,000	8,843,600	-
2000	2000	FS-99679504	58,836,500	11,767,300	3,750,000	-	3,750,000	-
2001	2001	FS-99679505	59,079,800	11,815,960	4,098,104	10,000,000	14,098,104	-
2002	2002	FS-99679506	62,023,700	12,404,740	4,098,104	14,500,000	18,598,104	-
2003	2003	FS-99679507	61,651,000	12,330,200	3,130,403	20,000,000	23,130,403	-
2004	2004	FS-99679508	63,953,900	12,790,780	3,130,403	10,000,000	13,130,403	-
2005	2005	FS-99679509	63,818,500	12,763,700	3,636,971	12,800,000	16,436,971	-
2006	2006	FS-99679510	67,799,550	13,563,165	3,636,971	9,000,000	12,636,971	-
2007	2007	FS-99679511	67,801,000	13,560,200	3,735,026	9,622,377	13,357,403	-
2008	2008	FS-99679512	42,112,000	13,422,400	5,183,323	8,242,332	13,425,655	54,887
2009	2009	FS-99679513	10,737,920	13,422,400	-	13,422,400	13,422,400	-
2009	ARRA	2F-96692301	160,656,000	-	-	-	-	-
	2010	No Grant Used	-	-	-	-	-	-
2010	2011	FS-99679514	67,628,080	17,250,800	4,936,171	12,314,629	17,250,800	-
2011	2012	FS-99679515	59,854,000	11,970,800	7,597,404	4,373,396	11,970,800	77,600
2012	2013	FS-99679516	57,041,000	11,408,200	949,408	10,458,792	11,408,200	-
2013	2014	FS-99679517	53,517,000	10,703,400	351,787	10,351,613	10,703,400	-
2014	2015	FS-99679518	63,953,000	12,790,600	2,336,171	10,454,429	12,790,600	-
2015	2016	FS-99679519	63,532,000	12,706,400	2,336,171	10,454,429	12,790,600	-
2016	2017	FS-99679520	60,104,000	12,020,800	2,336,171	9,600,429	11,936,600	-
2017	2018	FS-99679521	59,590,000	11,918,000	2,336,171	9,581,829	11,918,000	-
2018	2019	FS-99679522	87,040,000	17,408,000	2,336,171	15,071,829	17,408,000	-
2019	2020	FS-99679523	86,225,000	17,245,000	2,336,171	14,908,829	17,245,000	20,000
2020	2021	FS-99679524	86,280,000	17,256,000	-	17,256,000	17,256,000	-
Cumulative Over/(Under) Match:							21,099,513	
Totals			\$ 1,644,014,350	\$ 316,674,925	\$ 81,261,612	\$ 235,413,313	\$ 316,674,925	\$ 152,487

GO = General Obligations

Notes: The TWDB performed a \$100 million transfer between the DWSRF and the CWSRF. The transferred funds were from the SFY 2008, 2009, and 2011 associated grants, as reflected above.

The amount listed as the State Match 20% for the FFY 2006 grant represents the amount listed on the capitalization grant agreement. The TWDB did not request an amendment from EPA to update the amount to an accurate 20% of the grant and instead overmatched to this amount.

Table 4 – Capitalization Grant Draws			
	Beginning Balance	Expended	Balance - 08/31/2021
FS-99679523 FY 2019			
Construction	\$ -	\$ -	\$ -
Administration	141,015.63	141,015.63	-
TCEQ 2% Set-Aside	1,433,097.12	1,433,097.12	-
TCEQ 10% Set-Aside	5,701,699.54	5,701,699.54	-
TCEQ 15% Set-Aside	301,370.09	301,370.09	-
Totals	\$ 7,577,182.38	\$ 7,577,182.38	\$ -
FS-99679524 FY 2020			
Construction	\$ 70,675,200.00	\$ 70,675,200.00	\$ -
Administration	3,451,200.00	3,065,330.27	385,869.73
TCEQ 2% Set-Aside	1,725,600.00	277,364.72	1,448,235.28
TCEQ 10% Set-Aside	8,628,000.00	2,062,655.76	6,565,344.24
TCEQ 15% Set-Aside	1,800,000.00	1,429,072.02	370,927.98
Totals	\$ 86,280,000.00	\$ 77,509,622.77	\$ 8,770,377.23
Grand Totals	\$ 93,857,182.38	\$ 85,086,805.15	\$ 8,770,377.23

Table 5 – Binding Commitments Summary

IUP	Recipient	Project ID	Commitment #	Type	Commitment Date	Status	Closing Date	Amount	Required Binding Commitments	Total Commitments / Quarter	% of Required
(1997) - (2020)	Previous SFYs							\$ 3,461,966,499	\$ 1,686,465,209	\$ 3,461,966,499	205.28%
2020	Bluff Dale WSC	62891	L1001138	EQ	11/5/2020	Active	5/25/2021	490,000	1,778,666,809	3,464,187,822	194.76%
2020	Gordon	62862	L1001150	EQ	9/3/2020	Active	12/10/2020	100,000			
2020	Gordon	62862	LF1001149	EQ	9/3/2020	Active	12/10/2020	801,323			
2020	Greater Texoma UA	62899	L1001205	EQ	11/19/2020	Active	3/2/2021	830,000			
2020	Port O'Connor ID	62893	L1001184	Non-EQ	11/5/2020	Commitment		12,000,000			
2020	Bay City	62902	LM211193	Non-EQ	2/25/2021	Active	4/13/2021	2,125,000	1,778,666,809	3,505,058,547	197.06%
2020	Bay City	62902	LM221193	Non-EQ	2/25/2021	Commitment		5,645,000			
2020	Bay City	62902	LM231193	Non-EQ	2/25/2021	Commitment		4,975,000			
2020	Bay City	62902	LM241193	Non-EQ	2/25/2021	Commitment		4,820,000			
2020	Bay City	62902	LM251193	Non-EQ	2/25/2021	Commitment		3,735,000			
2020	Greater Texoma UA	62900	L1001208	EQ	2/10/2021	Active	4/27/2021	4,000,000			
2020	Orange Co WCID # 2	62901	L1001328	Non-EQ	2/25/2021	Active	4/8/2021	3,980,000			
2020	Riesel	62896	L1001186	Non-EQ	1/19/2021	Active	6/17/2021	5,360,000			
2020	Riesel	62896	LF1001210	Non-EQ	1/19/2021	Active	6/17/2021	500,000			
2020	Rusk	62892	L1001154	EQ	1/28/2021	Active	7/23/2021	2,630,000			
2020	Sweetwater	62897	L1001194	EQ	1/28/2021	Active	5/12/2021	2,187,000	1,778,666,809	3,550,528,547	199.62%
2020	Sweetwater	62897	LF1001212	EQ	1/28/2021	Active	5/12/2021	913,725			
2020	Greater Texoma UA	62898	L1001204	EQ	3/10/2021	Active	6/2/2021	5,470,000			
2020	New Braunfels	62903	L1001376	Non-EQ	3/10/2021	Commitment		40,000,000			
2021	Arp	62905	L1001436	EQ	8/19/2021	Commitment		1,602,000			
2021	Arp	62905	LF1001437	EQ	8/19/2021	Commitment		5,765,173	1,778,666,809	3,568,640,720	200.64%
2020	Evadale WCID # 1	62873	LF1001146	EQ	7/7/2021	Commitment		300,000			
2020	Lubbock	62904	L1001355	Non-EQ	7/22/2021	Commitment		10,445,000			
SFY Totals		23						\$118,674,221			

Table 6 - Federal Funds Drawn	
SFY	Amount
1997 - 2009 (incl. ARRA)	\$ 555,881,085
2010	111,652,167
2011	140,761,437
2012	105,178,704
2013	52,114,038
2014	84,209,872
2015	77,716,526
2016	148,192,086
2017	41,890,440
2018	63,039,936
2019	81,759,468
2020	87,741,408
2021	85,086,805
Grand Total	\$ 1,635,223,973

Table 7 – Grant Payments by Quarter					
	SFY 1997 - SFY 2020	SFY 2021			
	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
GRANT PAYMENTS					
All Previous Grants (including ARRA)	\$ 1,635,223,973	\$ -	\$ -	\$ -	\$ -
FS-99679524		86,280,000	-	-	-
FS-99679524 In-Kind		-	-	-	-
QUARTERLY TOTAL	\$ 1,635,223,973	\$ 86,280,000	\$ -	\$ -	\$ -
REQUIRED BINDING COMMITMENTS					
	SFY 1997 - SFY 2021	SFY 2022			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Cumulative EPA Payments	\$ 1,635,223,973	\$ 1,721,503,973	\$ 1,721,503,973	\$ 1,721,503,973	\$ 1,721,503,973
+ State Match	282,173,925	299,429,925	299,429,925	299,429,925	299,429,925
- Set-Asides	230,932,689	242,267,089	242,267,089	242,267,089	242,267,089
REQUIRED BINDING COMMITMENTS (Within One Year From the Date of the EPA Payment)	\$ 1,686,465,209	\$ 1,778,666,809	\$ 1,778,666,809	\$ 1,778,666,809	\$ 1,778,666,809

Table 8 - Administrative Costs

SFY	Funds Received					Total Administration Expended
	Federal Funds (including ARRA Funds)				State Funds	
	4% Administration	Banked Administration	Other	Total Federal Funds		
1997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1998	2,806,152	-	-	2,806,152	-	951,001
1999	-	-	-	-	-	1,222,382
2000	2,160,576	-	-	2,160,576	-	830,921
2001	-	-	-	-	-	1,525,991
2002	2,264,488	-	-	2,264,488	-	432,220
2002	2,353,460	-	-	2,353,460	-	-
2003	-	-	-	-	-	1,853,449
2004	2,363,192	-	-	2,363,192	-	1,259,843
2005	2,480,948	-	-	2,480,948	-	2,487,202
2006	2,466,040	-	-	2,466,040	-	3,295,962
2007	2,711,982	-	-	2,711,982	-	3,851,198
2008	2,712,040	1,123,737	-	3,835,777	-	3,909,161
2009	2,684,480	1,722,671	-	4,407,151	-	4,084,522
2009	6,426,240	-	-	6,426,240	-	-
2010	2,684,480	-	-	2,684,480	-	6,439,595
2011	3,450,160	-	-	3,450,160	-	5,162,897
2012	2,394,160	-	-	2,394,160	-	3,268,839
2013	2,149,153	-	-	2,149,153	-	3,443,891
2014	2,140,680	-	-	2,140,680	-	3,075,565
2015	2,558,120	-	-	2,558,120	-	2,558,120
2016	2,541,280	-	-	2,541,280	-	2,541,280
2017	2,404,160	-	-	2,404,160	-	2,316,747
2018	2,383,600	-	-	2,383,600	-	2,471,013
2019	3,481,600	-	-	3,481,600	-	3,147,212
2020	3,449,000	-	-	3,449,000	-	3,642,372
2021	3,451,200	-	-	3,451,200	-	3,065,330
Grand Totals	\$ 64,517,191	\$ 2,846,408	\$ -	\$ 67,363,599	\$ -	\$ 66,836,714

Table 9 - DBE Utilization						
	MBE Goals	MBE Actual	% of Procurement	WBE Goals	WBE Actual	% of Procurement
Construction	19.44%	\$ 19,097,245.64	6.14%	9.17%	\$ 738,283.00	0.24%
Supplies	25.34%	925,532.39	0.30%	8.82%	444,352.68	0.14%
Equipment	16.28%	-	0.00%	11.45%	2,127,774.00	0.68%
Services	20.41%	777,857.34	0.25%	13.66%	723,355.50	0.23%
Totals		\$ 20,800,635.37	6.69%		\$ 4,033,765.18	1.30%

Total Procurements in the DWSRF: \$ 311,112,974.39

Overall DBE Procurements: 7.98%

Table 10 - Multi-Year Funding

Recipient	Project ID	Commitment #	Commitment Date	Anticipated Closing Date	Commitment Amount
Austin	62854	LM221040	10/3/2019	11/17/2021	30,000,000.00
Austin	62854	LM231040	10/3/2019	11/17/2022	24,630,000.00
Austin	62854	LM241040	10/3/2019	11/17/2023	0.00
Bay City	62902	LM221193	2/25/2021	5/2/2022	5,645,000.00
Bay City	62902	LM231193	2/25/2021	5/1/2023	4,975,000.00
Bay City	62902	LM241193	2/25/2021	5/1/2024	4,820,000.00
Bay City	62902	LM251193	2/25/2021	5/1/2025	3,735,000.00
Creedmoor Maha WSC	62805	LM20876	10/16/2018	3/23/2022	4,667,500.00
Dallas	62741	LM21066	5/31/2017	5/13/2022	44,000,000.00
North Alamo WSC	62858	LM211121	3/12/2020	12/17/2021	7,903,000.00
North Alamo WSC	62858	LM221121	3/12/2020	6/1/2022	2,527,000.00
Riverbend Water Resources	62883	LM211181	8/5/2020	2/24/2022	55,800,000.00
Riverbend Water Resources	62883	LM211182	8/5/2020	2/24/2022	37,200,000.00
Riverbend Water Resources	62883	LM221181	8/5/2020	11/30/2022	8,640,000.00
Riverbend Water Resources	62883	LM221182	8/5/2020	11/30/2022	5,760,000.00
Riverbend Water Resources	62883	LM231181	8/5/2020	11/30/2023	44,580,000.00
Riverbend Water Resources	62883	LM231182	8/5/2020	11/30/2023	29,720,000.00
Terrell	62808	LM21881	10/30/2018	9/2/2021	1,535,000.00
Terrell	62808	LM22881	10/30/2018	4/15/2022	4,150,000.00
Grand Totals	7	Unique projects			\$ 320,287,500.00

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

Cash Available:	\$	229,483,526.00
 SOURCES:		
Federal Grants Drawn	\$	85,086,805.15
State Match Deposited		2,336,171.00
Principal Repayments		74,411,086.67
Interest Repayments		18,620,882.00
Investment Earnings on Funds		209,484.14
Transfer from CWSRF to DWSRF		75,000,000.00
DWSRF Revenue Bond Proceeds		-
TOTAL SOURCES:	\$	255,664,428.96
 USES:		
<u>Set-Asides Used</u>		
Administration Expenses - 4% Set-Aside	\$	3,206,345.90
TCEQ Small Systems Technical Assistance Program - 2% Set-Aside		1,710,462.00
TCEQ Texas State Management Program - 10% Set-Aside		7,764,355.00
TCEQ Capacity Development - 15% Set-Aside		1,730,442.00
Total Set-Asides:	\$	14,411,604.90
 <u>Projects Funded</u>		
Funds Disbursed	\$	172,577,187.00
Total Projects Funded:	\$	172,577,187.00
 <u>Debt Service</u>		
Revenue Bonds - Principal Paid	\$	14,400,000.00
Match General Obligation Bonds - Principal Paid		9,623,535.73
Total Interest Paid		19,726,012.24
Total Debt Service:	\$	43,749,547.97
 TOTAL USES:	 \$	 230,738,340.00
 NET SOURCES (USES):	 \$	 24,926,088.00
 Cash - Ending Balance (8/31/2021):	 \$	 254,409,614.00

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

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

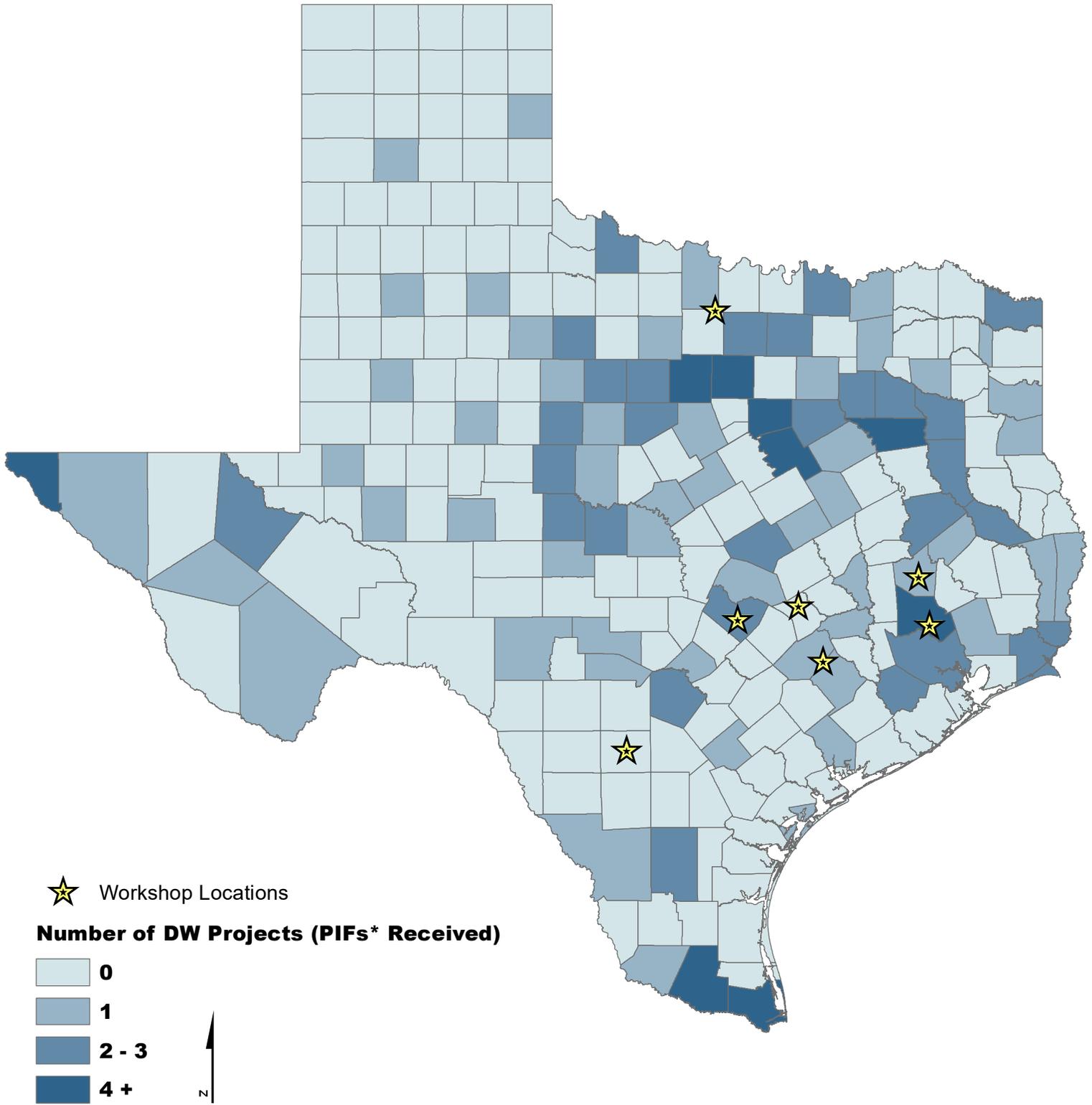
**TEXAS WATER DEVELOPMENT BOARD
DRINKING WATER STATE REVOLVING FUND
PROJECTED ANNUAL CASH FLOW COVERAGE¹
AS OF AUGUST 31, 2021**

Operational Minimum DSC: 1.10
Lowest Total DSC: 2.12

Fiscal Year (2)	Pledged Loan		Match Excess	Pledged Principal & Non-Pledged Loan Receipts		Revenue Bond Debt Service		Total Debt Service	Total Debt Service Coverage (8)	Annual Excess Revenue
	Receipt 7/1 - 6/30 (3)	Interest Debt Service for Match (4)		7/1 - 6/30 (5)	Revenue Bond Debt Service (6)	Debt Service Coverage (7)				
2022	\$17,777,959	\$19,235,679	\$ -	\$73,457,488	\$23,829,100	3.08	\$43,064,779	2.12	\$48,170,668	
2023	17,358,900	18,413,879	-	76,228,049	23,824,100	3.20	42,237,979	2.22	51,348,970	
2024	16,834,332	17,546,635	-	76,788,938	23,824,100	3.22	41,370,735	2.26	52,252,534	
2025	16,268,280	16,410,236	-	76,893,539	23,827,600	3.23	40,237,836	2.32	52,923,983	
2026	15,655,126	15,233,013	422,113	78,146,739	23,828,100	3.30	39,061,113	2.40	54,740,751	
2027	14,984,750	14,142,259	842,490	78,902,565	23,829,350	3.35	37,971,609	2.47	55,915,706	
2028	14,258,326	12,068,479	2,189,847	79,550,199	23,824,850	3.43	35,893,329	2.61	57,915,196	
2029	13,514,452	9,658,092	3,856,360	77,291,340	23,828,350	3.41	33,486,442	2.71	57,319,349	
2030	12,798,127	6,203,866	6,594,261	76,899,165	23,822,850	3.50	30,026,716	2.99	59,670,576	
2031	12,047,463	2,468,221	9,579,242	75,154,130	23,827,100	3.56	26,295,321	3.32	60,906,272	
2032	11,270,564	1,411,575	9,858,989	74,524,159	23,828,850	3.54	25,240,425	3.40	60,554,298	
2033	10,443,559	810,755	9,632,804	75,508,548	23,826,350	3.57	24,637,105	3.49	61,315,001	
2034	9,564,310	682,739	8,881,571	72,195,700	23,822,850	3.40	24,505,589	3.34	57,254,420	
2035	8,730,792	-	8,730,792	69,715,599	23,828,800	3.29	23,828,800	3.29	54,617,592	
2036	7,978,486	-	7,978,486	62,650,247	23,832,100	2.96	23,832,100	2.96	46,796,633	
2037	7,272,292	-	7,272,292	58,436,275	23,824,800	2.76	23,824,800	2.76	41,883,768	
2038	6,568,530	-	6,568,530	57,007,664	23,829,450	2.67	23,829,450	2.67	39,746,744	
2039	5,889,583	-	5,889,583	53,271,031	20,406,750	2.90	20,406,750	2.90	38,753,864	
2040	5,275,414	-	5,275,414	47,221,694	6,128,500	8.57	6,128,500	8.57	46,368,608	
2041	4,675,924	-	4,675,924	45,175,344	-	-	-	-	49,851,268	
2042	4,064,113	-	4,064,113	45,486,520	-	-	-	-	49,550,632	
2043	3,433,753	-	3,433,753	45,096,987	-	-	-	-	48,530,740	
2044	2,816,286	-	2,816,286	43,653,034	-	-	-	-	46,469,320	
2045	2,216,439	-	2,216,439	43,139,167	-	-	-	-	45,355,606	
2046	1,625,767	-	1,625,767	37,141,389	-	-	-	-	38,767,156	
2047	1,155,384	-	1,155,384	33,022,048	-	-	-	-	34,177,432	
2048	739,857	-	739,857	31,389,666	-	-	-	-	32,129,523	
2049	398,262	-	398,262	25,019,771	-	-	-	-	25,418,033	
2050	180,369	-	180,369	17,463,196	-	-	-	-	17,643,565	
2051	63,114	-	63,114	9,649,610	-	-	-	-	9,712,724	
2052	13,090	-	13,090	1,761,040	-	-	-	-	1,774,130	
2053	-	-	-	-	-	-	-	-	-	
2054	-	-	-	-	-	-	-	-	-	
2055	-	-	-	-	-	-	-	-	-	
2056	-	-	-	-	-	-	-	-	-	
	\$245,873,602	\$134,285,429	\$114,955,132	\$1,717,840,840	\$431,593,950		\$565,879,379		\$1,397,835,062	

- (1) This cash flow coverage provides a presentation of only the DWSRF, and identifies the portion of outstanding debt designated for state match that is to be repaid only from interest earnings, as required by the EPA. This is distinct from and not reflective of the pledge portrayed in the cash flow coverage provided under SRF Revenue Bond offering documents.
- (2) The Texas Water Development Board's fiscal year runs from 9/1 to 8/31.
- (3) Represents pledged loan interest repayments received from July 1st through June 30th.
- (4) Represents debt service requirements on GO State Match Bonds, and the portion of SRF Revenue Bonds designated for state match.
- (5) Represents pledged loan principal repayments and non-pledged principal and interest repayments received from July 1st through June 30th, excluding prepayments of principal.
- (6) Represents debt service requirements on SRF Revenue Bonds not designated for state match.
- (7) Represents debt service coverage ratio for SRF Revenue Bonds not designated for state match.
- (8) Total revenue to debt ratio. Total revenue includes loan repayments from July 1st through June 30th.

Map of Workshops Conducted in SFY 2021



*Project Information Form

Appendix B: DWSRF SFY 2021 Projects

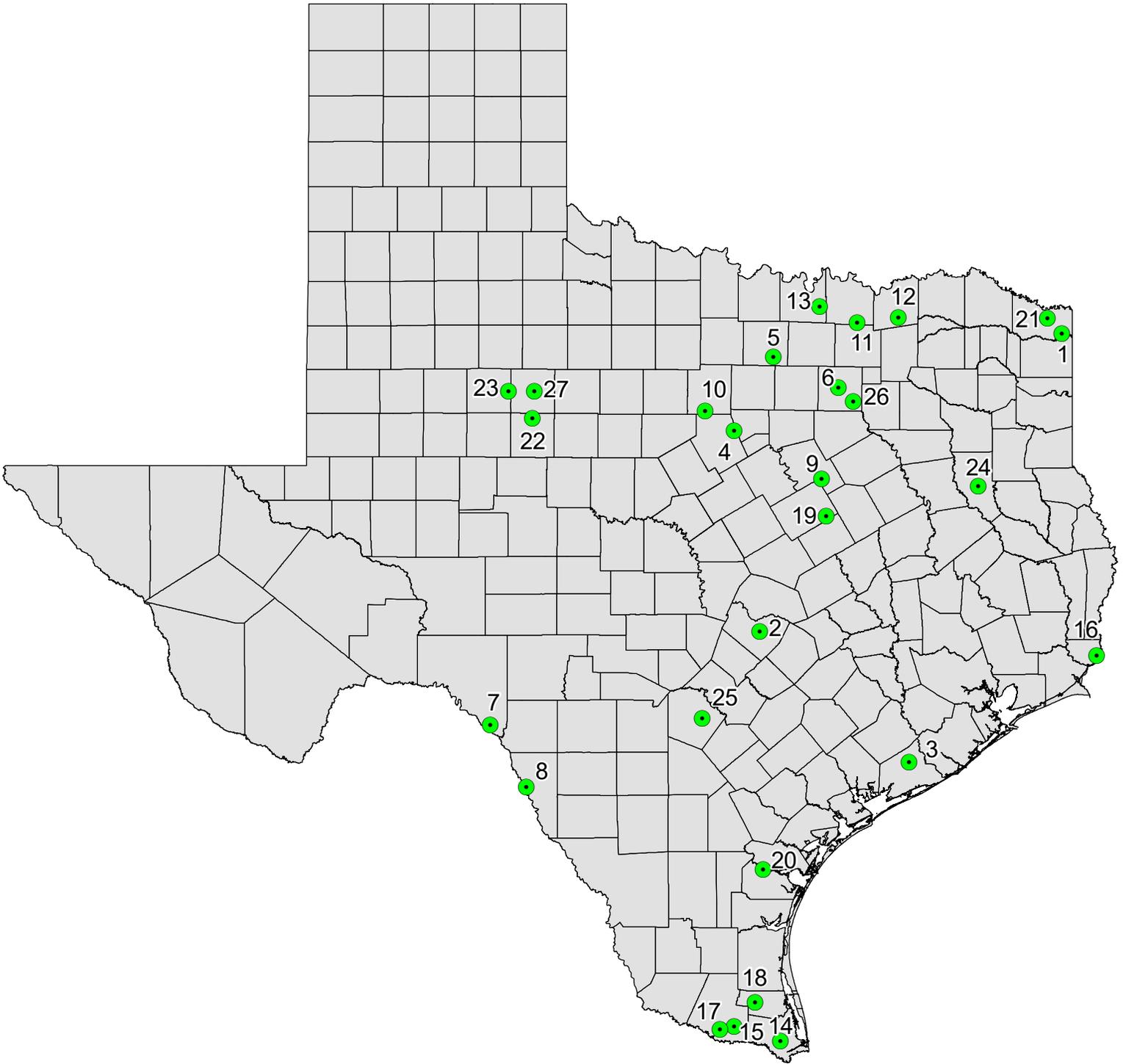
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Commitments Closed											
Map ID	Entity	Commitment #	Loan Amount	Principal Forgiven	Total Closed	Equivalency	First Principal Payment	Last Principal Payment	Interest Rate	IUP Year	Small Community
1	Annona	LF1001183		\$ 300,000	\$ 300,000	EQ				2020	Yes
2	Austin	LM211040	\$ 9,400,000		9,400,000	EQ	11/15/2021	11/15/2050	0.01%	2019	
3	Bay City	LM211193	\$ 2,125,000		2,125,000	Non-EQ	9/1/2022	9/1/2050	1.49%	2020	
4	Bluff Dale WSC	L1001138	\$ 490,000		490,000	EQ	6/1/2022	6/1/2051	1.79%	2020	Yes
5	Boyd	LM19800	\$ 5,100,000		5,100,000	EQ	2/15/2022	2/15/2051	0.31%	2018	Yes
6	Dallas	LM20066	\$ 44,000,000		44,000,000	EQ	10/1/2022	10/1/2050	0.03%	2017	
7	Del Rio	LM21690	\$ 3,000,000		3,000,000	EQ	6/1/2023	6/1/2050	0.00%	2018	
8	Eagle Pass	L1001074	\$ 3,640,000		3,640,000	EQ	12/1/2021	12/1/2050	0.06%	2020	
8	Eagle Pass	LF1001155		\$ 357,286	357,286	EQ				2020	
9	FHLM Regional WSC	L1001015	\$ 8,170,000		8,170,000	EQ	6/1/2022	6/1/2051	0.00%	2018	Yes
9	FHLM Regional WSC	LF1001016		\$ 500,000	500,000	EQ				2018	Yes
10	Gordon	L1001150	\$ 100,000		100,000	EQ	3/1/2022	3/1/2036	0.00%	2020	Yes
10	Gordon	LF1001149		\$ 801,323	801,323	EQ				2020	Yes
11	Greater Texoma UA	L1001204	\$ 5,470,000		5,470,000	EQ	8/15/2022	8/15/2051	1.54%	2020	Yes
12	Greater Texoma UA	L1001205	\$ 830,000		830,000	EQ	6/1/2022	6/1/2051	0.49%	2020	Yes
13	Greater Texoma UA	L1001208	\$ 4,000,000		4,000,000	EQ	6/1/2022	6/1/2051	1.61%	2020	Yes
14	Los Fresnos	L1001090	\$ 3,625,000		3,625,000	EQ	2/1/2022	2/1/2040	0.82%	2020	Yes
15	North Alamo WSC	LF201122		\$ 2,586,373	2,586,373	EQ				2020	
15	North Alamo WSC	LM201121	\$ 4,390,000		4,390,000	EQ	8/1/2021	8/1/2041	0.92%	2020	
16	Orange Co WCID # 2	L1001328	\$ 3,980,000		3,980,000	Non-EQ	3/1/2022	3/1/2046	1.68%	2020	Yes
17	Pharr	L1001076	\$ 13,880,000		13,880,000	EQ	9/1/2021	9/1/2049	0.11%	2020	
17	Pharr	LF1001118		\$ 4,000,000	4,000,000	EQ				2020	
18	Raymondville	L1001142	\$ 1,520,000		1,520,000	EQ	4/1/2021	4/1/2040	0.66%	2020	
18	Raymondville	LF1001156		\$ 1,079,412	1,079,412	EQ				2020	
19	Riesel	L1001186	\$ 5,360,000		5,360,000	Non-EQ	7/1/2023	7/1/2051	0.00%	2020	Yes
19	Riesel	LF1001210		\$ 500,000	500,000	Non-EQ				2020	Yes
20	River Acres WSC	LM20765	\$ 1,785,000		1,785,000	EQ	7/1/2022	7/1/2051	1.87%	2018	Yes
21	Riverbend Water Resources	LM201181	\$ 10,800,000		10,800,000	EQ	10/15/2022	10/15/2051	1.59%	2020	
21	Riverbend Water Resources	LM201182	\$ 7,200,000		7,200,000	EQ	10/15/2022	10/15/2051	1.04%	2020	
22	Roby	L1001152	\$ 250,000		250,000	EQ	3/1/2022	3/1/2051	1.47%	2020	Yes
22	Roby	LF1001151		\$ 300,000	300,000	EQ				2020	Yes
23	Rotan	L1001110	\$ 2,040,000		2,040,000	EQ	3/1/2022	3/1/2051	0.00%	2020	Yes
23	Rotan	L1001116	\$ 235,000		235,000	EQ	3/1/2022	3/1/2051	1.44%	2020	Yes
23	Rotan	LF1001115		\$ 2,927,068	2,927,068	EQ				2020	Yes
24	Rusk	L1001154	\$ 2,630,000		2,630,000	EQ	2/15/2022	2/15/2041	1.17%	2020	Yes
25	San Antonio Water System	L1001135	\$ 11,805,000		11,805,000	EQ	5/15/2021	5/15/2050	0.07%	2020	
26	Sandbranch Development & WSC	LF1001137		\$ 300,000	300,000	EQ				2020	Yes
27	Sweetwater	L1001194	\$ 2,187,000		2,187,000	EQ	8/15/2022	8/15/2041	0.79%	2020	
27	Sweetwater	LF1001212		\$ 913,725	913,725	EQ				2020	
Totals		39	\$ 158,012,000	\$ 14,565,187	\$ 172,577,187						

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

Project Locations and Closings



Descriptions of Closed Projects

Annona Riverbend Regional Water System Project # 62884			
Commitment Amount	\$300,000	Closing Date	11/23/2020
Commitment Code(s)	LF1001183	Map Location	1
<p>Need: The City of Annona (City) is a member of the Riverbend Water Resources District, which is comprised of 17 member entities. The City and member entities purchase treated water on a wholesale basis from Texarkana Water Utility (TWU). TWU's production limitation has resulted in the member entities being in non-compliance with minimum water supply capacity requirements. This has impacted the member entities' ability to serve their growing water demands and expand their water service area. As noted in the 2016 Region D Water Plan, each of the Riverbend Water Resources District's member entities are projected to have a water supply shortage due to the production limits of the aging TWU water treatment plant.</p> <p>Description: The City is requesting financial assistance to fund its participation in the Riverbend Regional Water System Project. The regional project consists of constructing a new raw water intake on Wright Patman Lake, raw water pump station and transmission pipeline, a new 25 million gallon per day (MGD) water treatment plant, environmental mitigation efforts, and decommissioning of TWU's New Boston Road Water Treatment Plant and raw water conveyance system.</p>			
Austin North Austin Reservoir & Pump Station Replacement Project # 62854			
Commitment Amount	\$9,400,000	Closing Date	01/22/2021
Commitment Code(s)	LM211040	Map Location	2
<p>The City of Austin (City) needs to rehabilitate and upgrade water system facilities at the North Austin Reservoir and Ullrich Pump Station that are at the end of their useful lives. The upgrades will improve reliability, safety, and allow for repairs with parts that meet current industry standards.</p> <p>At the City's North Austin Reservoir, the City proposes to decommission existing infrastructure and construct a new facility that will include a new 8-million-gallon ground storage tank and a pump station. At the Ullrich Pump Station, the City proposes to construct a new electrical building, including site work, and replace electrical equipment and a generator.</p>			
Bay City Design and Construction of Bay City Water System Improvements Project # 62902			
Commitment Amount	\$2,125,000	Closing Date	04/13/2021
Commitment Code(s)	LM211193	Map Location	3
<p>The City of Bay City's (City) existing water production, treatment, and distribution system needs to be expanded and rehabilitated to serve future development and industrial/commercial customers. The City is not currently able to meet their desired level of service for water plant capacity and pressure requirements due to an</p>			

increasing number of connections throughout the service area. Additional water supply and capacity would greatly support the City's goal of growing and retaining the current population by enabling any new residents to be supplied by consistent and reliable sources of water.

The City proposes to complete the construction and installation of two new water plants and the addition of 12" transmission lines to loop the system and reduce outages, and the installation of an Advanced Metering Infrastructure (AMI) program. The City also intends to include additional miscellaneous improvement projects included in their Capital Improvement Program (CIP), including fire hydrant and valve rehabilitation and Water Treatment Plant Improvements. The preparation of a rating and prioritization system to help manage the City's assets will also be included as part of this project.

Bluff Dale WSC

FM 2481 2nd Well

Project # 62891

Commitment Amount	\$490,000	Closing Date	05/25/2021
Commitment Code(s)	L1001138	Map Location	4

Need: Currently, Bluff Dale Water Supply Corporation (Corporation) has one public water supply well. If this well fails or requires maintenance, the water system has no back up supply and customers will go without water until the well can be brought back online. Additional supply is also required to remain compliant with the Texas Commission on Environmental Quality (TCEQ) connection capacity requirement of 0.6 gallons per minute per connection. The Corporation is currently in violation of the TCEQ's 85 percent maximum production capacity rule, with existing production capacity at approximately 89 percent. The projected population growth rate in Erath County is one percent per year according to the most recent Region G projections, so additional supply will be needed to meet anticipated future demand.

Description: The Corporation proposes to drill a second well in order to comply with TCEQ well capacity per connection and 85 percent maximum production capacity requirements, as well as for emergency use at this time. This second well will also have sufficient capacity to meet projected needs in this area. The proposed well will be connected to the Corporation's existing water supply system, where the water will be treated through existing chlorination equipment and stored in the existing standpipe.

Boyd

2017 Phase I Water System Improvements

Project # 62772

Commitment Amount	\$5,100,000	Closing Date	07/28/2021
Commitment Code(s)	LM19800	Map Location	5

Project Need: The City of Boyd's (City) water system is experiencing substandard water pressure during high demand periods, ineffective pumping, and the system is reaching insufficient water supply and storage. The system is also experiencing contaminant levels that exceed permitted by TCEQ.

Project Description: Creation of an asset management plan, water conservation plan, drought contingency plan, including improvements to the water supply, treatment, pumping, storage facilities and the distribution system.

Dallas

Water Distribution System Improvements (5 Year)

Project # 62741

Commitment Amount	\$44,000,000	Closing Date	05/19/2021
Commitment Code(s)	LM20066	Map Location	6
<p>Dallas Water Utilities' small diameter water main replacement program provides for the rehabilitation or replacement of approximately 40 miles of small diameter water main every year. The purpose of the program is to maintain integrity of the water distribution system, thereby reducing main breaks, maintenance costs, water losses and impacts to the public.</p> <p>The City of Dallas will utilize DWSRF funds to construct multiple segments of small diameter water main (less than 20-inch) replacements totaling nearly 40 miles/year.</p>			
Del Rio Water Main Replacement Project # 61580			
Commitment Amount	\$3,000,000	Closing Date	05/24/2021
Commitment Code(s)	LM21690	Map Location	7
<p>Need: The City of Del Rio has pressure problems within old sections of their water distribution system that requires frequent maintenance. The City has identified pipe replacement in an area that will result in improvements to pressure, water quality, and a reduction on O&M expense.</p> <p>Project Description: Proposed construction includes the replacement of approximately 97,863 LF of deteriorated or undersized located within various portions of the City. The new lines will replace existing lines in the same locations or will be located within the same road rights-of-way.</p>			
Eagle Pass New Systemwide AMI Meters Project # 62882			
Commitment Amount	\$3,997,286	Closing Date	10/08/2020
Commitment Code(s)	L1001074, LF1001155	Map Location	8
<p>Need: The City of Eagle Pass (City) has automatic water meters throughout the water system; however, these do not provide real-time information when there are leaks or when the meters fail to provide accurate readings of the amount of water consumed by customers. The City needs a system-wide advanced communication infrastructure network to improve its water leak detection, water billing accuracy, and conservation efforts.</p> <p>Description: The project consists of upgrading the City's metering system from automatic meter reading (AMR) to advanced metering infrastructure (AMI) that allows two-way communication to better manage water billing, quickly detect meter accuracy problems, ensure that any leaks are quickly found and remedied, and increase water conservation and accountability in the system. Approximately 14,500 AMR meters throughout the system, or about 83 percent of total connections, will be upgraded to AMI meters by replacing the registers (electronic boards); three base stations/antenna will be installed at three elevated storage tanks (EST); and 13 repeaters will be installed at existing ESTs and existing and abandoned lift stations.</p>			
FHLM Regional WSC McLennan County Regional Arsenic Mitigation Project # 51060			
Commitment Amount	\$8,670,000	Closing Date	06/18/2021

Commitment Code(s)	L1001015, LF1001016	Map Location	9
<p>Need: The FHLM Regional Water Supply Corporation (FHLM) members Axtell Water Supply Corporation (Axtell WSC) and Elk Oak Lake (EOL) WSC, located in McLennan County, get their existing groundwater supplies from the Trinity Aquifer. Their wells are in violation for exceeding the Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) maximum contaminant level allowed for arsenic and both entities are under court order to mitigate their arsenic contamination.</p> <p>Description: The FHLM Regional Water Supply Corporation (FHLM) proposes to construct their Arsenic Mitigation project for two of their member entities - Axtell Water Supply Corporation (WSC) and Elk Oak Lake (EOL) WSC. To decrease the arsenic contamination to levels below the maximum contaminant level allowed by the EPA and TCEQ, FHLM will blend treated surface water purchased from the City of Waco with the members' existing groundwater supplies. This will require construction of approximately 14 miles of water transmission pipelines and distribution mains as well as four new FHLM owned/operated pump stations in order to transport the treated surface water, blend with the member WSCs' groundwater supplies, and send to the member WSCs' existing pump station plants for distribution.</p>			
Gordon Water System Improvements Project # 62862			
Commitment Amount	\$901,323	Closing Date	12/10/2020
Commitment Code(s)	L1001150, LF1001149	Map Location	10
<p>Need: The City of Gordon is currently under an enforcement action by the TCEQ for not maintaining a 0.6 gpm per connection water treatment capacity. The City has also been cited for failing to maintain sufficient pressure throughout the water system and for not providing adequate metering and sampling of the backwash from the filters at the water treatment plant. In addition, the City's water system is experiencing significant water losses.</p> <p>Description: The proposed project includes replacing approximately 5,300 linear feet of old deteriorated water distribution lines to reduce water loss; and replace manual-read water meters with radio-read meters to improve accuracy, reduce apparent water loss, better track water usage, and reduce costs. This project also includes installing and connecting existing and new water treatment plant microfilters and disinfection equipment to increase treatment capacity; and installing backwash metering facilities and sampling lines.</p>			
Greater Texoma UA Lake Kiowa SUD Water Line Replacement Project Project # 62898			
Commitment Amount	\$5,470,000	Closing Date	06/02/2021
Commitment Code(s)	L1001204	Map Location	11
<p>Project Need: Lake Kiowa Special Utility District's water system contains approximately 4.5 miles of asbestos-cement pipe (ACP) installed in 1967 that are now deteriorating causing failures resulting from leaching corrosion.</p> <p>Project Description: Approximately 4.5 miles of asbestos-cement pipelines will be replaced with new polyethylene pipes to be installed utilizing directional boring.</p>			
Greater Texoma UA GTUA/Gober MUD Water System Improvements			

Project # 62899

Commitment Amount	\$830,000	Closing Date	03/02/2021
Commitment Code(s)	L1001205	Map Location	12

Project Need: Gober Municipal Utility District (District) have been experiencing high water losses in their distribution system resulting from over aged, and undersized lines that's causing low water line pressure and additional maintenance costs to repair leaks. The water system also needs electrical upgrades at the existing pump station to improve efficiency and reliability, including rehabilitation of the inside of the existing Ground Storage Tank due to corrosion

Project Description: The District will replace approximately 11,000 linear feet of aging and undersized water lines, and install variable frequency drives (VFD) at an existing well pump and at the high service pump station, also install a new backup generator for the well and pump station, including installation of a liner inside the existing ground storage tank.

Greater Texoma UA
 GTUA/City of Van Alstyne Elevated Storage Tank & Water System Improvements
 Project # 62900

Commitment Amount	\$4,000,000	Closing Date	04/27/2021
Commitment Code(s)	L1001208	Map Location	13

Project Need: A water model was updated for the City of Van Alstyne to reflect the rapid growth rate occurring in the city and the planned ETJ. service area. The City is currently in compliance with the storage rules established by the TAC §290.43. The updated model reveals the City will need an additional 175,000 gallons of elevated storage in the 2021 and 2022 timeline to remain compliant

Project Description: A water model was updated for the City of Van Alstyne to reflect the rapid growth rate occurring in the city and the planned ETJ. service area. The City is currently in compliance with the storage rules established by the TAC §290.43. The updated model reveals the City will need an additional 175,000 gallons of elevated storage in the 2021 and 2022 timeline to remain compliant. The proposed project is to plan, design, and construct a 750,000-gallon Elevated Storage Tank that will provide elevated storage for the active and future growth in the City of Van Alstyne. The EST will provide for growth to approximately 7500 connections. This represents a population of approximately 23,000 persons, which agrees with the anticipated population in 2045.

Los Fresnos
 SWTP Expansion & Distribution Lines
 Project # 62627

Commitment Amount	\$3,625,000	Closing Date	10/29/2020
Commitment Code(s)	L1001090	Map Location	14

Need: The City of Los Fresnos' (City) water treatment plant is currently in noncompliance with Texas Commission of Environmental Quality (TCEQ) requirements regarding treatment and operations. Additionally, with a projected increase of more than 300 water connections by the 2035, the plant will not have enough capacity to meet future water demands.

Project Description: The project consists of increasing the City's water treatment plant capacity from 1.0 to 1.5 million gallons per day (MGD) to meet future water demands. The project will also rehabilitate and upgrade a large portion of the plant's equipment and treatment facilities to address treatment violations and system

operational compliance.

North Alamo WSC
Energy-Efficient Brackish Groundwater Desalination Project
Project # 62858

Commitment Amount	\$6,976,373	Closing Date	09/28/2020
Commitment Code(s)	LF201122, LM201121	Map Location	15

Need: The North Alamo Water Supply Corporation (Corporation) needs to develop new water supply sources to keep up with the population growth and water demand in the area. To this end, the Corporation conducted a feasibility study to evaluate cost-effective means to improving groundwater use by reducing energy requirements and the cost of groundwater desalination facilities, as well as to facilitate expansion of existing brackish groundwater treatment plants.

Description: The feasibility study recommended energy efficient desalination technologies that will substantially reduce the energy requirements to produce fresh water. The request by the Corporation includes funding for a pilot study to verify the projected performance of the proposed treatment technology and to collect data to inform the design and permitting of production facilities, as well as for the design and construction of three new groundwater wells and associated transmission facilities, installation of one new nanofiltration (NF) treatment train and retrofitting seven existing Reverse Osmosis trains to NF membranes.

Orange Co WCID # 2
2020 Drinking Water System Improvements
Project # 62901

Commitment Amount	\$3,980,000	Closing Date	04/08/2021
Commitment Code(s)	L1001328	Map Location	16

Project Need: The District’s aging distribution system contains of approximately 31 miles of lines mainly made of asbestos cement varying from one- to eight-inches in size. The system constantly has leaks and breakages that make it difficult to keep the water loss below 20 percent. The existing well pumps have reached their useful life and the coating systems on the storage tanks are no longer providing protection needed.

Project Description: The District is requesting planning, design, and construction funds to replace and rehabilitate the existing distribution lines and system. The proposed project will consist of removing and replacing the existing water mains with C900 PVC piping, replacing the existing well pumps, and rehabilitating the elevated storage tanks.

Pharr
City of Pharr Water Treatment Plant and Distribution System Improvements
Project # 62875

Commitment Amount	\$17,880,000	Closing Date	09/14/2020
Commitment Code(s)	L1001076, LF1001118	Map Location	17

Need: The City of Pharr’s (City) water treatment plant (WTP) has several operational deficiencies that are expected to worsen and cause difficulties in meeting standards as water demand increases. Furthermore, the City’s existing raw water storage capacity of about eight days is insufficient to meet the 21 days of storage required under its contract with Hidalgo County Irrigation District No. 2. Additionally, the existing Eldora elevated storage tank does not have a dedicated transmission main, resulting in delays filling the tank to

capacity and impacting the water distribution service as water demand increases.

Project Description: The project consists of upgrades and improvements at the City's WTP to address deficiencies and improve its performance and reliability, expansion of the raw water reservoir from eight days of storage to 21 days, and installation of a dedicated transmission main directly to the Eldora elevated storage tank from the WTP for improved operation.

Raymondville
 City of Raymondville Potable Water Distribution System Rehabilitation Project
 Project # 62887

Commitment Amount	\$2,599,412	Closing Date	10/29/2020
Commitment Code(s)	L1001142, LF1001156	Map Location	18

Need: A portion of the City's water distribution system is very old, has leaks and frequent breaks, and is composed of iron and asbestos-cement piping, which can be a potential health hazard. Also, the City's three elevated storage tanks (EST) need to be repaired and repainted to remove surface rust and fix structural deficiencies. The Texas Commission on Environmental Quality (TCEQ) has issued a Notice of Enforcement in reference to the condition of the three ESTs.

Project Description: The project will replace and update approximately 10,920 linear feet of old and under sized iron and asbestos water lines, replace nonworking gate valves and fire hydrants, and repaint and repair the exterior and interior of three ESTs.

Riesel
 Arsenic Reduction Project
 Project # 62896

Commitment Amount	\$5,860,000	Closing Date	06/17/2021
Commitment Code(s)	L1001186, LF1001210	Map Location	19

Project Need: The City's groundwater supplies in the Trinity Aquifer routinely exceed the Maximum Contaminant Level (MCL) for arsenic of 10 parts per billion (ppb), with test results as high as 32.2 ppb. The City has been in violation since the Environmental Protection Agency began requiring compliance with the lower MCL threshold in 2006 and has been under enforcement by the Texas Commission on Environmental Quality (TCEQ) since 2010.

Project Description: To reduce the naturally occurring arsenic content in its drinking water supplies, the City proposes to drill a new, shallow well in the Brazos River Alluvium Aquifer that will produce low to no arsenic concentrations. The proposed project also includes a new pump station, ground storage tanks, disinfection system, transmission piping and valves, blending equipment, and necessary SCADA, controls and electrical components. The new source water will be pumped to the City's existing groundwater sources and blended for a supply water with arsenic values below 10 ppb. An asset management plan will be prepared as part of this project.

River Acres WSC
 Water Distribution System Improvements
 Project # 62773

Commitment Amount	\$1,785,000	Closing Date	03/29/2021
Commitment Code(s)	LM20765	Map Location	20

Need: River Acres Water Supply Corporation's water lines are in an advanced state of deterioration, resulting in substantial water losses and are in need of replacement.

The project entails replacing old lines, valves, service lines, water meters, and hydrants and installing new polyvinyl chloride (PVC) water lines, gate valves, hydrants, service connections, and automated meter (AMR) systems that includes reconciliation hardware and software.

Riverbend Water Resources
Riverbend Regional Water System
Project # 62883

Commitment Amount	\$18,000,000	Closing Date	11/23/2020
Commitment Code(s)	LM201181, LM201182	Map Location	21

Need: Riverbend Water Resources District and its member entities purchase treated water on a wholesale basis from Texarkana Water Utility (TWU). TWU's production limitation has resulted in the member entities being in non-compliance with minimum water supply capacity requirements. This has impacted the member entities' ability to serve their growing water demands and expand their water service area. As noted in the 2016 Region D Water Plan, each of the Riverbend Water Resources District's member entities are projected to have a water supply shortage due to the production limits of the aging TWU water treatment plant.

Description: Riverbend Water Resources District would serve as the lead funding sponsor for the project and regional wholesale water provider. The project consists of constructing a new raw water intake on Wright Patman Lake, raw water pump station and transmission pipeline, a new 25 million gallon per day (MGD) water treatment plant, environmental mitigation efforts, and decommissioning of TWU's New Boston Road Water Treatment Plant and raw water conveyance system.

Roby
Replace Ground Storage Tank (VSS)
Project # 62890

Commitment Amount	\$550,000	Closing Date	11/12/2020
Commitment Code(s)	L1001152, LF1001151	Map Location	22

Need: The City of Roby is under TCEQ enforcement for the dilapidated condition of its existing 500,000-gallon ground storage tank. To meet TCEQ requirements, the tank would require re-coating and significant repairs, including roof replacement. Additionally, the large tank size relative to the water system's demands results in long residence times of treated water in the system, which creates the need for excessive flushing by the City to maintain the disinfection residual.

Description: A new ground storage tank is proposed to be constructed to replace the existing 500,000-gallon tank. The new tank will be sized with a smaller capacity to reduce the system's water age issues currently experienced in the existing tank and will address all TCEQ enforcement actions issued regarding the existing tank. The new tank will be constructed adjacent to the existing tank on land owned by the City. After the new tank is built, the existing tank will be demolished.

Rotan
Water System Improvements
Project # 62868

Commitment Amount	\$5,202,068	Closing Date	09/15/2020
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Commitment Code(s)	L1001110, L1001116, LF1001115	Map Location	23
<p>Need: The City of Rotan's existing 56-mile cast iron transmission line, which serves as the main drinking water source for the City, has deteriorated from several decades of use. The transmission line carries treated drinking water purchased from the City of Snyder 31 miles to the City's 25 miles of internal distribution lines. The deterioration of the line has resulted in high water loss, low disinfection residuals, service interruption, and low pressure.</p> <p>Description: The City's proposed project will install approximately 14 miles of new 12-inch PVC water line to replace a section of the existing, dilapidated cast iron water line. This 14-mile section was selected because it gives the City the most problems currently due to leaks. The section is at a lower elevation than the section to the west towards Snyder; so, the section has more pressure which exacerbates the leak problems. Replacement of this section of the existing cast iron line with PVC materials will help to alleviate water loss, maintain disinfection residuals, reduce service interruptions, and improve water pressure.</p>			
Rusk Water Distribution System Improvements & Storage Tank Rehabilitation Project # 62892			
Commitment Amount	\$2,630,000	Closing Date	07/23/2021
Commitment Code(s)	L1001154	Map Location	24
<p>Need: The City of Rusk needs to rehabilitate five storage tanks to become compliant with the Texas Commission of Environmental Quality (TCEQ) rules and regulations. A February 2019 inspection by TCEQ found the City in violation for failure to maintain the tanks in accordance with American Water Works Association standards.</p> <p>Description: The City is requesting planning, design, and construction funds to rehabilitate its water distribution system. The City plans to rehabilitate two elevated storage tanks, two ground storage tanks, and to demolish and install a new bolted steel ground storage tank. The plans to rehabilitate the tanks include recoating and the removal and reinstallation of existing safety components.</p>			
San Antonio Water System Dietrich EST and McMullen Pressure Zone Project # 62889			
Commitment Amount	\$11,805,000	Closing Date	12/03/2020
Commitment Code(s)	L1001135	Map Location	25
<p>Need: San Antonio Water System is recommending the integration of two independent pressure zones and construction of a Elevated Storage Tank to meet the elevated storage capacity for Pressure Zone (PZ) 828 and comply with TCEQ requirements.</p> <p>Description: San Antonio Water System proposes to construct a 1.5 million gallons Dietrich Elevated Storage tank for Pressure Zone (PZ) 828 to meet TCEQ capacity requirements for the future growth. Regulatory Compliance, Low Flow/Pressure, and Lack of Redundancy. For the Highway 90 and General McMullen Pressure Zone Integration project, SAWS proposes to connect water lines in different locations and connect two independent pressure zones to simplify operations and to provide the PZ 823 area with a more reliable supply.</p>			
Sandbranch Development & WSC New Water System Project # 62871			

Commitment Amount	\$300,000	Closing Date	12/21/2020
Commitment Code(s)	LF1001137	Map Location	26
<p>Project Need: Currently, the homes in the Sandbranch Development do not have a potable drinking water source, and the residents rely on bottled water for drinking. The City of Dallas has an existing 8-inch potable water line less than 1 mile away from Sandbranch. The water system improvements anticipated to be selected for the proposed project include installing approximately 26,000 linear feet of new 6-inch or 8-inch PVC water distribution lines and appurtenances such as fire hydrants, gate valves, meter connections, bores, etc. The proposed water system improvements also include a tie-in to the City's water line and installing a pump station with water storage, pumps, and disinfection facilities.</p> <p>The Sandbranch Development and Water Supply Corporation (Corporation) is requesting planning phase funding for this new water distribution system. The Corporation will use the planning funds to complete existing planning work, including amending an Engineering Feasibility Report previously funded by USDA-RD to comply with SRF funding requirements, application for a Certificate of Convenience and Necessity (CCN) covering the properties that are proposed to be served, negotiating draft contracts for wholesale water and treatment of the wastewater flows, and development of a business plan demonstrating sufficient funding capacity for completion of the project.</p>			
<p>Sweetwater</p> <p>Sweetwater Water System Improvements</p> <p>Project # 62897</p>			
Commitment Amount	\$3,100,725	Closing Date	05/12/2021
Commitment Code(s)	L1001194, LF1001212	Map Location	27
<p>Project Need: Various components of the City's water supply system require rehabilitation or replacement in order to remain operational. Older deteriorated membranes at the City's water treatment plant (WTP) need to be replaced to improve plant operations. In addition, pumps at the raw water pump station have become unreliable, and frequent distribution system line breaks are occurring as aged and dilapidated water lines exceed their design life.</p> <p>Project Description: The proposed project includes replacement of existing membranes at the City's WTP, replacement of existing raw water pumps and associated pump station improvements, and replacement of deteriorated water lines throughout the distribution system. In addition, the existing ground storage tank needs to be repainted.</p>			

DWSRF Project Starts					
Entity	Project #	Commitment #	Closing Date	Start Date	Net Amount
Blanco	62748	L1001127	05/07/2020	11/10/2020	\$3,400,000
Blanco	62748	L1000633	10/24/2017	11/10/2020	3,150,000
Borden County	62828	L1000961	10/21/2019	05/10/2021	1,285,000
Borden County	62828	LF1000962	10/21/2019	05/10/2021	700,000
Brookshire MWD	62829	L1000912	09/27/2019	01/20/2021	1,025,000
Brookshire MWD	62829	L1000956	09/27/2019	01/20/2021	1,250,000
Brookshire MWD	62829	LF1000954	09/27/2019	01/20/2021	300,000
Ector County UD	62853	L1001021	10/22/2019	03/11/2021	45,275,000
Greater Texoma UA	62749	L1000639	09/26/2017	09/16/2020	1,225,000
Los Fresnos	62627	L1001090	10/29/2020	06/21/2021	3,625,000
Los Fresnos	62627	L1000264	02/18/2015	06/21/2021	1,000,000
Los Fresnos	62627	LF1000290	02/18/2015	06/21/2021	426,101
Mason	62764	L1000725	07/24/2018	09/14/2020	990,000
Mason	62764	LF1000726	07/24/2018	09/14/2020	1,669,200
Montgomery	62715	L1000605	05/11/2017	01/04/2021	1,730,000
Morton Valley WSC	62761	LF1000705	05/30/2018	12/21/2020	200,000
Paint Rock	62834	LF1000951	05/29/2019	03/06/2021	300,000
Wellman	62689	L1000525	08/16/2016	04/23/2021	140,000
Wellman	62689	LF1000481	08/16/2016	04/23/2021	982,654
Totals	11	unique projects			\$68,672,955

DWSRF Project Completions					
Entity	Project #	Commitment #	Closing Date	Completion Date	Net Amount
Barton WSC	62708	LF1000629	08/25/2017	02/02/2021	\$200,000
Brazosport WA	62643	L1000326	10/22/2014	09/30/2020	15,500,000
Gladewater	62745	L1000630	09/29/2017	10/30/2020	1,600,000
Lake Texoma VFW Post 7873	62779	LF1000724	04/26/2018	04/09/2021	200,000
Raymondville	62601	L1000200	01/23/2014	02/01/2021	2,145,000
Raymondville	62601	LF1000201	01/23/2014	02/01/2021	1,655,000
Sandbranch Development & WSC	62871	LF1001137	12/21/2020	12/09/2020	300,000
Sweetwater	62699	L1000537	08/19/2016	11/20/2020	5,000,000
Woodbranch Village	62740	L1000616	09/14/2017	01/28/2021	1,500,000
Totals	8	unique projects			\$28,100,000

Project Benefits Reporting Statement

The Texas Water Development Board (TWDB) complied with the FFY 2020 Capitalization Grant requirement to report all use of funds into the Drinking Water Project Benefits Reporting system (PBR). This reporting was completed before the last day of the month following the month of closing on TWDB financial assistance. All projects listed as “commitments closed” (see table on page B.3) were reported to PBR, the National Information Management System (NIMS), and EPA’s newly created online database accordingly.

Special Appropriations Act Program

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

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

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

Below is a list of the current Texas SAAP projects:

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

Texas Water Development Board

DRINKING WATER STATE REVOLVING FUND

Annual Financial Report

For the Year Ended
August 31, 2021

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

Schedule 1 – Loans and Contracts

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General Purpose Financial Statements

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Drinking Water State Revolving Fund
Exhibit I - Combined Statement of Net Position - Enterprise Funds
 August 31, 2021

	<u>Total Enterprise Funds (Exhibit F-1)</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash in Bank (Note 3)	\$ 0.15
Cash Equivalents	116,622,299.87
Short Term Investments	186,474,941.57
Receivables from:	
Federal	2,669,142.83
Interest and Dividends	4,764,893.89
Loans and Contracts	73,098,401.42
Total Current Assets	<u>383,629,679.73</u>
Non-Current Assets:	
Loans and Contracts	1,621,600,041.96
Investments	-
Total Non-Current Assets	<u>1,621,600,041.96</u>
Total Assets	<u>2,005,229,721.69</u>
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts Payable	97,768.35
Interest Payable	1,338,987.50
Interfund Payables	84,308,008.56
Due to Other Funds	616,052.75
Due to Other Agencies	2,306,090.34
Revenue Bonds Payable	18,918,506.12
Total Current Liabilities	<u>107,585,413.62</u>
Non-Current Liabilities:	
Interfund Payables	54,181,919.78
Revenue Bonds Payable	374,266,608.16
Total Non-Current Liabilities	<u>428,448,527.94</u>
Total Liabilities	<u>536,033,941.56</u>
NET POSITION	
Restricted for:	
Other	1,469,195,780.13
Total Net Position	<u>\$ 1,469,195,780.13</u>

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

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Drinking Water State Revolving Funds
Exhibit II - Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position - Enterprise Funds
For the Fiscal Year Ended August 31, 2021

	Total Enterprise Funds (Exhibit F-2)
OPERATING REVENUES:	
Interest and Investment Income	\$ 18,992,212.64
Net Increase (Decrease) Fair Market Value	(129,435.32)
Other Operating Revenue	3,110,038.00
Total Operating Revenues	21,972,815.32
OPERATING EXPENSES:	
Salaries and Wages	7,028,158.11
Payroll Related Costs	2,165,692.36
Professional Fees and Services	367,835.26
Travel	57,062.70
Materials and Supplies	62,499.53
Communication and Utilities	14,785.46
Repairs and Maintenance	1,142.38
Rentals and Leases	29,245.96
Printing and Reproduction	-
Interest	15,751,459.74
Other Operating Expenses	3,705,932.17
Total Operating Expenses	29,183,813.67
Operating Income (Loss)	(7,210,998.35)
NONOPERATING REVENUE (EXPENSES):	
Federal Revenue	85,594,100.31
Federal Grant Pass-Through Revenue (Expense)	(1,627,649.81)
Other Benefit Payments	-
Other Intergovernmental Payments	(14,565,187.00)
Total Nonoperating Revenue (Expenses)	69,401,263.50
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	62,190,265.15
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:	
Transfers In	2,336,171.00
Total Other Revenue, Expenses, Gain/Losses and Transfers	2,336,171.00
Change in Net Position	64,526,436.15
Total Net Position - Beginning	1,404,669,343.98
Total Net Position, August 31, 2021	\$ 1,469,195,780.13

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

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Drinking Water State Revolving Fund
Exhibit III - Combining Statement of Cash Flows - Enterprise Funds
 For the Fiscal Year Ended August 31, 2021

	<u>Total Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to Suppliers for Goods and Services	(222,934.74)
Payments to Employees	(3,257,576.30)
Net Cash Provided by Operating Activities	<u>(3,480,511.04)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	-
Proceeds from State Appropriations	2,336,171.00
Proceeds from Transfers from Other Funds	434,288,393.45
Proceeds from Grant Receipts	85,086,805.15
Payments of Principal on Debt Issuance	(24,023,535.73)
Payments of Interest	(19,726,012.24)
Payments of Other Costs of Debt Issuance	(128,169.16)
Payments for Transfers to Other Funds	(364,562,335.78)
Payments for Grant Disbursements	(26,260,446.25)
Payments for Other Uses	(4,053.27)
Net Cash Provided by Noncapital Financing Activities	<u>87,006,817.17</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Interest and Investment Income	21,943,782.64
Proceeds from Principal Payments on Non-Program Loans	46,499,750.49
Payments to Acquire Investments	-
Payments for Non-program Loans Provided	(157,522,000.00)
Net Cash Provided by Investing Activities	<u>(89,078,466.87)</u>
Net (Decrease) in Cash and Cash Equivalents	(5,552,160.74)
Cash and Cash Equivalents--September 1, 2020	122,174,460.76
Cash and Cash Equivalents--August 31, 2021	<u><u>\$ 116,622,300.02</u></u>

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

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Clean Water State Revolving Fund
Exhibit III - Combining Statement of Cash Flows - Enterprise Funds (cont.)
For the Fiscal Year Ended August 31, 2021

	<u>Total Enterprise Fund</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 2,651,869.39
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories:	
Classification Differences	-
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	85,073,434.69
(Increase) Decrease in Loans & Contracts	(83,600,913.33)
Increase (Decrease) in Payables	17,610,977.59
Increase (Decrease) in Deposits	(25,590,827.40)
Increase (Decrease) in Due to Other Funds	374,948.02
Total Adjustments	<u>(6,132,380.43)</u>
Net Cash Provided by Operating Activities	<u>\$ (3,480,511.04)</u>
Non-Cash Transactions	
Net Increase (Decrease) in Fair Value of Investments	\$ (129,435.32)

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

Notes
to the
Financial
Statements

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

Entity

The accompanying financial statements reflect the financial position of the Texas Water Development Board (TWDB). TWDB is an agency of the state of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements of State Agencies and Universities.

The TWDB was created as an agency of the state in 1957, when the voters of the state approved an amendment adding Section 49-c to Article 3 of the Texas Constitution. The TWDB is the state agency responsible for water supply and flood planning, financing, water science and research.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Impact of COVID-19 on TWDB Programs

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

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

Fund Structure

TWDB uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. TWDB is granted

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Texas Water Development Board (580)

appropriations based on appropriated funds. For operational and statutory reasons, TWDB reports several lower level funds that are presented as part of the indicated appropriated fund.

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Proprietary Fund Type

Proprietary funds focus on determining operating income, changes in financial position and cash flows. Generally accepted accounting principles similar to those used by private sector businesses are applied in accounting for these funds. Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. TWDB reports the following enterprise funds.

- Local Funds (Appropriated Fund 9999) – local funds held outside the treasury for purposes of the following programs:
 - Drinking Water State Revolving Fund (Account 0951)

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Net Position and Fund Balances

When both restricted and unrestricted resources are available for use, restricted resources are used first, then unrestricted resources are used as they are needed.

Assets, Liabilities, and Fund Balances / Net Position

Assets

Cash and Cash Equivalents

Cash held in the state treasury and any short-term highly liquid investments with an original maturity of three months or less.

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Texas Water Development Board (580)

Investments

Amounts invested related to programs of the TWDB. Investments are reported at fair value. See Note 2 for more information on investments.

Interest and Dividends Receivable

Accrued interest receivable on loans and contracts as of the balance sheet date is included in the proprietary funds. For governmental funds, interest due as of the balance sheet date is only accrued if it is expected to be received within the next 60 days.

Notes / Loans and Contracts Receivable

Although collateralized by bonds of the receiving entity, loans made to political subdivisions are presented as Notes/Loans and Contracts Receivable at par. The portion due within the next year is shown separately as a current asset with the remainder as noncurrent. See Schedule 6 for a detailed listing of all outstanding loans and contracts receivable by program.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Bonds Payable – Revenue Bonds

Revenue bonds are generally accounted for in proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Bonds Payable are reported separately as either current – the amount due within the next year – or noncurrent in the statement of net position.

Fund Balance / Net Position

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary, and fiduciary fund statements.

Fund Balance Components

Fund balances for governmental funds are classified as restricted, committed, or unassigned in the fund financial statements.

- Restricted fund balance includes those resources that have constraints placed on their use through external parties — such as creditors, grantors,

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Texas Water Development Board (580)

contributors, laws or regulations of other governments — or by law through constitutional provisions or enabling legislation.

Net Position Components

The potential categories for net position include

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

Interfund Activities and Balances

The agency has the following types of transactions among funds:

- (1) Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- (2) Reimbursements: repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- (3) Interfund receivables and payables: Interfund loans are reported as Interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current".

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

Statement of Cash Flows

Cash Flows from Investing Activities

Non-program Loans

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

Classification Differences

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

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Texas Water Development Board (580)

NOTE 2: Deposits, Investments and Repurchase Agreements
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The agency is authorized by statute to make investments and does so in accordance with Chapter 365 of the Texas Water Development Board rules. There were no violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2021, the carrying amount of deposits was \$0.15 as presented below.

Governmental and Business-Type Activities	Amount
Cash in Bank – Carrying Value	\$0.15
Cash in Bank per AFR	\$0.15
Governmental and Proprietary Funds Current Assets Cash in Bank	\$0.15
Cash in Bank per AFR	\$0.15

This amount consists of cash in local banks. This amount is included on the Combined Statement of Net Assets as part of the “Cash and Cash Equivalents” account.

As of August 31, 2021, the total bank balance was as follows:

Governmental and Business Type Activities	\$0.15	Fiduciary Funds	\$ - 0 -	Discrete Component Units	\$ - 0 -
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Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The agency has a policy requiring collateralization limited to obligations of the U.S. or U.S. government agencies held in the name of the agency. As of August 31, 2021, bank balances were not exposed to custodial credit risk.

Investments

As of August 31, 2021, the fair value of investments is as presented below.

Government and Business-Type Activities	Fair Value Hierarchy			Total
	Level 1	Level 2	Level 3	
INVESTMENTS AT FAIR VALUE				
Commercial Paper (Texas Treasury Safekeeping Trust Co)	\$ 90,787,997.90	\$ -	\$ -	\$ 90,787,997.90
U.S. Government Agency Obligations (Texas Treas. Safekeeping Trust Co)	25,834,301.97			25,834,301.97
Total Investment at Fair Value	\$ 116,622,299.87	\$ -	\$ -	\$ 116,622,299.87

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Texas Water Development Board (580)

INVESTMENTS AT AMORTIZED COST	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	\$ 186,474,941.57
Total Investment at Amortized Cost	\$ 186,474,941.57
Total Investments-Gov't & Business Type	\$ 303,097,241.44

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The agency will only make payment for and accept delivery of securities on a delivery versus payment basis, and securities are held in the name of the agency. As of August 31, 2021, investments were not exposed to custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As required by the agency's investment policy, obligations of states, agencies, counties, cities and other political subdivisions must be rated as to investment quality by a nationally recognized investment rating firm with a minimum of an 'A' rating, commercial paper must be rated not less than A-1 or P-1, and no-load money market mutual funds must be AAA-rated. The investment policy requires that repurchase agreements be collateralized by obligations of the U.S. Government or U.S. Government Agencies, but does not limit credit risk, nor does it limit credit risk for obligations of the United States or its agencies or instrumentalities, direct obligations of the State of Texas, or pooled funds of state agencies in the Texas State Treasury or the Texas Treasury Safekeeping Trust Company. Furthermore, the State Water Implementation Fund for Texas (SWIFT) funds are governed by a separate investment policy, managed by the Texas Treasury Safekeeping Trust Company in accordance with Texas Water Code, Chapter 15, Subchapter G. The following schedule lists S & P and/or Moody's credit rating by investment type as of August 31, 2021 for those investments subject to credit risk.

Fund Type	GAAP Fund	Investment Type	Amount	S&P
05	3050	Commercial Paper (Texas Treasury Safekeeping Trust Co)	\$ 90,787,997.90	A1, A1+
05	3050	Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	\$ 186,474,941.57	Not Rated
05	3050	U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	\$ 25,834,301.97	AA+

NOTE 3: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2021, the following changes occurred in long-term liabilities:

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Business-Type Activities	Balance 09-01-20	Additions	Reductions	Balance 08-31-21	Amounts Due Within One Year	Amounts Due Thereafter
Notes & Loans Payable (Interfund)	\$73,113,464.07	\$0.00	\$9,623,535.73	\$63,489,928.34	\$9,308,008.56	\$54,181,919.78
Revenue Bonds Payable	\$411,458,620.39	\$645,000.00	\$18,918,506.11	\$393,185,114.28	\$18,918,506.12	\$374,266,608.16
Total Business-Type Activities	\$484,572,084.46	\$645,000.00	\$28,542,041.84	\$456,675,042.62	\$28,226,514.68	\$428,448,527.94

Pledged Future Revenues

Pledged revenues are those specific revenues that are formally committed to directly secure the payment of bond debt service. The table below provides information on pledged revenue and pledged future revenue of the TWDB's revenue bonds.

Pledged Future Revenue	
Business-Type Activities	
	SRF Revenue Bonds
Pledged Revenue Required for Future Principal and Interest on Existing Bonds	\$1,170,071,700.00
Term of Commitment Year Ending Aug. 31	2040
Percentage of Revenue Pledged	100%
Current Year Pledged Revenue	\$445,287,020.83
Current Year Principal and Interest Paid	\$72,574,950.00

NOTE 4: Interfund Activity and Transactions

Interfund activity refers to financial interactions between funds and/or blended component units and is restricted to internal events. Interfund transactions refer to financial interactions between TWDB and another agency of the state of Texas.

Interfund Activity

Interfund transfers represent the flow of assets (cash or goods) without equivalent flow of assets in return or a requirement for repayment. In governmental funds, transfers are reported as other financing uses or sources. Transfers are reported in proprietary funds after nonoperating revenues and expenses in the statement of revenues, expenses and changes in fund net position. Amounts not transferred at fiscal year-end are accrued as due to/due from other funds.

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Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are interfund loans. Individual interfund receivables and payables balances as of August 31, 2021, were as follows:

	Interfund Receivables	Interfund Payables	Current	Noncurrent	Purpose
Enterprise (05)	DFUND (FT05) Appd Fund 0371, D23 Fund 0371	DWSRF (FT05) Appd Fund 9999 D23 Fund 0951	\$ 9,308,008.56	\$ 54,181,919.78	State Match Loan
Enterprise (05)	CWSRF (FT05) Appd Fund 9999 D23 Fund 0651	DWSRF (FT05) Appd Fund 9999 D23 Fund 0951	\$ 75,000,000.00	\$ 0.00	Interfund Loan
Total Interfund Receivable/Payable			\$ 84,308,008.56	\$54,181,919.78	

Interfund Transactions

Federal and State Pass-Throughs are recorded for activity between TWDB and other state agencies related to federal or state grant awards. Amounts not transferred at fiscal year-end are accrued as due to/due from other agencies.

NOTE 5: Contingencies and Commitments
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Federal Costs

As a prime contractor with a federal granting agency, the TWDB is contingently liable to refund any disallowed costs to the granting agency. As of August 31, 2021, there were nine federal contracts that closed during fiscal year 2021 with no disallowed costs.

Outstanding Loan and Grant Commitments

As of August 31, 2021, the TWDB had made commitments to provide political subdivisions and non-profit entities financing from the proceeds remaining from current or future bond issues, accumulated loan repayments, federal draw downs, appropriations or other lawful sources as follows:

Program	For Loans	For Grants	Total
Drinking Water State Revolving Fund (DWSRF)*	\$ 384,704,673.00	\$ -	\$ 384,704,673.00
Total Commitments	\$ 384,704,673.00	\$ -	\$ 384,704,673.00

* DWSRF Grants shown here represent Principal Forgiveness

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NOTE 6: Bonded Indebtedness

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

Miscellaneous Bond Information (Amounts in Thousands)						
Description of Issue	Bonds Issued to Date	Date Issued	Range of Interest Rates	Maturities		First Call Date
				First Year	Last Year	

STATE REVOLVING FUND							
State Revolving Fund Rev Bds New Ser '18	288,395,000	04/26/2018	4.000%	5.000%	2019	2038	08/01/2027
State Revolving Fund Rev Bds New Ser '19	221,005,000	04/24/2019	4.000%	5.000%	2020	2039	08/01/2029
State Revolving Fund Rev Bds New Ser '20	352,590,000	06/02/2020	3.000%	5.000%	2021	2040	08/01/2030

Revenue Bonds

The Texas Constitution and Water Code authorize the TWDB to issue revenue bonds backed by pledged revenue sources and restricted funds. The TWDB had three revenue bond issues outstanding at August 31, 2021.

The TWDB has authority to sell revenue bonds for the following purposes:

- (1) To finance the construction of water and wastewater projects of political subdivisions and non-profit water supply corporations;
- (2) To provide interim financing to political subdivisions that are also receiving long-term financing from the TWDB;
- (3) To provide the state matching funds for federal grants under the Federal Water Pollution Control and the Safe Drinking Water Acts.

State Revolving Funds

Subchapter J, Chapter 15 and Subchapter I, Chapter 17, Texas Water Code, as amended, authorize the TWDB to issue an unlimited amount of revenue bonds to fund certain eligible projects. TWDB's revenue bonds do not constitute a debt of the State and neither the full faith nor credit, nor the taxing authority of the State is in any manner pledged, given, or loaned for the payment of the revenue bonds. Further, the TWDB's revenue bonds issued pursuant to these provisions are not secured by or payable from money in DFUND II, but are secured by the repayments of political subdivision loans and certain assets in the State Water Pollution Control Revolving Fund and the Safe Drinking Water State Revolving Fund, commonly referred to as the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF), respectively.

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Texas Water Development Board (580)

No State Revolving Fund bonds were issued in fiscal year 2021.

NOTE 7: Loans and Contracts

The Board purchases bonds from political subdivisions (including private water supply corporations). As of August 31, 2021, the balance of these bonds owned by the Board was \$1,694,698,443.38. In general, the majority of these bonds pays interest semiannually and principal annually and allow for early redemption ten years after the original date of issuance. All bonds are secured by either pledged revenue or taxes. Interest rates on the bonds range from 0.00% to 5.39% maturing through the year 2052. It is the opinion of management that all bonds are fully collectible; therefore, no provision for uncollectible amounts is included in these financial statements.

NOTE 8: Available Federal Funds

As of August 31, 2021, there was \$8,770,377.23 balance of Federal Funds available through the Automated Standard Application for Payments that remained undrawn for the State Revolving Fund.

NOTE 9: Status of Available Administrative Funding

Cost-recovery loan origination and servicing charges are imposed to cover administrative costs of operating the State Revolving Fund, but an interest rate subsidy is offered to offset the charges. There was \$3,110,038.00 earned during the fiscal year ending August 31, 2021. The administrative account had expenses totaling \$128,169.16 in Fiscal Year 2021.

NOTE 10: State Match Requirement

Deferral of State match deposits was allowed by EPA for FY97 grant payments until September 30, 1999. Deposits of match funds have been made to the fund bringing the total match for federal reporting purposes to \$337,774,438.00.

Combining Statements

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Drinking Water State Revolving Fund
Exhibit F-1 - Combining Statement of Net Position - Enterprise Funds
 August 31, 2021

	Drinking Water Loan Program	Administration (Federal)	Administration (Fees)	Set Asides (Exhibit SA-2)	Totals (Exhibit I)
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in Bank (Note 3)	\$ 0.15	\$ -	\$ -	\$ -	\$ 0.15
Cash Equivalents	111,783,308.12	-	4,838,991.75	-	116,622,299.87
Short Term Investments	137,792,621.83	-	48,682,319.74	-	186,474,941.57
Receivables from:					
Federal	171,321.68	278,218.41	-	2,219,602.74	2,669,142.83
Interest and Dividends	4,764,578.71	-	315.18	-	4,764,893.89
Loans and Contracts	73,098,401.42	-	-	-	73,098,401.42
Total Current Assets	327,610,231.91	278,218.41	53,521,626.67	2,219,602.74	383,629,679.73
Non-Current Assets:					
Loans and Contracts	1,621,600,041.96	-	-	-	1,621,600,041.96
Investments	-	-	-	-	-
Total Non-Current Assets	1,621,600,041.96	-	-	-	1,621,600,041.96
Total Assets	1,949,210,273.87	278,218.41	53,521,626.67	2,219,602.74	2,005,229,721.69
LIABILITIES					
Current Liabilities:					
Payables from:					
Accounts Payable	97,768.35	-	-	-	97,768.35
Interest Payable	1,338,987.50	-	-	-	1,338,987.50
Interfund Payables	84,308,008.56	-	-	-	84,308,008.56
Due to Other Funds	616,052.75	-	-	-	616,052.75
Due to Other Agencies	(191,730.81)	278,218.41	-	2,219,602.74	2,306,090.34
Revenue Bonds Payable	18,918,506.12	-	-	-	18,918,506.12
Total Current Liabilities	105,087,592.47	278,218.41	-	2,219,602.74	107,585,413.62
Non-Current Liabilities:					
Interfund Payables	54,181,919.78	-	-	-	54,181,919.78
Revenue Bonds Payable	374,266,608.16	-	-	-	374,266,608.16
Total Non-Current Liabilities	428,448,527.94	-	-	-	428,448,527.94
Total Liabilities	533,536,120.41	278,218.41	-	2,219,602.74	536,033,941.56
NET POSITION					
Restricted for:					
Other	1,415,674,153.46	-	53,521,626.67	-	1,469,195,780.13
Total Net Position	\$ 1,415,674,153.46	\$ -	\$ 53,521,626.67	\$ -	\$ 1,469,195,780.13

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

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

For the Fiscal Year Ended August 31, 2021

	Drinking Water Loan Program	Administration (Federal)	Administration (Fees)	Set Asides (Exhibit SA-2)	Totals (Exhibit II)
OPERATING REVENUES:					
Interest and Investment Income	\$ 18,946,234.95	\$ -	\$ 45,977.69	\$ -	\$ 18,992,212.64
Net Increase (Decrease) Fair Market Value	(129,435.32)	-	-	-	(129,435.32)
Other Operating Revenue	-	-	3,110,038.00	-	3,110,038.00
Total Operating Revenues	18,816,799.63	-	3,156,015.69	-	21,972,815.32
OPERATING EXPENSES:					
Salaries and Wages	23,571.46	2,638,856.31	-	4,365,730.34	7,028,158.11
Payroll Related Costs	-	484,449.63	-	1,681,242.73	2,165,692.36
Professional Fees and Services	60,161.27	166,570.56	141,103.43	-	367,835.26
Travel	92.10	118.51	-	56,852.09	57,062.70
Materials and Supplies	268.24	4,970.06	-	57,261.23	62,499.53
Communication and Utilities	228.54	14,556.92	-	-	14,785.46
Repairs and Maintenance	52.50	1,089.88	-	-	1,142.38
Rentals and Leases	186.37	29,059.59	-	-	29,245.96
Printing and Reproduction	-	-	-	-	-
Interest	15,751,459.74	-	-	-	15,751,459.74
Other Operating Expenses	273.60	3,877.22	-	3,701,781.35	3,705,932.17
Total Operating Expenses	15,836,293.82	3,343,548.68	141,103.43	9,862,867.74	29,183,813.67
Operating Income (Loss)	2,980,505.81	(3,343,548.68)	3,014,912.26	(9,862,867.74)	(7,210,998.35)
NONOPERATING REVENUE (EXPENSES):					
Federal Revenue	72,387,683.89	3,343,548.68	-	9,862,867.74	85,594,100.31
Federal Grant Pass-Through Revenue (Expense)	(1,627,649.81)	-	-	-	(1,627,649.81)
Other Benefit Payments	-	-	-	-	-
Other Intergovernmental Payments	(14,565,187.00)	-	-	-	(14,565,187.00)
Other Nonoperating Revenue (Expenses)	-	-	-	-	-
Total Nonoperating Revenue (Expenses)	56,194,847.08	3,343,548.68	-	9,862,867.74	69,401,263.50
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	59,175,352.89	-	3,014,912.26	-	62,190,265.15
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:					
Transfers In	2,336,171.00	-	-	-	2,336,171.00
Total Other Revenue, Expenses, Gain/Losses and Transfers	2,336,171.00	-	-	-	2,336,171.00
Change in Net Position	61,511,523.89	-	3,014,912.26	-	64,526,436.15
Total Net Position - Beginning	1,361,508,567.60	-	43,160,776.38	-	1,404,669,343.98
Total Net Position, August 31, 2021	\$ 1,423,020,091.49	\$ -	\$ 46,175,688.64	\$ -	\$ 1,469,195,780.13

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

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

	PWSS Program Administration	PWSS Enforcement	PWSS Homeland Security	Source Water Protection	Capacity Development	Inspection and Investigation	Technical Assistance	Laboratory Accreditation	Support Services	Totals (Exhibit F-2)
OPERATING EXPENSES:										
Salaries and Wages	\$ 136,999.09	\$ 76,877.47	\$ 34,108.98	\$ 54,361.02	\$ 2,153,315.07	\$ 1,810,435.46	\$ -	\$ 99,633.25	\$ -	\$ 4,365,730.34
Payroll Related Costs	\$ 52,758.34	29,605.51	13,135.37	20,934.43	829,241.63	697,198.69	-	38,368.76	-	1,681,242.73
Travel	\$ 28,682.88	-	110.44	-	21,904.13	812.00	-	5,342.64	-	56,852.09
Materials and Supplies	\$ 4,986.83	-	-	-	8,958.99	43,315.41	-	-	-	57,261.23
Contracts	\$ -	-	-	195,551.00	509,747.75	13,056.00	137,920.13	-	-	856,274.88
Other Operating Expenses	\$ 578,796.11	-	524.00	11,204.90	694,694.10	30,601.77	-	-	57,561.32	1,373,382.20
Indirect	\$ 46,196.10	25,923.07	11,501.55	18,330.53	726,097.85	610,478.83	-	33,596.34	-	1,472,124.27
Total Operating Expenses	\$ 848,419.35	\$ 132,406.05	\$ 59,380.34	\$ 300,381.88	\$ 4,943,959.52	\$ 3,205,898.16	\$ 137,920.13	\$ 176,940.99	\$57,561.32	\$ 9,862,867.74

Schedules

Texas Water Development Board
Schedule 6 - Loans and Contracts

For the Fiscal Year Ended August 31, 2021

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

Recipient	Original Amount	Outstanding Balance	Date From	Date To
Drinking Water State Revolving Fund				
Abilene	\$ 2,500,000.00	\$ 1,540,000.00	02/15/2014	02/15/2033
Agua SUD	3,565,000.00	2,470,000.00	08/01/2015	08/01/2034
Alice	2,995,000.00	2,705,000.00	02/01/2020	02/01/2039
Alice	1,025,000.00	970,000.00	02/01/2020	02/01/2039
Alpine	4,131,000.00	2,061,000.00	03/01/2007	03/01/2036
Altoga WSC	1,059,999.96	659,999.96	06/01/2013	06/01/2032
Alvord	360,000.00	70,000.00	10/01/2004	10/01/2023
Alvord	360,000.00	110,000.00	10/01/2006	10/01/2025
Amarillo	1,310,000.00	270,000.00	04/01/2014	04/01/2023
Amarillo	17,195,000.00	12,225,000.00	04/01/2016	04/01/2035
Amarillo	18,075,000.00	9,050,000.00	05/15/2012	05/15/2031
Anahuac	5,175,000.00	4,830,000.00	10/15/2018	10/15/2047
Anthony	980,000.00	879,000.00	02/15/2018	02/15/2046
Anthony	735,000.00	232,000.00	02/15/2015	02/15/2024
Arlington	11,445,000.00	9,630,000.00	06/01/2019	06/01/2037
Arlington	79,500,000.00	71,550,000.00	06/01/2020	06/01/2039
Athens	825,000.00	705,000.00	08/01/2020	08/01/2029
Austin	3,800,000.00	3,675,000.00	11/15/2020	11/15/2049
Austin	9,400,000.00	9,400,000.00	11/15/2021	11/15/2050
Ballinger	1,035,000.00	940,000.00	06/01/2021	06/01/2030
Ballinger	3,865,000.00	2,175,000.00	06/01/2009	06/01/2038
Ballinger	605,000.00	305,000.00	06/01/2017	06/01/2026
Bandera	3,000,000.00	2,920,000.00	02/01/2021	02/01/2048
Bandera Co FWSD # 1	585,000.00	451,000.00	08/15/2016	08/15/2035
Bangs	1,760,000.00	1,670,000.00	02/15/2020	02/15/2049
Bangs	231,000.00	-	02/15/2015	02/15/2021
Bay City	2,125,000.00	2,125,000.00	09/01/2022	09/01/2050
Baytown Area WA	9,975,000.00	690,000.00	05/01/2007	05/01/2026
Beechwood WSC	1,369,000.00	805,000.00	07/01/2009	07/01/2038
Beeville	3,300,000.00	2,525,000.00	02/15/2017	02/15/2036
Bertram	12,440,000.00	12,440,000.00	03/15/2023	03/15/2052
Bistone Municipal WSD	6,130,000.00	4,225,000.00	06/01/2015	06/01/2034
Blanco	3,150,000.00	2,865,000.00	08/15/2019	08/15/2047
Blanco	3,400,000.00	3,400,000.00	02/15/2022	02/15/2051
Blossom	600,000.00	505,000.00	01/01/2011	01/01/2039
Bluff Dale WSC	490,000.00	490,000.00	06/01/2022	06/01/2051
Bolivar Peninsula SUD	5,070,000.00	4,055,000.00	02/15/2010	02/15/2038
Bolivar Peninsula SUD	1,200,000.00	725,000.00	02/15/2010	02/15/2027
Bolivar Peninsula SUD	2,360,000.00	1,505,000.00	02/15/2010	02/15/2028
Bonham	9,830,000.00	9,290,000.00	02/15/2020	02/15/2049
Bonham	7,355,000.00	3,675,000.00	02/15/2007	02/15/2036
Booker	455,000.00	375,000.00	08/15/2018	08/15/2037
Borden County	1,285,000.00	1,280,000.00	10/15/2020	10/15/2044
Boyd	720,000.00	680,000.00	09/01/2019	09/01/2048
Boyd	5,100,000.00	5,100,000.00	02/15/2022	02/15/2051
Brady	10,830,000.00	10,830,000.00	09/01/2021	09/01/2050
Brady	6,115,000.00	2,100,000.00	05/01/2002	05/01/2031
Brady	350,000.00	140,000.00	09/01/2015	09/01/2024
Brazosport WA	15,500,000.00	11,185,000.00	09/01/2015	09/01/2034
Breckenridge	2,380,000.00	2,075,000.00	03/15/2016	03/15/2045
Breckenridge	1,680,000.00	1,360,000.00	03/15/2015	03/15/2044
Brookshire MWD	1,025,000.00	985,000.00	08/01/2020	08/01/2048
Brookshire MWD	1,250,000.00	1,215,000.00	08/01/2021	08/01/2048
Brown Co WID # 1	20,490,000.00	8,380,000.00	02/01/2009	02/01/2028
Brownwood	6,335,000.00	-	03/15/2006	03/15/2025
Burleson Co MUD # 1	1,440,000.00	854,000.00	06/01/2005	06/01/2034
Burleson Co MUD # 1	120,000.00	64,000.00	06/01/2006	06/01/2035
Burnet	110,000.00	15,000.00	08/15/2013	08/15/2022
Cameron	9,305,000.00	7,655,000.00	03/01/2017	03/01/2042
Carbon	95,000.00	75,000.00	02/15/2016	02/15/2035
Castroville	350,000.00	70,000.00	02/01/2014	02/01/2023
Castroville	3,500,000.00	2,585,000.00	08/01/2016	08/01/2035
Central Texas WSC	22,340,000.00	9,808,538.00	03/15/2010	02/15/2030
Central Washington Co WSC	2,815,000.00	2,730,000.00	10/01/2019	10/01/2046
Chandler	750,000.00	700,000.00	10/15/2019	10/15/2042
Cisco	3,000,000.00	-	02/15/2010	02/15/2038

Texas Water Development Board
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Recipient	Original Amount	Outstanding Balance	Date From	Date To
Cisco	2,200,000.00	1,275,000.00	02/15/2010	02/15/2038
Cisco	4,565,000.00	4,255,000.00	02/15/2020	02/15/2049
Coleman	5,025,000.00	2,985,000.00	04/01/2010	04/01/2039
Comanche	705,000.00	565,000.00	09/01/2014	09/01/2043
Commerce	2,274,000.00	1,545,000.00	02/15/2013	02/15/2040
Commerce	466,000.00	322,000.00	02/15/2013	02/15/2040
Corpus Christi	51,215,000.00	43,060,000.00	07/15/2017	07/15/2045
Coryell City WSD	2,000,000.00	1,830,000.00	10/01/2018	10/01/2037
Cottonwood Shores	1,395,000.00	1,180,000.00	05/01/2018	05/01/2037
Cotulla	2,380,000.00	2,300,000.00	02/01/2021	02/01/2050
Cotulla	3,920,000.00	3,600,000.00	02/01/2019	02/01/2047
Craft-Turney WSC	1,625,000.00	1,480,000.00	02/15/2019	02/15/2042
Creedmoor Maha WSC	4,667,500.00	4,303,500.00	06/01/2019	05/01/2049
Crystal Clear SUD	15,000,000.00	13,480,000.00	12/01/2018	12/01/2042
Cypress Creek UD	2,035,000.00	1,940,000.00	09/01/2019	09/01/2047
D & M WSC	1,900,000.00	1,575,000.00	08/15/2018	08/15/2037
Dallas	44,000,000.00	41,405,000.00	10/01/2019	10/01/2047
Dallas	44,000,000.00	42,615,000.00	10/01/2020	10/01/2048
Dallas	44,000,000.00	44,000,000.00	10/01/2021	10/01/2049
Dallas	44,000,000.00	44,000,000.00	10/01/2022	10/01/2050
Del Rio	9,645,000.00	6,345,000.00	06/01/2012	06/01/2040
Del Rio	3,000,000.00	3,000,000.00	06/01/2022	06/01/2038
Del Rio	3,000,000.00	3,000,000.00	06/01/2023	06/01/2050
Del Rio	5,400,000.00	-	06/01/2002	06/01/2021
DeLeon	80,000.00	20,000.00	02/15/2014	02/15/2023
DeLeon	520,000.00	420,000.00	02/15/2015	02/15/2043
Denton Co FWSD # 1A	3,260,000.00	1,610,000.00	12/15/2011	12/15/2030
Deport	350,000.00	-	09/01/2001	09/01/2020
Devine	2,755,000.00	2,545,000.00	02/01/2019	02/01/2048
Devine	6,645,000.00	6,470,000.00	02/01/2019	02/01/2048
Dickens	460,000.00	435,000.00	08/15/2019	08/15/2048
Eagle Pass	17,090,000.00	15,560,000.00	12/01/2018	12/01/2046
Eagle Pass	11,900,000.00	11,565,000.00	12/01/2020	12/01/2047
Eagle Pass	15,075,000.00	15,065,000.00	12/01/2020	12/01/2048
Eagle Pass	11,545,000.00	5,385,000.00	12/01/2005	12/01/2034
Eagle Pass	5,400,000.00	3,625,000.00	12/01/2004	12/01/2033
Eagle Pass	5,795,000.00	4,770,000.00	12/01/2013	12/01/2042
Eagle Pass	3,640,000.00	3,640,000.00	12/01/2021	12/01/2050
East Cedar Creek FWSD	730,000.00	-	07/01/2008	07/01/2027
East Rio Hondo WSC	1,379,000.00	1,007,800.00	10/01/2014	09/01/2034
East Tawakoni	1,215,000.00	535,000.00	01/01/2008	01/01/2027
East Tawakoni	1,000,000.00	690,000.00	01/01/2012	01/01/2030
Eastland	695,000.00	630,000.00	02/15/2019	02/15/2038
Eastland	2,385,000.00	1,445,000.00	12/01/2009	12/01/2036
Eastland Co WSD	3,495,000.00	2,995,000.00	01/01/2015	01/01/2044
Eastland Co WSD	805,000.00	775,000.00	01/01/2021	01/01/2050
Ector County UD	45,275,000.00	42,530,000.00	08/01/2020	08/01/2049
Edgewood	835,000.00	625,000.00	05/01/2011	05/01/2039
Edinburg	5,405,000.00	4,095,000.00	03/01/2017	03/01/2036
Edinburg	10,425,000.00	7,060,000.00	03/01/2015	03/01/2034
El Campo	375,000.00	114,000.00	02/01/2015	02/01/2024
El Jardin WSC	3,545,000.00	1,950,000.00	09/01/2004	09/01/2033
El Paso Co Tornillo WID	130,000.00	75,000.00	08/01/2011	08/01/2038
Eldorado	560,000.00	415,000.00	08/01/2015	08/01/2036
Eldorado	1,200,000.00	1,045,000.00	08/01/2019	08/01/2038
Elmendorf	10,770,000.00	10,475,000.00	08/01/2021	08/01/2048
Emory	720,000.00	473,000.00	07/01/2014	07/01/2033
Eules	4,685,000.00	3,365,000.00	07/15/2016	07/15/2035
Eules	9,275,000.00	8,750,000.00	07/15/2020	07/15/2049
Everman	2,700,000.00	2,565,000.00	02/01/2021	02/01/2040
Fayetteville	200,000.00	140,000.00	08/01/2016	08/01/2035
FHLM Regional WSC	8,170,000.00	8,170,000.00	06/01/2022	06/01/2051
Flatonia	660,000.00	185,000.00	09/01/2007	09/01/2026
Fort Griffin SUD	1,525,000.00	1,480,000.00	08/01/2021	08/01/2050
Fort Worth	16,145,000.00	7,215,000.00	02/15/2011	02/15/2030
Garland	6,670,000.00	5,805,000.00	03/01/2020	03/01/2034
Gladewater	1,600,000.00	1,455,000.00	08/15/2018	08/15/2037
G-M WSC	2,775,000.00	2,590,000.00	03/01/2019	03/01/2048
G-M WSC	2,970,000.00	2,282,760.00	03/15/2010	02/15/2040

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Recipient	Original Amount	Outstanding Balance	Date From	Date To
Goldthwaite	1,480,000.00	1,260,000.00	11/01/2015	11/01/2044
Goliad	1,000,000.00	950,000.00	02/15/2021	02/15/2039
Gordon	460,000.00	430,000.00	03/01/2019	03/01/2048
Gordon	100,000.00	100,000.00	03/01/2022	03/01/2036
Gorman	140,000.00	90,000.00	03/01/2016	03/01/2030
Gorman	1,000,000.00	940,000.00	03/01/2019	03/01/2048
Granbury	16,430,000.00	15,330,000.00	08/15/2017	08/15/2045
Granbury	2,720,000.00	1,640,000.00	08/15/2018	08/15/2027
Granbury	15,000,000.00	14,425,000.00	08/15/2018	08/15/2037
Granbury	13,810,000.00	13,040,000.00	08/15/2020	08/15/2048
Grand Prairie	4,000,000.00	2,320,000.00	01/15/2015	01/15/2030
Greater Texoma UA	1,745,000.00	640,000.00	06/01/2008	06/01/2027
Greater Texoma UA	485,000.00	155,000.00	06/01/2015	06/01/2024
Greater Texoma UA	3,695,000.00	2,615,000.00	08/15/2015	08/15/2034
Greater Texoma UA	2,515,000.00	1,120,000.00	10/01/2016	10/01/2024
Greater Texoma UA	2,875,000.00	2,325,000.00	06/01/2016	06/01/2034
Greater Texoma UA	27,310,000.00	20,925,000.00	10/01/2016	10/01/2035
Greater Texoma UA	2,125,000.00	1,750,000.00	08/15/2017	08/15/2037
Greater Texoma UA	7,155,000.00	6,180,000.00	10/01/2018	10/01/2037
Greater Texoma UA	1,225,000.00	1,000,000.00	08/15/2018	08/15/2037
Greater Texoma UA	15,200,000.00	14,935,000.00	09/01/2019	09/01/2048
Greater Texoma UA	935,000.00	900,000.00	10/01/2019	10/01/2048
Greater Texoma UA	3,415,000.00	3,290,000.00	08/15/2019	08/15/2048
Greater Texoma UA	7,490,000.00	7,110,000.00	08/15/2020	08/15/2049
Greater Texoma UA	830,000.00	830,000.00	06/01/2022	06/01/2051
Greater Texoma UA	4,000,000.00	4,000,000.00	06/01/2022	06/01/2051
Greater Texoma UA	5,470,000.00	5,470,000.00	08/15/2022	08/15/2051
Greater Texoma UA	1,645,000.00	1,620,000.00	10/01/2020	10/01/2049
Greater Texoma UA	1,025,000.00	995,000.00	10/01/2020	10/01/2049
Greenville	305,000.00	140,000.00	02/15/2011	02/15/2029
Groesbeck	1,025,000.00	500,000.00	08/15/2007	08/15/2036
Groesbeck	2,150,000.00	1,358,000.00	02/15/2011	02/15/2040
Groveton	660,000.00	625,000.00	08/15/2021	08/15/2040
Hamlin	5,500,000.00	1,900,000.00	03/01/2002	03/01/2031
Harris Co MUD # 50	2,470,000.00	1,895,000.00	03/01/2017	03/01/2035
Harris Co WCID # 36	3,885,000.00	2,885,000.00	09/01/2015	09/01/2034
Hico	1,520,000.00	1,185,000.00	08/15/2014	08/15/2042
Hidalgo Co MUD # 1	5,605,000.00	3,420,000.00	02/15/2010	02/15/2039
Hillsboro	3,130,000.00	2,850,000.00	07/01/2020	07/01/2039
Hondo	490,000.00	100,000.00	02/01/2014	02/01/2023
Hondo	5,470,000.00	4,320,000.00	08/01/2017	08/01/2036
Honey Grove	2,700,000.00	2,380,000.00	09/01/2017	09/01/2045
Honey Grove	200,000.00	42,000.00	03/01/2014	03/01/2023
Houston	48,040,000.00	34,445,000.00	11/15/2015	11/15/2034
Houston Co WCID # 1	5,940,000.00	3,975,000.00	08/01/2009	08/01/2038
Hubbard	1,500,000.00	1,220,000.00	02/15/2014	02/15/2043
Jefferson	2,600,000.00	2,120,000.00	02/15/2018	02/15/2037
Johnson County SUD	22,000,000.00	19,065,000.00	08/15/2019	08/15/2038
Jourdanton	6,845,000.00	6,745,000.00	02/01/2021	02/01/2049
Karnes City	3,600,000.00	-	06/01/2011	06/01/2037
Kellyville-Berea WSC	635,000.00	560,000.00	02/15/2019	02/15/2038
Kerrville	5,000,000.00	4,860,000.00	08/15/2020	08/15/2049
Kirbyville	1,805,000.00	1,570,000.00	08/15/2019	08/15/2038
Kountze	930,000.00	145,000.00	03/15/2000	03/15/2024
La Feria	880,000.00	560,000.00	09/15/2013	09/15/2032
Ladonia	200,000.00	60,000.00	02/15/2015	02/15/2024
Ladonia	2,810,000.00	2,695,000.00	08/15/2019	08/15/2047
Lake Livingston WSSSC	3,130,000.00	2,580,000.00	12/01/2015	12/01/2034
Lake Livingston WSSSC	17,500,000.00	13,645,000.00	12/01/2010	12/01/2039
Lake Palo Pinto Area WSC	130,000.00	45,000.00	04/01/2015	04/01/2024
Lake Palo Pinto Area WSC	1,480,000.00	1,237,000.00	04/01/2017	04/01/2036
Lamar Co WSD	3,170,000.00	1,505,000.00	07/10/2008	07/10/2027
Lamar Co WSD	1,380,000.00	1,070,000.00	07/10/2012	07/10/2039
Laredo	5,500,000.00	4,555,000.00	03/01/2016	03/01/2045
Laredo	4,600,000.00	3,775,000.00	03/01/2016	03/01/2045
Lawn	885,000.00	845,000.00	03/01/2020	03/01/2049
Lee Co FWSD # 1	525,000.00	450,000.00	03/01/2017	03/01/2046
Liberty	915,000.00	465,000.00	03/01/2017	03/01/2026
Llano	890,000.00	815,000.00	09/15/2019	09/15/2038

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Recipient	Original Amount	Outstanding Balance	Date From	Date To
Los Fresnos	3,625,000.00	3,625,000.00	02/01/2022	02/01/2040
Los Fresnos	1,000,000.00	525,000.00	02/01/2016	02/01/2025
Lower Neches Valley Authority	18,495,000.00	14,805,000.00	08/01/2009	08/01/2035
Marlin	10,380,000.00	6,560,000.00	07/01/2007	07/01/2036
Marlin	1,680,000.00	1,455,000.00	07/01/2015	07/01/2042
Marlin	2,330,000.00	2,285,000.00	07/01/2021	07/01/2050
Mason	990,000.00	920,000.00	03/01/2020	03/01/2049
McAllen	12,000,000.00	11,995,000.00	02/01/2021	02/01/2048
Melvin	539,902.00	165,000.00	09/01/2018	09/01/2047
Menard	550,000.00	110,000.00	03/01/2014	03/01/2023
Mexia	2,780,000.00	1,580,000.00	08/15/2010	08/15/2038
Mexia	960,000.00	540,000.00	08/15/2010	08/15/2038
Millersview-Doole WSC	15,816,000.00	11,195,000.00	12/01/2005	12/01/2034
Mission	7,780,000.00	3,645,000.00	02/15/2011	02/15/2030
Montgomery	1,730,000.00	1,410,000.00	03/01/2018	03/01/2037
Moran	180,000.00	145,000.00	02/15/2015	02/15/2044
Mount Calm	331,000.00	63,000.00	03/01/2005	03/01/2024
Mount Pleasant	24,785,000.00	18,035,000.00	03/15/2009	03/15/2033
Mountain Peak SUD	995,000.00	445,000.00	12/01/2010	12/01/2029
Mustang SUD	3,555,000.00	3,260,000.00	09/01/2018	09/01/2047
Nacogdoches	7,770,000.00	1,440,000.00	03/01/2008	03/01/2027
Nevada SUD	1,490,000.00	1,295,000.00	05/15/2019	05/15/2038
New Deal	935,000.00	860,000.00	03/01/2019	03/01/2048
Newton	2,195,000.00	2,100,000.00	03/01/2021	03/01/2040
North Alamo WSC	4,390,000.00	4,191,000.00	08/01/2021	08/01/2041
North Central Texas MWA	5,500,000.00	4,020,000.00	07/10/2014	07/10/2043
North San Saba WSC	310,000.00	12,745.42	02/01/2012	01/01/2022
North San Saba WSC	335,000.00	287,200.00	01/01/2014	01/01/2044
Orange Co WCID # 2	3,980,000.00	3,980,000.00	03/01/2022	03/01/2046
Paducah	1,715,000.00	1,680,000.00	02/15/2021	02/15/2050
Palo Pinto WSC	615,000.00	590,000.00	02/01/2021	02/01/2050
Paris	2,900,000.00	1,710,000.00	06/15/2014	06/15/2032
Parker County SUD	15,080,000.00	15,080,000.00	12/01/2021	12/01/2050
Pearland	10,225,000.00	7,200,000.00	09/01/2018	09/01/2027
Pearland	12,025,000.00	11,005,000.00	09/01/2018	09/01/2047
Pearland	8,650,000.00	8,070,000.00	09/01/2019	09/01/2048
Pearland	21,000,000.00	20,300,000.00	09/01/2020	09/01/2049
Pearland	107,600,000.00	107,600,000.00	09/01/2021	09/01/2050
Pharr	13,310,000.00	6,915,000.00	09/01/2008	09/01/2027
Pharr	13,880,000.00	13,880,000.00	09/01/2021	09/01/2049
Pharr	8,725,000.00	6,940,000.00	09/01/2014	09/01/2042
Pleasant Springs WSC	150,000.00	140,000.00	08/01/2020	08/01/2049
Port Arthur	2,080,000.00	850,000.00	02/15/2016	02/15/2025
Port Mansfield PUD	220,000.00	190,000.00	04/01/2017	04/01/2046
Porter SUD	1,590,000.00	640,000.00	06/01/2009	06/01/2028
Possum Kingdom WSC	1,625,000.00	-	12/15/2010	12/15/2029
Possum Kingdom WSC	4,700,000.00	805,000.00	12/15/2004	12/15/2023
Quitaque	545,000.00	527,000.00	02/15/2021	02/15/2050
Ranger	420,000.00	392,000.00	02/15/2020	02/15/2049
Ranger	570,000.00	545,000.00	02/15/2020	02/15/2049
Raymondville	1,520,000.00	1,450,000.00	04/01/2021	04/01/2040
Raymondville	2,145,000.00	1,600,000.00	04/01/2014	04/01/2033
Red Creek MUD	1,355,000.00	1,235,000.00	09/01/2019	09/01/2038
Red River Co WSC	1,250,000.00	927,000.00	04/01/2014	04/01/2041
Reklaw	300,000.00	268,000.00	03/01/2018	03/01/2047
Reno	1,145,000.00	360,000.00	01/01/2005	01/01/2024
Reno	900,000.00	300,000.00	01/01/2006	01/01/2024
Riesel	5,360,000.00	5,360,000.00	07/01/2023	07/01/2051
Rio Grande City	12,200,000.00	8,085,000.00	02/15/2011	02/15/2040
Rio Hondo	1,278,000.00	773,000.00	08/01/2014	08/01/2033
Rio Hondo	300,000.00	225,000.00	08/01/2017	08/01/2036
River Acres WSC	3,620,000.00	3,365,000.00	07/01/2019	07/01/2048
River Acres WSC	1,785,000.00	1,785,000.00	07/01/2022	07/01/2051
River Oaks	8,000,000.00	7,110,000.00	06/15/2018	06/15/2047
Riverbend Water Resources	10,800,000.00	10,800,000.00	10/15/2022	10/15/2051
Riverbend Water Resources	7,200,000.00	7,200,000.00	10/15/2022	10/15/2051
Robert Lee	758,000.00	578,000.00	12/01/2013	12/01/2042
Robert Lee	67,000.00	51,000.00	12/01/2013	12/01/2042
Roby	250,000.00	250,000.00	03/01/2022	03/01/2051

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Recipient	Original Amount	Outstanding Balance	Date From	Date To
Rockdale	12,650,000.00	12,550,000.00	06/15/2021	06/15/2050
Rockdale	3,065,000.00	3,015,000.00	06/15/2021	06/15/2050
Rogers	2,205,000.00	2,175,000.00	08/15/2019	08/15/2047
Roma	2,327,000.00	647,000.00	11/01/2000	11/01/2029
Ropesville	500,000.00	482,000.00	02/15/2020	02/15/2049
Roscoe	1,965,000.00	1,910,000.00	02/15/2021	02/15/2050
Rotan	2,040,000.00	2,040,000.00	03/01/2022	03/01/2051
Rotan	235,000.00	235,000.00	03/01/2022	03/01/2051
Rusk	2,630,000.00	2,630,000.00	02/15/2022	02/15/2041
San Angelo	56,075,000.00	53,880,000.00	02/15/2021	02/15/2045
San Antonio Water System	26,370,000.00	16,640,000.00	05/15/2014	05/15/2033
San Antonio Water System	22,400,000.00	15,025,000.00	05/15/2015	05/15/2034
San Antonio Water System	75,920,000.00	62,820,000.00	05/15/2016	05/15/2045
San Antonio Water System	12,500,000.00	10,795,000.00	05/15/2017	05/15/2046
San Antonio Water System	10,500,000.00	9,620,000.00	05/15/2019	05/15/2048
San Antonio Water System	30,765,000.00	28,780,000.00	05/15/2020	05/15/2049
San Antonio Water System	11,805,000.00	11,410,000.00	05/15/2021	05/15/2050
San Juan	6,170,000.00	4,390,000.00	01/01/2015	01/01/2033
San Juan	1,400,000.00	945,000.00	01/01/2015	01/01/2033
San Saba	165,000.00	60,000.00	03/01/2015	03/01/2024
Santa Rosa	1,475,000.00	-	02/01/2007	02/01/2026
Seis Lagos UD	1,335,000.00	520,000.00	03/01/2008	03/01/2027
Seymour	2,115,000.00	1,950,000.00	03/01/2019	03/01/2048
Shady Grove SUD	880,000.00	835,000.00	02/15/2021	02/15/2040
Shallowater	1,100,000.00	1,020,000.00	02/15/2020	02/15/2049
Skyline Ranch Estates WSC	340,000.00	245,600.00	10/01/2014	09/01/2034
Smyer	135,000.00	100,000.00	02/15/2015	02/15/2034
Sonora	2,925,000.00	1,500,000.00	12/01/2010	12/01/2029
South Houston	2,010,000.00	1,065,000.00	03/01/2011	03/01/2030
Southmost Regional WA	3,795,000.00	2,080,000.00	09/01/2010	09/01/2029
Southmost Regional WA	9,295,000.00	5,885,000.00	09/01/2010	09/01/2039
Springs Hill WSC	1,100,000.00	745,000.00	11/01/2013	11/01/2032
Springs Hill WSC	3,130,000.00	1,570,000.00	11/01/2011	11/01/2030
Stamford	9,530,000.00	8,180,000.00	02/15/2017	02/15/2046
Stephens Regional SUD	900,000.00	825,000.00	08/15/2019	08/15/2043
Stephens Regional SUD	1,740,000.00	1,410,000.00	08/15/2013	08/15/2042
Surfside Beach	1,655,000.00	700,000.00	02/15/2009	02/15/2028
Sweetwater	1,935,000.00	1,270,000.00	08/15/2015	08/15/2033
Sweetwater	5,000,000.00	3,775,000.00	08/15/2017	08/15/2036
Sweetwater	2,187,000.00	2,187,000.00	08/15/2022	08/15/2041
Terrell	1,700,000.00	1,620,000.00	02/15/2020	02/15/2049
Tioga	580,000.00	320,000.00	04/01/2002	04/01/2031
Tioga	1,050,000.00	990,000.00	03/15/2019	03/15/2042
Trinidad	250,000.00	185,000.00	01/01/2009	01/01/2037
Troy	2,100,000.00	1,935,000.00	02/01/2019	02/01/2048
Tyler County SUD	1,250,000.00	775,000.00	09/01/2011	09/01/2040
Tyler County SUD	775,000.00	713,000.00	09/01/2011	09/01/2040
Union WSC	1,665,000.00	1,430,300.00	02/01/2014	02/01/2044
Upper Jasper Co WA	3,355,000.00	3,325,000.00	09/01/2020	09/01/2044
Upper Leon River MWD	775,000.00	250,000.00	05/01/2015	05/01/2024
Upper Leon River MWD	7,452,000.00	6,931,000.00	05/01/2018	05/01/2047
Upper Leon River MWD	1,863,000.00	1,765,000.00	05/01/2018	05/01/2047
Valley MUD # 2	1,495,000.00	1,475,000.00	02/15/2021	02/15/2048
Victoria Co WCID # 1	2,515,000.00	1,675,000.00	03/01/2010	03/01/2029
Wellborn SUD	3,500,000.00	-	07/15/2008	07/15/2027
Wellman	140,000.00	115,000.00	02/15/2017	02/15/2036
West Tawakoni	1,125,000.00	1,005,000.00	02/01/2018	02/01/2047
West Wise SUD	13,430,000.00	12,330,000.00	08/15/2019	08/15/2047
Westwood Shores MUD	1,400,000.00	1,335,000.00	05/01/2021	05/01/2040
White River MWD	1,055,000.00	860,000.00	06/01/2014	06/01/2043
Whiteface	450,000.00	410,000.00	02/15/2020	02/15/2039
Whitewater Springs WSC	200,000.00	190,000.00	04/01/2019	04/01/2044
Willis	3,150,000.00	2,580,000.00	08/01/2014	08/01/2043
Willow Park	685,000.00	505,000.00	02/15/2016	02/15/2035
Willow Park	995,000.00	815,000.00	02/15/2018	02/15/2037
Willow Park	13,770,000.00	13,335,000.00	02/15/2021	02/15/2050
Wills Point	4,500,000.00	4,230,000.00	02/15/2020	02/15/2044
Winters	1,645,000.00	955,000.00	10/01/2009	10/01/2038
Winters	425,000.00	185,000.00	10/01/2015	10/01/2024

Texas Water Development Board
Schedule 6 - Loans and Contracts

For the Fiscal Year Ended August 31, 2021

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

Recipient	Original Amount	Outstanding Balance	Date From	Date To
Winters	580,000.00	550,000.00	04/01/2019	04/01/2038
Wolfe City	1,015,000.00	705,000.00	09/15/2012	09/15/2041
Wolfe City	3,065,000.00	3,065,000.00	03/01/2022	03/01/2051
Wolfe City	870,000.00	870,000.00	03/01/2022	03/01/2051
Woodbranch Village	1,500,000.00	1,295,000.00	08/01/2019	08/01/2037
Wortham	280,000.00	179,000.00	08/15/2014	08/15/2033
Zapata County	14,808,000.00	9,369,000.00	02/15/2011	02/15/2040
Zavala Co WCID # 1	760,000.00	610,000.00	01/01/2014	01/01/2043
Total - Drinking Water State Revolving Fund	<u>\$ 2,071,889,401.96</u>	<u>\$ 1,694,698,443.38</u>		

**STATE FISCAL YEAR 2021
DRINKING WATER STATE REVOLVING FUND
SMALL SYSTEM TECHNICAL ASSISTANCE
(2%) TWO PERCENT SET-ASIDE ACTIVITIES
ANNUAL REPORT**

**EPA # FS-99679524
[TCEQ Grant# 990221]**



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

Source of Funding: Federal Fiscal Year 2020 DWSRF Two Percent Set-aside

Submitted November 15, 2021

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INTRODUCTION

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

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The State Fiscal Year (SFY) 2021 Drinking Water State Revolving Fund 2% Small Systems Technical Assistance Annual Report details the TCEQ's progress in meeting DWSRF grant Program goals, objectives, and funding expenditures for September 1, 2020 through August 31, 2021 using the 2% Set-Aside funds for SWP, Capacity Development and Public Water System Supervision Program (PWSSP) Administration in support of small Public Water Systems (PWS). The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms and Expenditures and Program Elements, Tasks and Deliverables.

SUMMARY

The TCEQ, through the 2% Small Systems Technical Assistance Work Plan, identified activities to be performed between September 1, 2020 and August 31, 2021 that supported small PWS through the State's PWSSP. These activities addressed Program requirements of the PWSSP outlined by the SDWA. Specifically, SWP, Capacity Development Strategy, and PWSSP Administration requirements of the SDWA were addressed.

The TCEQ expended approximately \$1,446,410 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$1,184,337 was requested for reimbursement from TWDB through the Capitalization Grant during the period of

September 1, 2020 through August 31, 2020 and the remainder, or approximately \$262,073, has been or is expected to be requested during the months of September 2021 through November 2021. No match is required; the 2% DWSRF set-aside does not require a match.

The total requested for reimbursement from TWDB between September 2020 and August 2021 was \$1,589,817. Of this amount, approximately \$405,480 was requested for reimbursement from TWDB between September 2020 and November 2020 under the SFY2020/FFY2019 DWSRF 2% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

EPA AND TCEQ GOALS AND OBJECTIVES

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

Table 1: EPA and TCEQ Goals and Objectives

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
<p>EPA Goal 1: A Cleaner, Healthier Environment: Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency’s core mission.</p> <p>EPA Objective 1.2: Provide for Clean and Safe Water</p> <p>Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage Programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.</p>	<p>TCEQ Goal 02: Drinking Water</p> <p>Protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water and sewer utilities; and by promoting regional water strategies.</p> <p>TCEQ Goal 02: Objective 01</p> <p>To supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act, to provide regulatory oversight of water and sewer utilities, and to promote regional water strategies.</p> <p>TCEQ Strategy 02-01-01: Safe Drinking Water</p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p>

WORK PROGRAM ORGANIZATIONAL STRUCTURE

Within the TCEQ, the Water Supply Division (WSD) is responsible for completing all activities under the 2% DWSRF Set-Aside Grant. The WSD is in charge of the administration of the Source Water Protection Program (Program Element 1 and associated Tasks), the Capacity Development Program (Program Element 2 and associated Tasks) and PWSSP Administration outlined by the SDWA (Program Element 3 and associated Tasks).

EXPENDITURE BY PROGRAM ELEMENT

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2021 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$1,446,410 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$1,184,337 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder, or approximately \$262,073, has been or is expected to be requested during the months of September 2021 through November 2021. No match is required; the 2% DWSRF Set-Aside does not require a match. Work was performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2020 and August 2021 was \$1,589,817. Of this amount, approximately \$405,480 was requested for reimbursement from TWDB between September 2020 and November 2020 under the SFY2020/FFY2019 DWSRF 2% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2020 and August 2021 for the SFY21/FFY20 2% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: Source Water Protection Programs	Water Supply	\$202,365	\$290,000	20%
Program Element 2: Capacity Development	Water Supply	\$542,388	\$706,561	49%
Program Element 3: PWSSP Administration	Water Supply	\$439,584	\$449,849	31%
Total		\$1,184,337	\$1,446,410	100%

PROJECT SCHEDULE

The TCEQ conducted the activities in the DWSRF 2% Set-Aside Work Plans over a 12-month period, which began September 1, 2020 and ended August 31, 2021 (SFY 2021).

MEASURES OF SUCCESS

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

Table 3: TCEQ Outcome/Output Measures

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<u>2.1. oc 1 Outcome Measure:</u> Percent of Texas population served by public drinking water systems	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities 	99.11% of Texas population served by public drinking water systems that meet drinking water standards.

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
which meet drinking water standards.	<ul style="list-style-type: none"> • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security • Program Element 3: Task 3.1 PWSSP Administration – PWSSP Activities 	
<p><u>2.1.1 op 1</u> Output Measure: Number of public drinking water systems that meet primary drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security • Program Element 3: Task 3.1 PWSSP Administration – PWSSP Activities 	<p>6,846 public drinking water systems that meet primary drinking water standards.</p>

Table 4: EPA National Program Guidance

EPA National Program Guidance	Program Element/Task	Outcome/Output
<p>Community water systems out of compliance with health-based standards: Nationally from FFY Quarter 4 2017 of 3,508 to Quarter 4 2020 3,365 – Texas FFY Quarter 4 2017 - 459</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security • Program Element 3: Task 3.1 PWSSP Administration – PWSSP Activities 	<ul style="list-style-type: none"> • Q2 FFY 2021 – 306 • 33.3% reduction since Q4 2017
<p>Systems out of compliance due to Lead and Copper Rule violations: (50% by 2022 – starting 2018) – Texas 2017 Q4 - 110</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – Small System FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security • Program Element 3: 	<ul style="list-style-type: none"> • Q2 FFY 2021 – 40 • 63.6% reduction over Since Q4 2017

EPA National Program Guidance	Program Element/Task	Outcome/Output
	Task 3.1 PWSSP Administration – PWSSP Activities	

PROGRAM ELEMENTS, TASKS, DELIVERABLES AND OUTPUTS

The following describes the Work Plan Deliverables and Outputs provided for the Program Elements and Tasks identified in the 2% DWSRF Work Plan for SFY 2021.

Program Element 1: Source Water Protection (SWP) Programs

This Program Element and associated Task implemented SWP (which includes both surface and wellhead protection) Programs within the State in order to provide ongoing assistance to small PWS through evaluation of sources with respect to vulnerability to contamination. An estimated total of \$290,000 was expended for activities conducted during the Work Plan period of September 1, 2020 through August 31, 2021. Of the total estimated amount expended, \$202,365 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder or approximately \$87,634 has been or is expected to be requested during the months of September 2021 through November 2021. All work was performed during the designated Work Plan period of September 1, 2020 through August 31, 2021.

Task 1.1 Source Water Protection Programs – Source Water Protection Activities

This Task provided for SWP activities (which includes both surface and wellhead protection) within the state in order to provide ongoing assistance to small PWS through evaluation of sources with respect to vulnerability to contamination. TCEQ staff and/or contractors were used to support this Task.

The key deliverables were completed SWP reports provided to small PWS to assist in the implementation of Programs designed to provide SWP within the State.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for small PWS;	TCEQ completed 20 SWP Assessments under this grant. TCEQ Staff provided support toward other assessments. A total of 20 PWS were evaluated in eight (8) counties under this grant.

Work Plan Deliverable	Output Provided
2. Implemented SWP Programs in various areas of the State for small PWS;	TCEQ completed 35 SWP Plans, 20 were conducted under this grant. TCEQ Staff provided support toward other assessments.
3. Best management practices developed to implement SWP for small PWS;	TCEQ implemented best management practices for 20 PWS under this grant. TCEQ Staff provided support toward other assessments.
4. Meetings and site visits in order to facilitate the creation of SWP Programs with small PWS;	SWP participants attended 60 meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans. Each of the 20 SWP plans completed required water systems to attend an introduction meeting, education outreach event, site inventory and close out meeting. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for small PWS;	TCEQ inventoried 39 SWP Areas under this grant.
6. Identification of populations protected by a SWP Program and served by vulnerable water sources for small PWS; and	Under this grant, TCEQ identified a population of 13,471 protected by a SWP Program and served by vulnerable water sources in 20 small PWS. TCEQ Staff provided support toward other assessments.
7. Other activities in support of the SWP Program within the State of Texas.	TCEQ staff and contractors worked with Texas Rural Water Association (TRWA), Texas Parks and Wildlife Department (TPWD) and source water protection (SWP) contractors to provide technical assistance, including assisting water systems with best management practices (BMP) and updating SWP plans. TCEQ staff partnered with TRWA and TPWD to complete a SWP plan for one Texas State Park. Gave presentations on SWP and BMP at the 2021 Annual TCEQ Public Drinking Water Conference. TCEQ staff participated in Texas Rural Water Association Annual Symposium, Texas Forests and Drinking Water Partnership, Groundwater Protection Committee, Natural Resource Conservation Service Water Subcommittee and Association of State Drinking Administrators Committee meetings.

Program Element 2: Capacity Development

This Program Element provided assistance to small PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of small PWS through the identification of small PWS that need assistance in developing, enhancing, and maintaining their FMT abilities to meet state and federal requirements. Additionally, the activities under this Program Element assisted small PWS to maintain or enhance their abilities to meet State requirements through developing, issuing and managing of assistance, including assistance from technical assistance contractors, in order to improve their FMT capability. The activities under this Program Element were performed by TCEQ staff and/or contractors.

An estimated total of \$706,561 was expended for activities conducted during the Work Plan period of September 1, 2020 through August 31, 2021. Of the total estimated amount expended \$542,388 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder or approximately \$449,849 has been or is expected to be requested during the months of September 2021 through November 2021. All work was performed during the designated Work Plan period of September 1, 2020 through August 31, 2021.

Task 2.1: Capacity Development – Capacity Development Activities

This Task implemented the Capacity Development Strategy under the PWSSP in Texas. The activities under this Task provided assistance to reduce the risk of both long-term and short-term health effects. This was accomplished through the implementation of: the Texas Optimization Program (TOP), portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, coordination, Intended Use Plan ranking and review and other specialized assistance to small PWS through the use of TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of the Texas population with drinking water (DW) that meets DW standards and increased the sustainability of small PWS.

Work Plan Deliverable	Output Provided
<p>1. Developed presentations, training materials and other technical documents to support the technical capability and compliance of small PWS in Texas;</p>	<p>TCEQ provided presentations and workshop and training materials at the 2021 Annual Texas PDW Conference. Staff developed and made presentations to assist small PWS at workshops, conferences, the Drinking Water Advisory Work Group and TWICC meetings with topics including regionalization and how to get assistance with operations and funding. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention.</p>
<p>2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of small PWS</p>	<p>TOP provided training and technical assistance, as needed, to support the technical capability of small PWS in Texas. Examples include technical assistance visits and other technical support to Creek Water Utility, City of McGregor, Brazosport Water Authority, City of Richmond, City of Richwood, City of Queen City, City of Marlin, Webb County, City of Lake Jackson, City of San Angelo, Goodsprings WSC, Jonah Water SUD, City of San Benito, Harri County MUD 304, City of Menard, City of Wils Point, City of Huxley, South Newton WSC, Nigton Wakefield WSC, City of Pinehurst, City of Rose City, City of Taylor, Batesville WSC. CT Study assistance was provided to 10 public water systems and Drinking Water Infrastructure Needs Survey and Assessment assistance was provided to 19 public water systems.</p> <p>TOP provided training to TCEQ staff during the 2021 PWS Investigator Training Conference and delivery of training modules and customized presentations to TCEQ WSD staff, Regional Office staff, and other TCEQ technical assistance providers. Topics included Reviewing and Approving Ultraviolet Reactors, training for new Water Supply Division employees, Granular Media Filter Design, and RTCR Level 2 Assessments.</p> <p>TOP provided training to PWS operators of small PWS during the 2021 Annual Texas PDW Conference and directly to individual PWS. Presentation, workshop, and class topics included winter storm preparation, membrane plant</p>

Work Plan Deliverable	Output Provided
	<p>checklists, common issues at membrane plants, establishing a cross-connection control program, conducting chlorine conversions, determining chlorine demand and developing chlorine curves. TOP trained other TCEQ technical assistance providers to deliver training and provided training to PWS at the 2021 Annual Texas PDW Conference.</p>
<p>3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted by small PWS;</p>	<p>During the grant period, exceptions for small PWS were reviewed by TCEQ staff and contractors. TCEQ staff also assisted small PWS through engineering plan reviews for small PWS improvements.</p>
<p>4. Purchase of supplies and equipment as necessary to support the Capacity Development Program in Texas;</p>	<p>Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.</p>
<p>5. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the Capacity Development Strategy;</p>	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), TWDB and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings. Each member agency takes turn hosting the meetings and TCEQ hosted the May 2021 meeting. Entities seeking funding and other types of assistance are encouraged to attend TWICC meetings as guests either in person (when available) or by telephone. In SFY 2021, TWICC guests included:</p> <ul style="list-style-type: none"> • A city looking for funding to replace a contaminated well; • A rural community looking for advise on forming a water district and how to fund and develop infrastructure; • A water system operator looking for funding to purchase generators and help public water systems in northeast Texas repair damages from Winter Storm Uri;

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • A city seeking funding to help a neighboring mobile home community with wastewater issues; • A school district superintendent seeking funding to start a water operator training program for the high school. • Other TWICC activities in SFY 2021 included a presentation by TCEQ staff on the WIIN 2107 Lead Testing in Schools and Child Care Program Drinking Water Grant and follow-up discussion and input from TWICC members on potential funding sources for schools to use for remediation projects. <p>In SFY 2021, TWICC formed a colonia work group of members to discuss water and wastewater issues along the Texas/Mexico border. The group discussed the different definitions of “colonia”, available colonia location data, issues in dispersing available funds and potential projects for underserved and unserved disadvantaged areas.</p> <p>TCEQ coordinated the annual TWICC workshop at the 2021 Annual Texas PDW Conference and made presentations on TWICC, partnerships and resources for PWS at three drought workshops and two resiliency workshops.</p>
<p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the Capacity Development Strategy; and</p>	<p>TCEQ staff participated in virtual trainings, conferences and other events designed to share and enhance knowledge, skills and abilities in support of the Capacity Development Strategy. Staff participated in both ASDWA and EPA workgroups and committees focusing on capacity development topics including small systems, regionalization and consolidation, the DWSRF and partnerships.</p>

Work Plan Deliverable	Output Provided
<p>7. Provision of other assistance and support services to small PWS in support of the PWSSP and approved Capacity Development Strategy for the State of Texas.</p>	<p>TCEQ staff and contractors participated in the 2021 Annual Texas PDW Conference. This conference had a robust workshop section where water systems received specialized training. The conference also provided a technical assistance room for small PWS staff to receive one-on-one technical assistance. TCEQ staff coordinated with EPA grant recipients Communities Unlimited, Environmental Finance Network and TRWA to help develop their work plans for assisting small systems with water quality violations and other issues. Also, TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> • Staff assessment and assistance to small PWS experiencing operational problems. • Providing training to technical assistance providers and water systems directly. • Tracking and assisting nonviable “at-risk” small PWS in restructuring. • Providing free on-site assistance through the FMT contract.

Task 2.2: Capacity Development– Small System FMT Assistance

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

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

Work Plan Deliverable	Output Provided
1. FMT training and assistance to small PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed;	Under this grant, TCEQ, through its FMT assistance contractor, completed 460 FMT Capacity Assessments, Consolidation Assessments, On-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for small PWS.
2. Assessment and reporting on DWSRF applicants; and	Under this grant, TCEQ’s FMT Contractor conducted 14 FMT capacity assessments for small PWS DWSRF applicants.
3. Provision of other assistance, training and services to small PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	Under this grant, TCEQ’s FMT Contractor completed four (4) consolidation assessments for small Investor Owned Utilities for the purpose of ensuring service to the communities.

Task 2.3 Capacity Development – Water Security

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

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

Work Plan Deliverable	Output Provided
<p>1. Review, evaluation and technical assistance related to Emergency Preparedness Plans;</p>	<p>During the 2021 Annual Texas PDW Conference, TCEQ staff provided a presentation on Emergency Preparedness Plans (EPP) which are now applicable to “affected utilities” across all 254 Texas Counties in response to the passage of Senate Bill 3, which now mandates that all affected utilities in the state submit an EPP. An EPP requires an affected utility to explain how the utility plans to provide water and pressure during an extended power outage lasting more than 24 hours. The template for this plan, the EPP webpage, and the Appendices for the EPP were all updated in August 2020. In SFY2021, TCEQ reviewed 60 Emergency Preparedness Plans. In SFY2021, the TCEQ’s WSD sent out 8,298 emergency contact forms to water systems so they can have their contact information updated in SDWIS. On a biannual bases the TCEQ’s WSD sends out emergency contact forms to all water systems across the state, to keep emergency contact information for all PWSs updated in the SDWIS. Emergency contact updates have been conducted on approximately 3,917 water systems, 1,329 updates for other points of contact have also been updated, and this activity is always ongoing.</p>
<p>2. Support for natural disaster (i.e. drought) initiatives and technical assistance to impacted systems;</p>	<p>Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of PWS size, type, and ownership. During this reporting period PWS were impacted by one major event that required support for impacted water systems. The week of February 14, 2021, a severe winter storm, referred to as Winter Storm Uri, swept across Texas bringing record low temperatures, ice, and snow. Loss of power generation due to the cold weather and peak demand, left approximately 4.3 million customers without power, including many public water systems. The storm impacted many of the state’s 7,000 PWS causing wide-spread water outages or shortages, burst pipes, and equipment failures disrupting treatment processes. As a result, 1,985 boil water notices were issued by water systems in the state over the course of the week</p>

Work Plan Deliverable	Output Provided
	<p>impacting approximately 16 million Texans. From February 16-March 1, 2021 the TCEQ tracked all BWNs until water systems were able to lift their boil water notices and return to service.</p> <p>The TCEQ continued to provide support and assistance to the Texas Natural Disaster Operational Workgroup (NDOW) by providing training to staff on the implementation and use of Response Manager (RM), the software to conduct drinking water assessments in response to a disaster. In 2021, the RM trainings were offered virtually due to COVID-19 and were held via Teams on:</p> <ul style="list-style-type: none"> • March 9, 2021, for 14 attendees from the Central Texas Area • April 8, 2021 for 19 attendees from the North Central and West Texas Area • April 13, 2021, for 30 attendees from the Coastal and East Texas Area • May 11, 2021, for 35 attendees from the Border and Permian Basin Texas Area • May 13, 2021 for 14 TCEQ Central Office attendees and 13 EPA attendees. <p>Attendees were taught the purpose of using RM, how to enter drinking water assessments in RM, taught the Drinking Water Operational and Damage Level Definitions, and utilized scenarios to test the attendee’s understanding and function of RM. These trainings prepare TCEQ staff to support PWS impacted by disasters.</p>
<p>3. Travel and training both within Texas and nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of Program administration staff in support of the Water Security Program;</p>	<p>In SFY2021 due to COVID-19, trainings and conferences were attended via webcasts and included:</p> <ul style="list-style-type: none"> • EPA Sodium Hypochlorite Webinar • EPA Enhancing Climate Resilience in the Water Sector • EPA Building Security and Resilience to Cyber Security • EPA Wildfires and Resulting Impacts to Water Bodies Used as Drinking Water Sources • EPA AWIA and Creating Resilient Water Utilities • EPA Hazard Mitigation – Why Now?

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • U.S. EPA COOP Template Webinar • Lessons Learned from the Fukushima Disaster- April (Adriana attended) • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Cybersecurity Workshop January 2021 • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Central Texas Workshop July 2021 • Building Resilience to Extreme Weather Events - Introductory Session Webinar • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Workshop November 2020 • 8 Hour OSHA Refresher • 14th Annual EMAT Symposium • 11th Annual Rio Grande Valley (Virtual) Emergency Management Partners' Hurricane Workshop • 2021 Coastal Bend Hurricane Conference, Multiple Storm Challenge • 2020 Coastal Bend Hurricane Conference a Pandemic Approach (held in early SFY2021) • 2020 ASDWA's Annual Conference • 17th Annual EPA Drinking Water Workshops • EPA's 18th Annual Drinking Water Conference August • ASDWA State Drinking Water Program Emergency Response to Extreme Weather Events • CDC Update on COVID-19 Vaccination for Essential Workers <p>The TCEQ's Drinking Water Homeland Security Coordinator continues to participate in ASDWA's Security notes, NDOW's quarterly meetings, and maintains a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.</p>
4. Provision of other assistance and support	In SFY 2021, the TCEQ's Security Education contractor, CDM Smith, provided three virtual

Work Plan Deliverable	Output Provided
<p>services to small PWS in support of the Water Security Program and the approved Capacity Development Strategy for Texas.</p>	<p>Drought workshops to PWS across the state. The first workshop was held May 26-27, 2021, and had 36 attendees, the second workshop was held June 22-23, 2021, and had 52 attendees. The third workshop was held August 10, 2021 during the 2021 Public Drinking Water Conference.</p> <p>The workshops provided water utilities with information on Conservation Planning, Funding Opportunities, Rule and Regulation requirements for reporting water restrictions and water shortages/water loss, and Drought Contingency Plan requirements.</p> <p>Additionally, during the WSD’s annual 2021 Online Public Drinking Water Conference the theme was Planning for Long-Term Success. This two-day, free event provided 51 presentations and workshops covering multiple topics for water utilities. There were presentations on: Preparing for Severe Weather Events, TCEQ Plan: After Action Review of PWS and Winter Storm Uri, Texas Drought Outlook, Drought Preparedness and Reporting Requirements, Emergencies and the Plan Review Process, and Emergency Preparedness Plans – Senate Bill 3. This event had approximately 1000 attendees over the two-day period.</p> <p>TCEQ continues to be available for assistance and support services to small PWS as needed through phone calls, the TCEQ’s Capacity Development Team, the TCEQ’s Critical Infrastructure Division, the TXWARN website and the TDEM’s Public Works Response Team (PWRT).</p> <p>The PWRT supports local jurisdictions in their response to a catastrophic event by providing critical public works services as needed to facilitate recovery. TCEQ’s Capacity Development Team coordinates with members of TWICC including TDEM, FEMA, Texas Department of Agriculture (TDA), USDA and GLO to assist systems affected by disasters to obtain funding.</p> <p>Another support service provided to small PWS is</p>

Work Plan Deliverable	Output Provided
	<p>the Quarterly DWAWG meetings that are held for all PWS to attend in person or via webinar. These meetings inform PWS of Program activities, response activities, and security activities. The meeting is interactive and allows for web attendees to ask questions during the meeting. The website for these meetings has presentations, the information covered during each meeting, and advertises any upcoming drinking water related trainings provided by TCEQ, EPA, and other providers.</p>

Program Element 3: PWSSP Administration

This Program Element implemented the PWSSP in Texas as described in the SDWA. The activities performed under this Program Element support the compliance, monitoring and enforcement of small PWS. An estimated total of \$449,849 was expended for activities conducted during the Work Plan period of September 1, 2020 through August 31, 2021. Of the total estimated amount expended \$439,583 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder or approximately \$10,266 has been or is expected to be requested during the months of September 2021 through November 2021. All work was performed during the designated Work Plan period of September 1, 2020 through August 31, 2021.

Task 3.1: PWSSP Administration – PWSSP Activities

The activities under this task supported the Primacy Program of the State of Texas and included but was not limited to: inventory data entry and processing, compliance activities; technical and regulatory assistance; Safe Drinking Water Information System (SDWIS) data support; evaluating and analyzing data (chemical and otherwise); quality assurance and control (QA/QC) activities; and other activities in support of the PWSSP in Texas. These activities were carried out by TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of the Texas population with drinking water that meets drinking water standards.

Work Plan Deliverable	Output Provided
1. Compliance, technical and regulatory assistance for small PWS;	TCEQ provided technical assistance to small PWS to facilitate compliance with the Revised Total Coliform Rule (RTCR), Lead and Copper Rule, Stage 2 Disinfection Byproducts Rule, regulations for inorganic, organic, and radionuclide chemical contaminants, the Surface Water Treatment Rule, Ground Water Rule, Consumer Confidence Report Rule, and the Public Notification Rule. Additionally, compliance and technical/regulatory assistance is provided to small PWS throughout Texas on: disinfectant residual levels, surface water treatment, microbial contaminants, inorganic contaminants, radionuclides, monitoring plans, and the Consumer Confidence Report. TCEQ implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy

Work Plan Deliverable	Output Provided
	criteria.
2. Review of compliance data, monitoring information and other compliance Program related information;	TCEQ reviews treatment technique, microbial and chemical compliance data to determine compliance with primary drinking water standards and monitoring and reporting requirements. On a daily basis, TCEQ ensures PWSs are monitored on appropriate schedules based on system information and sample results.
3. SDWIS inventory and data maintenance;	Inventory data in SDWIS was updated from multiple data sources and reported to EPA on the following dates: Quarter 1 on December 26, 2020 Quarter 2 on March 22, 2021 Quarter 3 on July 1, 2021 Quarter 4 on September 28, 2021.
4. Data and responses to the EPA, small PWS, consulting engineers, the TCEQ and other state agencies, as necessary;	TCEQ staff and contractors provided information on requests to TCEQ, EPA, PWS, consulting engineers through day-to-day assistance. TCEQ staff have sought new and innovative ways to share data across Programs and with the public, including small PWS, by continuing to modify Drinking Water Watch, discussing data initiatives through stakeholder meetings, and implementing SharePoint software for internal project management and coordination. TCEQ has worked with EPA to identify data discrepancies between state and federal databases and has actively sought to reduce these discrepancies.
5. Provision of other assistance and support services to small PWS in support of the PWSS Program for the State of Texas.	TCEQ and contractors hosted and participated in the 2021 Annual Texas PDW Conference. This virtual conference focused on the topic of Planning for Long-Term Success and had numerous presentations on preparation for emergency events, resiliency, compliance and themes and/or concepts important to the successful operation of PWS. Also, the conference provided a technical assistance room for PWS staff to receive one-on-one technical assistance. TCEQ referred PWS, including small PWS, to its FMT and Small Business Assistance functions to provide on-site, in-depth support services and assistance.

**STATE FISCAL YEAR 2021
DRINKING WATER STATE REVOLVING FUND
STATE PROGRAM MANAGEMENT
(10%) TEN PERCENT SET-ASIDE ACTIVITIES
ANNUAL REPORT**

**EPA # FS-99679524
[TCEQ Grant# 991021]**



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

Source of Funding: Federal Fiscal Year 2020 DWSRF Ten Percent Set-Aside

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INTRODUCTION

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

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The State Fiscal Year (SFY) 2021 Drinking Water State Revolving Fund 10% State Program Management Annual Report details the TCEQ's progress in meeting DWSRF Grant Program goals, objectives, and funding expenditures for September 1, 2020 through August 31, 2021 using the 10% Set-Aside funds for Public Water System Supervision Program (PWSSP) Administration and Capacity Development. The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms, Expenditures, Program Elements, Tasks and Deliverables.

SUMMARY

The TCEQ, through the 10% State Program Management Work Plan, identified activities to be performed between September 1, 2020 and August 31, 2021 that supported Public Water Systems (PWS) through the PWSSP. These activities addressed Program requirements of the PWSSP outlined by the SDWA. Specifically, the PWSSP Administration, and Capacity Development Strategy requirements of the SDWA were addressed.

The TCEQ expended approximately \$7,541,290 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$6,919,726 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder, or approximately

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\$621,564, has been or is expected to be requested during the months of September 2021 through November 2021. Due to the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% DWSRF set-aside does not require a match.

The total requested for reimbursement from TWDB between September 2020 and August 2021 was \$7,578,454. Of this amount, approximately \$658,728 was requested for reimbursement from TWDB between September 2020 and November 2020 under the SFY2020/FFY2019 DWSRF 10% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

EPA AND TCEQ GOALS AND OBJECTIVES

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

Table 1: EPA and TCEQ Goals and Objectives

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
<p>EPA Goal 1 – A Cleaner, Healthier Environment: Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency’s core mission.</p> <p>EPA Objective 1.2: Provide for Clean and Safe Water</p> <p>Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage Programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.</p>	<p>TCEQ Goal 2: Drinking Water</p> <p>Protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water and sewer utilities; and by promoting regional water strategies.</p> <p>TCEQ Objective 2.1</p> <p>To supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act, to provide regulatory oversight of water and sewer utilities, and to promote regional water strategies.</p> <p>TCEQ Strategy 2.1.1: Safe Drinking Water</p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p>

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

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

EPA Objective 5.1: Enforce Environmental Laws to Achieve Compliance

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

TCEQ Goal 3: Enforcement and Compliance Assistance

Protect public health and the environment by administering enforcement and environmental assistance Programs that promote compliance with environmental laws and regulations, voluntary efforts to prevent pollution, and offer incentives for demonstrated environmental performance while providing strict, sure, and just enforcement when environmental laws are violated.

TCEQ Objective 3.1:

Through fiscal 2021, maintain at least 95 percent of all regulated facilities in compliance with state environmental laws and regulations, to respond appropriately to citizen inquiries and complaints, and to prevent pollution, conserve resources, and enhance compliance.

TCEQ Strategy 3.1.1: Field Inspections and Complaint Response

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

TCEQ Strategy 3.1.2: Enforcement and Compliance Support

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

WORK PROGRAM ORGANIZATIONAL STRUCTURE

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

EXPENDITURE BY PROGRAM ELEMENT

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2021 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$7,541,290 during the grant Work Plan period for work performed during this period and reserves the right to use any remaining funds in future years. It should be noted that \$6,919,726 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder, or approximately \$621,564, has been or is expected to be requested during the months of September 2021 through November 2021. Due to the Water Infrastructure for Improvements to the Nation (WIIN) Act, no match is required; the 10% DWSRF set-aside does not require a match. Work was performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2020 and August 2021 was \$7,578,454. Of this amount, approximately \$658,728 was requested for reimbursement from TWDB between September 2020 and November 2020 under the SFY2020/FFY2019 DWSRF 10% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2020 and August 2021 for the SFY21/FFY20 10% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: PWSSP Administration	Water Supply Division and Office of Compliance and Enforcement – Regional Areas	\$3,924,081	\$4,347,836	58%
Program Element 2: Capacity Development	Water Supply Division and Water Availability Division	\$2,995,645	\$3,193,454	42%
Total		\$6,919,726	\$7,541,290	100%

PROJECT SCHEDULE

The TCEQ conducted the activities in the DWSRF 10% Set-Aside Work Plans over a 12-month period, which began September 1, 2020 and ended August 31, 2021 (SFY 2021).

MEASURES OF SUCCESS

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

Table 3: TCEQ Outcome/Output Measures

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>2.1 oc 1 Outcome Measure</u></p> <p>Percent of Texas population served by public water systems that meet drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Administration Activities • Program Element 1: Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – Drought Plan Review • Program Element 2: Task 2.3 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.4 Capacity Development – Water Security • Program Element 2: Task 2.5 Capacity Development – FMT Assistance • Program Element 2: Task 2.6 Capacity Development – Source Water Protection Activities 	<p>99.11% of Texas population served by public drinking water systems that meet drinking water standards.</p>

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>2.1.1 op 1 Output Measure:</u></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Administration Activities • Program Element 1: Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – Drought Plan Review • Program Element 2: Task 2.3 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.4 Capacity Development – Water Security • Program Element 2: Task 2.5 Capacity Development – FMT Assistance • Program Element 2: Task 2.6 Capacity Development – Source Water Protection Activities 	<p>6846 public drinking water systems that meet primary drinking water standards.</p>

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>2.1.1 op 3 Output Measure:</u> Number of district applications processed.</p>	<ul style="list-style-type: none"> • Program Element 2: Task 2.1 Capacity Development – District Support 	<p>574 district applications processed</p>
<p><u>3.1 oc 2 Outcome Measure:</u> Percent of investigated water sites and facilities in compliance.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation 	<p>99% of inspected or investigated water sites and facilities were in compliance.</p> <p><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of all water sites and facilities and is not specific to drinking water.</i></p>
<p><u>3.1.2 op 1 Output Measure:</u> Number of environmental laboratories accredited.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation 	<p>251 environmental laboratories were accredited.</p> <p><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of laboratories accredited is not specific to drinking water. There were 146 drinking water laboratories accredited at the end of State Fiscal Year 2021.</i></p>

TCEQ Output/Outcome Measure	Program Element/Task	Outcome/Output
<p><u>3.1.1 op 3 Output Measure:</u></p> <p>Number of investigations of water sites and facilities.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation 	<p>13,998 investigations of water site and facilities that were conducted.</p> <p><i>Please note that this measure is reported to the Texas Legislative Budget Board as inclusive of all water sites and facilities and is not specific to drinking water.</i></p>
<p><u>3.1.2 ex 3 Explanatory Measure:</u></p> <p>Number of administrative enforcement orders issued (for public water systems).</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.4 PWSSP Administration – Drinking Water Enforcement 	<p>240 of administrative enforcement orders issued.</p>

Table 4: EPA National Program Guidance

EPA National Program Guidance	Program Element/Task	Outcome/Output
<p>Community water systems out of compliance with health-based standards: Nationally from FFY Quarter 4 2017 of 3,508 to Quarter 4 2020 3,365 – Texas FFY Quarter 4 2017 - 459</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Administration Activities • Program Element 1: Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – Drought Plan Review • Program Element 2: Task 2.3 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.4 Capacity Development – Water Security • Program Element 2: Task 2.5 Capacity Development – FMT Assistance • Program Element 2: Task 2.6 Capacity Development – Source Water Protection Activities 	<ul style="list-style-type: none"> • Q2 FFY 2021 – Number 306 • Number 33.3% reduction since Q4 2017

EPA National Program Guidance	Program Element/Task	Outcome/Output
<p>Systems out of compliance due to Lead and Copper Rule violations: (50% by 2022 – starting 2018) – Texas 2017 Q4 - 110</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 PWSSP Administration – PWSSP Administration Activities • Program Element 1: Task 1.2 PWSSP Administration – Drinking Water Inspection and Investigation • Program Element 1: Task 1.3 PWSSP Administration – Drinking Water Laboratory Certification and Accreditation • Program Element 2: Task 2.1 Capacity Development – District Support • Program Element 2: Task 2.2 Capacity Development – Drought Plan Review • Program Element 2: Task 2.3 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.4 Capacity Development – Water Security • Program Element 2: Task 2.5 Capacity Development – FMT Assistance • Program Element 2: Task 2.6 Capacity Development – Source Water Protection Activities 	<ul style="list-style-type: none"> • Q2 FFY 2021 – 40 • 63.6% reduction over Since Q4 2017

PROGRAM ELEMENTS, TASKS, DELIVERABLES and OUTPUTS

The following describes the Work Plan deliverables and outputs provided for the Program Elements and Tasks identified in the 10% DWSRF Work Plan for SFY 2021.

Program Element 1: PWSSP Administration

This Program Element and its associated Tasks implemented the PWSSP in Texas as described in the SDWA. The activities performed under this Program Element supported the compliance, monitoring and enforcement of PWS. An estimated total of \$4,347,836 was expended for activities conducted during the Work Plan period of September 1, 2020 through August 31, 2021. Of the total estimated amount expended \$3,924,081 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder or approximately \$423,755 has been or is expected to be requested during the months of September 2021 through November 2021. All work was performed during the designated Work Plan period of September 1, 2020 through August 31, 2021.

Task 1.1 PWSSP Administration Activities

The activities under this Task supported the Primacy Program of the State of Texas and included, but were not limited to: inventory data entry and processing, compliance activities; technical and regulatory assistance; Safe Drinking Water Information System (SDWIS) data support; evaluating and analyzing data (chemical and otherwise); quality assurance and control (QA/QC) activities; and other activities in support of the PWSSP in Texas. These activities were carried out by TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of Texas’ population with drinking water that meets drinking water (DW) standards.

Work Plan Deliverable	Output Provided
1. Compliance, technical and regulatory assistance for PWS;	TCEQ provided technical assistance to PWS to facilitate compliance with the Revised Total Coliform Rule (RTCR), Lead and Copper Rule, Stage 2 Disinfection Byproducts Rule, regulations for inorganic, organic, and radionuclide chemical contaminants, the Surface Water Treatment Rule, Ground Water Rule, Consumer Confidence Report Rule and the Public Notification Rule. Additionally, compliance and technical/regulatory assistance is provided to PWS throughout Texas on: disinfectant residual levels, surface water treatment, microbial contaminants, inorganic contaminants, radionuclides, monitoring plans, and the

Work Plan Deliverable	Output Provided
	<p>Consumer Confidence Report. TCEQ provided assistance and training to systems and laboratories in on-going support of the Electronic Environmental (E2) Reporting System software and its maintenance. TCEQ also implemented a compliance outreach initiative to assist non-compliant systems prior to triggering enforcement response policy criteria. During SFY 2021, TCEQ WSD:</p> <ul style="list-style-type: none"> • Completed 6,767 Inventory requests • Issued letters for Notice of Violation (NOV) to 2,349 PWS with a sum total of 10,086 violations • Issued 2,995 Public Notification (PN) Rule violations to 1,031 PWS • Referred 213 PWS with a Notice of Enforcement (NOE) on a sum total of 1,993 violations
<p>2. Review of compliance data, monitoring information and other compliance Program related information;</p>	<p>TCEQ reviews treatment technique, microbial and chemical compliance data to determine compliance with primary drinking water standards and monitoring and reporting requirements. On a daily basis, TCEQ ensures PWSs are monitored on appropriate schedules based on system information and sample results.</p>
<p>3. SDWIS inventory and data maintenance;</p>	<p>Inventory data in SDWIS was updated from multiple data sources and reported to EPA on the following dates:</p> <p>Quarter 1 on December 26, 2020 Quarter 2 on March 22, 2021 Quarter 3 on July 1, 2021 Quarter 4 on September 28, 2021</p>
<p>4. Data and responses to the EPA, PWS, consulting engineers, the TCEQ and other state agencies, as necessary;</p>	<p>TCEQ staff and contractors provided information on requests to TCEQ, EPA, PWS, consulting engineers through day-to-day assistance. TCEQ staff have sought new and innovative ways to share data across Programs and with the public, including small PWS, by continuing to modify Drinking Water Watch, discussing data initiatives through stakeholder meetings, and implementing SharePoint software for internal project management and coordination. TCEQ</p>

Work Plan Deliverable	Output Provided
	has worked with EPA to identify data discrepancies between state and federal databases and has actively sought to reduce these discrepancies.
5. Purchase of supplies, equipment and other items necessary to support the PWSSP in Texas;	Supplies and equipment deemed necessary to support the PWSSP in Texas were purchased.
6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP;	<p>TCEQ staff participated in virtual trainings, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP. Examples include:</p> <ul style="list-style-type: none"> • ASDWA 2020 Annual Conference • 2021 Annual Texas Public Drinking Water (PDW) Conference • ASDWA 2021 Data Management User’s Conference
7. Coordination of and participation in state and/or national organizations including, but not limited to the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the PWSSP; and	<p>TCEQ staff participated in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators, The Texas Chapter of the American Water Works Association (AWWA), and other organizations in support of the PWSSP. TCEQ staff participated on the ASDWA SDWIS Modernization Board in support of SDWIS, data concerns, and compliance determinations involved in the oversight of PWS and the future Lead and Copper Rule Revisions</p>
8. Provision of other assistance and support services to PWS in support of the PWSSP for the State of Texas.	<p>TCEQ and contractors hosted and participated in the virtual 2021 Annual Texas PDW Conference. This virtual conference concentrated on Planning for Long-Term Success and had numerous presentations on preparation for emergency events, resiliency, compliance and themes and/or concepts important to the successful operation of PWS. Also, the conference provided a technical assistance room for PWS staff to receive one-on-one technical assistance. TCEQ referred PWS to its Financial, Managerial, and Technical (FMT) and Small Business Assistance</p>

Work Plan Deliverable	Output Provided
	functions to provide on-site, in-depth support services and assistance.

Task 1.2 Drinking Water Inspection and Investigation

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

The key deliverables are comprehensive compliance investigations (EPA termed sanitary surveys) at PWS and timely response to complaints as appropriate.

Work Plan Deliverable	Output Provided
1. Completed comprehensive compliance investigations (EPA termed sanitary surveys) at PWS;	1,206 comprehensive compliance investigations (sanitary surveys) were funded by DWSRF. Due to the COVID-19 Pandemic, investigators conducted more off-site and virtual investigations, including the sanitary surveys. This allowed investigators to conduct more investigations with the same resources. Additionally, an activity code used to track these investigations was not previously included in this report.
2. Completed complaint investigations on PWS;	495 PWS Investigation Complaints were funded by DWSRF
3. Purchase of supplies, equipment and other items necessary to support the PWSSP in Texas;	Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas
4. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP; and	TCEQ staff attended the Texas Water Utilities Association School Basic Water classes and several classes offered by TEEX and Texas Rural Water Association (TRWA). Additionally, staff attended the 2021 Annual Texas PDW Conference virtually.

Work Plan Deliverable	Output Provided
5. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to inspections and investigations of PWS; and	Due to the COVID-19 Pandemic, TCEQ staff were unable to travel to conferences or to provide training at those conferences. However, TCEQ staff continued to provided outreach, training, complaint reviews, and technical assistance to support the regulated community, PWS customers, and TCEQ staff on a regular basis.
6. Provision of other assistance and support services to PWS in support of the PWSSP for the State of Texas	TCEQ staff took calls from PWS and provided guidance documents as needed. Staff assisted with training and monitoring PWS personnel during testing activity. TCEQ staff administered tests for PWS operator licensing requirements.

Task 1.3 Drinking Water Laboratory Certification and Accreditation

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

The key deliverable is the assessment and audits of PWS laboratories statewide as required and controlled by Title 30 Texas Administrative Code Chapter 25.

Work Plan Deliverable	Output Provided
1. Conduct and complete laboratory audits of PWS laboratories;	TCEQ completed 58 PWS (drinking water) laboratory inspections.
2. Conduct review of applications against the provisions of the 2016 TNI NELAP standard to approve accreditation;	TCEQ conducted 58 PWS (drinking water) laboratory audits and completed 56 PWS (drinking water) laboratory audits.
3. Provide assistance and support to other areas at the TCEQ related to the accreditation, certification, and auditing of PWS laboratories;	Assistance and support were provided on topics related to the accreditation, inspection and auditing of PWS laboratories upon request. For example: answered questions regarding accreditation status and location of PWS laboratories, answered questions regarding details of analytical methods used at PWS laboratories, and provided technical interpretation of results from PWS laboratories.

Work Plan Deliverable	Output Provided
4. Provide data and other information associated with the PWSSP upon request and the accreditation, certification, and auditing of PWS laboratories;	Data and other information associated with the PWSSP and the accreditation, inspection and auditing of PWS laboratories was provided upon request. For example: provided location of accredited PWS laboratories, provided information on collecting drinking water samples and selection of potential test methods, and referred callers to proper TCEQ Region for specific answers and assistance.
5. Purchase of supplies, equipment and other items necessary to support the PWSSP in Texas;	Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas;
6. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP; and	Due to the COVID-19 Pandemic, travel and trainings were limited.
7. Provision of other assistance and support services to PWS in support of the PWSSP for the state of Texas.	Stakeholders were assisted with technical and/or administrative questions, which included but were not limited to, the following topics: laboratory accreditation, reference method interpretations, standards for accreditation (i.e., 2009 The NELAC Institute (TNI) Standard) concerns, laboratory assessments and subsequent corrective action responses, initial and amended applications for laboratory accreditation, proficiency testing issues, and technical manager designations.

Task 1.4 Drinking Water Enforcement

The activities under this Task supported the Primacy Program of the State of Texas through the development of enforcement cases to address significant noncompliance and significant deficiencies at PWS.

The key deliverable is the addressing of significant noncompliance and significant deficiencies by developing enforcement cases for PWS.

Work Plan Deliverable	Output Provided
<p>1. Enforcement cases developed that address significant noncompliance and significant deficiencies at PWS in accordance with Texas statutes, rules and TCEQ's policies and procedures;</p>	<p>To address the Task of calculating penalties and determining technical corrective requirements, the Enforcement Division under the DWSRF developed and mailed out or directly referred to the Litigation Division 55 PWS enforcement cases. To address the Task of negotiating agreed enforcement order cases to settlement or pursue other appropriate legal remedies, such as referral to the Litigation Division or the Office of Attorney General, the Enforcement Division under the DWSRF has negotiated or prepared referral packages for 56 PWS enforcement cases.</p>
<p>2. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to Enforcement Cases for PWS;</p>	<p>The TCEQ Enforcement Division conducted and/or prepared for the following in conjunction with the EPA: the annual PWSSP review, the state end-of-year questionnaire, the National Compliance Initiative background discussion with EPA Headquarters, enforcement order update presentations at the TWICC meetings, and the RTCR implementation.</p>
<p>3. Purchase of supplies, equipment and other items necessary to support the PWSSP in Texas;</p>	<p>Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas.</p>
<p>4. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the PWSSP; and</p>	<p>TCEQ Enforcement Division staff participated in various conference and training events virtually in order to share and enhance their skills and abilities. Examples include the 2021 Annual Texas PDW Conference, Texas A&M Engineering Extension Service Water System courses, and participation in the TWICC meetings.</p>
<p>5. Provision of other assistance and support services to PWS in support of the PWSSP for the state of Texas.</p>	<p>Participated in PWS meetings with WSD. Assisted the Texas Drinking Water Advisory Work Group (DWAAG) with answering PWS questions. Answered PWS questions on an individual basis as needed. Coordinators reached out to PWS to assist with Compliance Issues.</p>

Program Element 2: Capacity Development

This Program Element provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of PWS through the identification of PWS that need assistance in developing, enhancing and maintaining their FMT abilities to meet state and federal requirements. This was accomplished through the implementation of: National Primary Drinking Water Regulations; the Texas Optimization Program (TOP); portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, review and approval of water district applications, review and approval of drought contingency plans, water security assistance and other specialized assistance to PWS and were performed by TCEQ staff and/or contractors.

An estimated total of \$3,193,454 was expended for activities conducted during the Work Plan period of September 1, 2020 through August 31, 2021 for this Program Element. Of the total estimated amount expended \$2,995,645 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder, or approximately \$197,809 has been or is expected to be requested during the months of September 2021 through November 2021. All work was performed during the designated Work Plan period of September 1, 2020 through August 31, 2021.

Task 2.1 Capacity Development - Capacity Development Activities

This Task implemented the Capacity Development Strategy under the PWSSP in Texas. The activities under this Task provided assistance to reduce the risk of both long-term and short-term health effects. This was accomplished through the implementation of: the Texas Optimization Program (TOP), portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, coordination, and Intended Use Plan ranking and review and other specialized assistance to PWS through the use of TCEQ staff and/or contractors.

The key deliverable was the implementation of Programs designed to meet the goal of 95% of Texas' population with drinking water (DW) that meets DW standards and increases the sustainability of PWS.

Work Plan Deliverable	Output Provided
1. Development of presentations, training materials and other technical documents to support the technical capability and compliance of PWS in Texas;	TCEQ provided presentations and training materials at the 2021 Annual Texas PDW Conference. Staff developed and made presentations to assist PWS at workshops, conferences, the DWAAG, and TWICC meetings with topics like regionalization and how to get assistance with operations and funding. The TOP updated an operator training class that covers

Work Plan Deliverable	Output Provided
	<p>disinfection byproduct formation and control. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention.</p>
<p>2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of PWS in Texas;</p>	<p>TOP provided training and technical assistance, as needed, to support the technical capability of small PWS in Texas. Examples include technical assistance visits and other technical support to Creek Water Utility, City of McGregor, Brazosport Water Authority, City of Richmond, City of Richwood, City of Queen City, City of Marlin, Webb County, City of Lake Jackson, City of San Angelo, Goodsprings WSC, Jonah Water SUD, City of San Benito, Harri County MUD 304, City of Menard, City of Wils Point, City of Huxley, South Newton WSC, Nigton Wakefield WSC, City of Pinehurst, City of Rose City, City of Taylor, Batesville WSC. CT Study assistance was provided to 10 public water systems and Drinking Water Infrastructure Needs Survey and Assessment assistance was provided to 19 public water systems.</p> <p>TOP provided training to TCEQ staff during the 2021 PWS Investigator Training Conference and delivery of training modules and customized presentations to TCEQ WSD staff, Regional Office staff, and other TCEQ technical assistance providers. Topics included Reviewing and Approving Ultraviolet Reactors, training for new Water Supply Division employees, Granular Media Filter Design, and RTCR Level 2 Assessments.</p> <p>TOP provided training to PWS operators of small PWS during the 2021 Annual Texas PDW Conference and directly to individual PWS. Presentation, workshop, and class topics included winter storm preparation, membrane plant checklists, common issues at membrane plants.</p>
<p>3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted</p>	<p>During the grant period, exceptions for PWS were reviewed by TCEQ staff and contractors. TCEQ staff also assisted PWS through engineering plan reviews for PWS improvements.</p>

Work Plan Deliverable	Output Provided
by PWS;	
4. Purchase of supplies and equipment as necessary to support the Capacity Development Program in Texas;	Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.
5. Coordination of and participation in state and/or national organizations including, but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA) and other organizations in support of the Capacity Development Strategy;	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), TWDB and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings. Each member agency takes turn hosting the meetings and TCEQ hosted the May 2021 meeting. Entities seeking funding and other types of assistance are encouraged to attend TWICC meetings as guests either in person (when available) or by telephone. In SFY 2021, TWICC guests included:</p> <ul style="list-style-type: none"> A city looking for funding to replace a contaminated well; A rural community looking for advise on forming a water district and how to fund and develop infrastructure; A water system operator looking for funding to purchase generators and help public water systems in northeast Texas repair damages from Winter Storm Uri; A city seeking funding to help a neighboring mobile home community with wastewater issues; A school district superintendent seeking funding to start a water operator training program for the high school. <p>Other TWICC activities in SFY 2021 included a presentation by TCEQ staff on the WIIN 2107 Lead Testing in Schools and Child Care Program Drinking Water Grant and follow-up discussion and input from TWICC members on potential funding sources for schools to use for remediation projects.</p>

Work Plan Deliverable	Output Provided
	<p>In SFY 2021, TWICC formed a colonia work group of members to discuss water and wastewater issues along the Texas/Mexico border. The group discussed the different definitions of "colonia", available colonia location data, issues in dispersing available funds and potential projects for underserved and unserved disadvantaged areas.</p> <p>TCEQ coordinated the annual TWICC workshop at the 2021 Annual Texas PDW Conference and made presentations on TWICC, partnerships and resources for PWS at three drought workshops and two resiliency workshops.</p>
<p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of state Program administration staff in support of the Capacity Development Strategy; and</p>	<p>TCEQ Staff participated in virtual trainings, conferences and other events designed to share and enhance knowledge, skills and abilities in support of the Capacity Development Strategy. Staff participated in both ASDWA and EPA workgroups and committees focusing on capacity development topics including small systems, regionalization and consolidation, the DWSRF and partnerships.</p>
<p>7. Provision of other assistance and support services to PWS in support of the PWSSP and approved Capacity Development Strategy for the State of Texas.</p>	<p>TCEQ staff and Contractors participated in the virtual 2021 Annual Texas PDW Conference. The conference also provided a technical assistance room for PWS staff to receive one-on-one technical assistance. TCEQ staff coordinated with EPA grant recipients Communities Unlimited, Environmental Finance Network and TRWA to help develop their work plans for assisting small systems with water quality violations. Also, TCEQ staff participated in a wide variety of capacity development activities including:</p> <ul style="list-style-type: none"> • Staff assessment and assistance to PWS experiencing operational problems. • Providing training to technical assistance providers and water systems directly. • Tracking and assisting nonviable "at-risk" PWS in restructuring. • Providing free on-site assistance through the FMT contract.

Task 2.2: Capacity Development - FMT Assistance

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

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

Work Plan Deliverable	Output Provided
1. FMT training and assistance to PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed;	Under this grant, TCEQ, through its FMT assistance contractor, completed 318 FMT Capacity Assessments, Consolidation Assessments, On-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for PWS.
2. Assessment and reporting on DWSRF applicants; and	Under this grant, TCEQ’s FMT Contractor conducted eight (8) FMT Capacity Assessments for DWSRF applicants.
3. Provision of other assistance, training and services to PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	Under this grant, TCEQ’s FMT Contractor completed three (3) Consolidation Assessments for Investor Owned Utilities for the purpose of ensuring service to the communities.

Task 2.3 Capacity Development – Water Security

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

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

Work Plan Deliverable	Output Provided
<p>1. Review, evaluation and technical assistance related to Emergency Preparedness Plans;</p>	<p>During the 2021 Annual Texas PDW Conference, TCEQ staff provided a presentation on Emergency Preparedness Plans (EPP) which are now applicable to “affected utilities” across all 254 Texas Counties in response to the passage of Senate Bill 3, which now mandates that all affected utilities in the state submit an EPP. An EPP requires an affected utility to explain how the utility plans to provide water and pressure during an extended power outage lasting more than 24 hours. The template for this plan, the EPP webpage, and the Appendices for the EPP were all updated in August 2020. In SFY2021, TCEQ reviewed 60 Emergency Preparedness Plans. In SFY2021, the TCEQ’s WSD sent out 8,298 emergency contact forms to water systems so they can have their contact information updated in SDWIS. On a biannual bases the TCEQ’s WSD sends out emergency contact forms to all water systems across the state, to keep emergency contact information for all PWSs updated in the SDWIS. Emergency contact updates have been conducted on approximately 3,917 water systems, 1,329 updates for other points of contact have also been updated, and this activity is always ongoing.</p>
<p>2. Support for natural disaster (i.e. drought) initiatives and technical assistance to impacted systems;</p>	<p>Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of PWS size, type, and ownership. During this reporting period PWS were impacted by one major event that required support for impacted water systems. The week of February 14, 2021, a severe winter storm, referred to as Winter Storm Uri, swept across Texas bringing record low temperatures, ice, and snow. Loss of power generation due to the cold weather and peak demand, left approximately 4.3 million customers without power, including many public water systems. The storm impacted many of the state’s 7,000 PWS causing wide-spread water outages or shortages, burst pipes, and equipment failures disrupting treatment processes. As a result, 1,985 boil water notices were issued by water</p>

Work Plan Deliverable	Output Provided
	<p>systems in the state over the course of the week impacting approximately 16 million Texans. From February 16-March 1, 2021 the TCEQ tracked all BWNs until water systems were able to lift their boil water notices and return to service.</p> <p>The TCEQ continued to provide support and assistance to the Texas Natural Disaster Operational Workgroup (NDOW) by providing training to staff on the implementation and use of Response Manager (RM), the software to conduct drinking water assessments in response to a disaster. In 2021, the RM trainings were offered virtually due to COVID-19 and were held via Teams on:</p> <ul style="list-style-type: none"> • March 9, 2021, for 14 attendees from the Central Texas Area • April 8, 2021 for 19 attendees from the North Central and West Texas Area • April 13, 2021, for 30 attendees from the Coastal and East Texas Area • May 11, 2021, for 35 attendees from the Border and Permian Basin Texas Area • May 13, 2021 for 14 TCEQ Central Office attendees and 13 EPA attendees. <p>Attendees were taught the purpose of using RM, how to enter drinking water assessments in RM, taught the Drinking Water Operational and Damage Level Definitions, and utilized scenarios to test the attendee’s understanding and function of RM. These trainings prepare TCEQ staff to support PWSs impacted by disasters.</p>
<p>3. Travel and training both within Texas and nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of Program administration staff in support of the Water Security Program; and</p>	<p>In SFY2021 due to COVID-19, trainings and conferences were attended via webcasts and included:</p> <ul style="list-style-type: none"> • EPA Sodium Hypochlorite Webinar • EPA Enhancing Climate Resilience in the Water Sector • EPA Building Security and Resilience to Cyber Security • EPA Wildfires and Resulting Impacts to Water Bodies Used as Drinking Water Sources • EPA AWIA and Creating Resilient Water Utilities

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • EPA Hazard Mitigation – Why Now? • U.S. EPA COOP Template Webinar • Lessons Learned from the Fukushima Disaster • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Cybersecurity Workshop • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Central Texas Workshop • Building Resilience to Extreme Weather Events - Introductory Session Webinar • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Workshop • 8 Hour OSHA Refresher • 14th Annual EMAT Symposium • 11th Annual Rio Grande Valley • Emergency Management Partners' Hurricane Workshop • 2021 Coastal Bend Hurricane Conference, Multiple Storm Challenge • 2020 Coastal Bend Hurricane Conference a Pandemic Approach • 2020 ASDWA’s Annual Conference • 17th Annual EPA Drinking Water Workshops • EPA’s 18th Annual Drinking Water Conference • ASDWA State Drinking Water Program Emergency Response to Extreme Weather Events • CDC Update on COVID-19 Vaccination for Essential Workers <p>The TCEQ’s Drinking Water Homeland Security Coordinator continues to participate in ASDWA’s Security notes, NDOW’s quarterly meetings, and maintains a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.</p>
<p>4. Provision of other assistance and support services to PWS in the support of the Water</p>	<p>In SFY 2021, the TCEQ’s Security Education contractor, CDM Smith, provided three virtual Drought workshops to PWS across the state. The</p>

Work Plan Deliverable	Output Provided
<p>Security Program and the approved Capacity Development Strategy for the State of Texas.</p>	<p>first workshop was held May 26-27, 2021, and had 36 attendees, the second workshop was held June 22-23, 2021, and had 52 attendees. The third workshop was held August 10, 2021 during the 2021 Public Drinking Water Conference.</p> <p>The workshops provided water utilities with information on Conservation Planning, Funding Opportunities, Rule and Regulation requirements for reporting water restrictions and water shortages/water loss, and Drought Contingency Plan requirements.</p> <p>Additionally, during the WSD’s annual 2021 Online Public Drinking Water Conference the theme was Planning for Long-Term Success. This two-day, free event provided 51 presentations and workshops covering multiple topics for water utilities. There were presentations on: Preparing for Severe Weather Events, TCEQ Plan: After Action Review of PWS and Winter Storm Uri, Texas Drought Outlook, Drought Preparedness and Reporting Requirements, Emergencies and the Plan Review Process, and Emergency Preparedness Plans – Senate Bill 3. This event had approximately 1000 attendees over the two-day period.</p> <p>TCEQ continues to be available for assistance and support services to small PWS as needed through phone calls, the TCEQ’s Capacity Development Team, the TCEQ’s Critical Infrastructure Division, the TXWARN website and the TDEM’s Public Works Response Team (PWRT).</p> <p>The PWRT supports local jurisdictions in their response to a catastrophic event by providing critical public works services as needed to facilitate recovery. TCEQ’s Capacity Development Team coordinates with members of TWICC including TDEM, FEMA, Texas Department of Agriculture (TDA), USDA and GLO to assist systems affected by disasters to obtain funding.</p> <p>Another support service provided to small PWS is the Quarterly DWAWG meetings that are held for</p>

Work Plan Deliverable	Output Provided
	all PWS to attend in person or via webinar. These meetings inform PWS of Program activities, response activities, and security activities. The meeting is interactive and allows for web attendees to ask questions during the meeting. The website for these meetings has presentations, the information covered during each meeting, and advertises any upcoming drinking water related trainings provided by TCEQ, EPA, and other providers.

Task 2.4: Capacity Development – Source Water Protection (SWP)

This Task provided SWP (which includes both surface and wellhead protection) activities within the state and provided ongoing assistance to PWS through evaluation of sources with respect to vulnerability to contamination. TCEQ staff and/or contractors were used to support this task.

The key deliverables were completed SWP reports provided to PWS to assist in the implementation of Programs designed to provide SWP within the state.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for PWS;	TCEQ completed two (2) SWP assessments under this grant. TCEQ Staff provided support toward other assessments. A total of two (2) PWS were evaluated in two (2) counties under this grant.
2. Implemented SWP Programs in various areas of the State for PWS	TCEQ completed 35 SWP Plans, two (2) were completed under this grant. TCEQ Staff provided support toward other assessments.
3. Best management practices developed to implement SWP for PWS;	TCEQ implemented best management practices for two (2) PWS under this grant. TCEQ Staff provided support toward other assessments.

Work Plan Deliverable	Output Provided
4. Meetings and site visits in order to facilitate the creation of SWP Programs with PWS;	SWP participants attended 4 meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans. Each of the two (2) SWP Plans completed required water systems to attend an introduction meeting, education outreach event, site inventory and close out meeting. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for PWS;	TCEQ inventoried 28 SWP Areas under this grant.
6. Identification of populations protected by a SWP Program and served by vulnerable water sources for PWS; and	Under this grant, TCEQ identified a population of 4,872 protected by a SWP Program and served by vulnerable water sources in two (2) PWS. TCEQ Staff provided support toward other assessments.
7. Other activities in support of the SWP Program within the State of Texas.	TCEQ staff and contractors worked with Texas Rural Water Association (TRWA), Texas Parks and Wildlife Department (TPWD) and source water protection (SWP) contractors to provide technical assistance, including assisting water systems with best management practices (BMP) and updating SWP plans. TCEQ staff partnered with TRWA and TPWD to complete a SWP plan for one Texas State Park. Gave presentations on SWP and BMP at the 2021 Annual TCEQ Public Drinking Water Conference. TCEQ staff participated in Texas Rural Water Association Annual Symposium, Texas Forests and Drinking Water Partnership, Groundwater Protection Committee, Natural Resource Conservation Service Water Subcommittee and Association of State Drinking Administrators Committee meetings.

Task 2.5 Capacity Development - District Support

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

data-entry in support of the review of these water district applications was provided.

The key deliverable is the review of water district applications including data entry, administrative support, and other activities, and the implementation of Programs that support water districts financial and managerial capability.

Work Plan Deliverable	Output Provided
1. Provide data entry, administrative support and other activities in support of the review of water district applications;	The TCEQ's Water Supply Division – Districts Section, processed 572 water district applications during SFY 2021. Of these, TCEQ contractors provided data entry and administrative support for the review of 103 water district applications under this grant.
2. Review applications, engineering reports, plans and specifications in conjunction with the processing of water district applications;	Under this grant, a total of 166 minor applications were reviewed by TCEQ contractors. During SFY 2021, 191 minor water district applications were completed. (This included several minor applications started in the previous fiscal year, but not completed.)
3. Coordination, assistance and support to EPA, PWS, the TCEQ and other State agencies as it relates to water district reviews for PWS;	Coordination, assistance and support was provided on request and through the normal day to day activities conducted under this Task.
4. Purchase of supplies, equipment and other items necessary to support the Capacity Development Strategy;	Supplies, equipment and other necessary items were purchased to support the PWSSP in Texas.
5. Travel and training both within Texas and nationally to attend training, conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the Capacity Development Strategy; and	TCEQ staff participated in virtual training opportunities to maintain professional engineering certifications. Staff also participated in various professional development training opportunities.

Work Plan Deliverable	Output Provided
6. Provision of other assistance and support services to PWS in support of the approved Capacity Development Strategy for the State of Texas	Other assistance was provided by taking phone inquiries and helping customers with the application process and adhering to requirements.

Task 2.6 Capacity Development - Drought Plan Review

The activities under this Task assisted PWS on a statewide basis in the development of water conservation and/or drought contingency programs to maintain or enhance abilities of PWS to meet state requirements as part of the Capacity Development Strategy of Texas (SDWA 1420).

The key deliverable is the implementation of Programs designed to provide assistance to PWS in the development of water conservation and/or drought contingency Programs to maintain or enhance abilities of PWS to meet state requirements.

Work Plan Deliverable	Output Provided
1. Participating in water conservation and/or drought contingency Programs to maintain or enhance abilities of PWS to meet state requirements;	As a member of the Water Conservation Advisory Council (WCAC), Staff participated in five (5) Council meetings during the Fiscal Year, as well as six (6) meetings for WCAC workgroups. As a member of the Drought Preparedness Council, Staff attended one (1) meetings during SFY 2021 and presented the results of the Drought Activities Update Report.
2. Review and evaluation of water conservation and/or drought contingency plans of retail PWS to meet state requirements; and	Staff completed approximately 27 conservation reviews for water rights applications that were associated with retail PWS entities. Staff reviewed approximately 33 updated water conservation plans, updated drought contingency plans, and water conservation implementation reports associated with retail PWS entities. These reviews ensured the plans met the Texas Water Code and Texas Administrative Code requirements.

Work Plan Deliverable	Output Provided
<p>3. Provision of other assistance and services to PWS in support of the approved Capacity Development Strategy for the State of Texas.</p>	<p>In SFY 2021, Staff prepared documents to assist entities, including retail PWS, for the upcoming 2024 submittal of updated Water Conservation Plans, updated Drought Contingency Plans, and water conservation implementation reports. Staff made presentations at the 2021 TCEQ Drought Preparedness Webinar Series (2) and the 2021 Annual Texas PDW Conference providing information and assistance to entities, including retail PWS, regarding submittal of updated Water Conservation Plans, updated Drought Contingency Plans, and water conservation implementation reports.</p>

**STATE FISCAL YEAR 2021
DRINKING WATER STATE REVOLVING FUND
LOCAL ASSISTANCE
(15%) FIFTEEN PERCENT SET-ASIDE ACTIVITIES
ANNUAL REPORT**

**EPA # FS-99679524
[TCEQ Grant# 991521]**



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

**Source of Funding: Federal Fiscal Year 2020 DWSRF Fifteen Percent Set-
Aside**

Submitted November 15, 2021

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INTRODUCTION

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

The DWSRF Grant Program is administered at the federal level by the Environmental Protection Agency (EPA) and at the state level by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The TWDB is the state agency with the authority to administer the loan program and to apply for the DWSRF Capitalization Grant. The TCEQ has been designated and has served as the state primacy agency under the SDWA since 1978. The TCEQ, as the primacy agency, is eligible to receive Set-Aside funds provided by EPA from the DWSRF Capitalization Grant. The TCEQ and TWDB have a Memorandum of Understanding (MOU) and an inter-agency contract that clarify each agency's roles and responsibilities in implementing the grant.

The State Fiscal Year (SFY) 2021 Drinking Water State Revolving Fund 15% Local Assistance Annual Report details the TCEQ's progress in meeting DWSRF Grant Program goals, objectives, and funding expenditures for September 1, 2020 through August 31, 2021 using the 15% Set-Aside funds for SWP and Capacity Development. The Annual Report includes details on federal and state Program Goals and Objectives, Performance Measures, Funding Mechanisms and Expenditures and Program Elements, Tasks and Deliverables.

SUMMARY

The TCEQ, through the 15% Local Assistance Work Plan identified activities to be performed between September 1, 2020 and August 31, 2021 that supported Public Water Systems (PWS) through the State's Public Water System Supervision Program (PWSSP). These activities addressed Program requirements of the PWSSP outlined by the SDWA. Specifically, local technical assistance through SWP Programs and assistance to water systems on a local basis in developing and implementing the Capacity Development Strategy requirement of the SDWA were addressed.

The TCEQ expended approximately \$1,800,000.72 during the grant Work Plan period for work performed during this period. It should be noted that \$1,758,805 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the

remainder, or approximately \$41,196 has been or is expected to be requested during the months of September 2021 through November 2021. No match is required; the 15% DWSRF Set-Aside does not require a match.

The total requested for reimbursement from TWDB between September 2020 and August 2021 was \$1,832,483. Of this amount, approximately \$73,678 was requested for reimbursement from TWDB between September 2020 and November 2020 under the SFY2020/FFY2019 DWSRF 15% Set-Aside Work Plan. Work was performed as described in the Work Plan unless otherwise noted in this report.

EPA AND TCEQ GOALS AND OBJECTIVES

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

Table 1: EPA and TCEQ Goals and Objectives

EPA GOALS AND OBJECTIVES	TCEQ GOALS AND OBJECTIVES
<p>EPA Goal 1 – A Cleaner, Healthier Environment: Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency’s core mission.</p> <p>EPA Objective 1.2: Provide for Clean and Safe Water</p> <p>Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage Programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.</p>	<p>TCEQ Goal 02: Drinking Water</p> <p>Protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water and sewer utilities; and by promoting regional water strategies.</p> <p>TCEQ Goal 02: Objective 01</p> <p>To supply 95 percent of Texans served by public drinking water systems with safe drinking water as required by the Safe Drinking Water Act, to provide regulatory oversight of water and sewer utilities, and to promote regional water strategies.</p> <p>TCEQ Strategy 02-01-01: Safe Drinking Water</p> <p>Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.</p>

WORK PROGRAM ORGANIZATIONAL STRUCTURE

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

EXPENDITURE BY PROGRAM ELEMENT

Funding was allocated by Program Element. The Expenditure Summary Table (Table 2 below) provides expenditure information as of November 15, 2021 and may not include final total expenditures for each Program Element and its associated Tasks. The TCEQ expended approximately \$1,800,000.72 during the grant Work Plan period for work performed during this period. It should be noted that \$1,758,805 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder, or approximately \$41,196 has been or is expected to be requested during the months of September 2021 through November 2021. No match is required; the 15% DWSRF Set-Aside does not require a match. Work was performed as described in the Work Plan unless otherwise noted in this report.

The total requested for reimbursement from TWDB between September 2020 and August 2021 was \$1,832,483. Of this amount, approximately \$73,678 was requested for reimbursement from TWDB between September 2020 and November 2020 under the SFY2020/FFY2019 DWSRF 15% Set-Aside Work Plan.

Table 2: Expenditure Summary Table

Program Element/Task	Division	Requested Reimbursements from TWDB between September 2020 and August 2021 for the SFY21/FFY20 15% DWSRF Set-Aside Work Plan	Total Expended During Grant Period	Percent of Total
Program Element 1: Source Water Protection Programs	Water Supply Division	\$98,016	\$98,016	5%
Program Element 2: Capacity Development	Water Supply Division	\$1,660,788	\$1,701,984	95%
Total		\$1,800,000.72	\$1,800,000.72	100%

PROJECT SCHEDULE

The TCEQ conducted the activities in the DWSRF 15% Set-Aside Work Plans over a 12-month period, which began September 1, 2020 and ended August 31, 2021 (SFY 2021).

MEASURES OF SUCCESS

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

Table 3: TCEQ Outcome/Output Measures

TCEQ Outcome/Output Measure	Program Element/Task	Outcome/Output
<u>2.1 oc 1 Outcome Measure</u>	<ul style="list-style-type: none"> Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities 	99.11% of Texas population served by public drinking water systems that meet

TCEQ Outcome/Output Measure	Program Element/Task	Outcome/Output
Percent of Texas population served by public drinking water systems that meet drinking water standards.	<ul style="list-style-type: none"> • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security 	drinking water standards.
<p><u>2.1.1 op 1 Output Measure:</u></p> <p>Number of public drinking water systems that meet primary drinking water standards.</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security 	6,846 public drinking water systems that meet primary drinking water standards.

Table 4: EPA National Program Guidance

EPA National Program Guidance	Program Element/Task	Outcome/Output
<p><u>Community water systems out of compliance with health-based standards:</u></p> <p>Nationally from FFY Quarter 4 2017 of 3,508 to Quarter 4 2020 3,365 – Texas FFY Quarter 4 2017 - 459</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – FMT Assistance • Program Element 2: 	<ul style="list-style-type: none"> • Q2 FFY 2021 –306 • 33.3% reduction since Q4 2017

EPA National Program Guidance	Program Element/Task	Outcome/Output
	Task 2.3 Capacity Development – Water Security	
<p>Systems out of compliance due to Lead and Copper Rule violations: (50% by 2022 – starting 2018) – Texas 2017 Q4 - 110</p>	<ul style="list-style-type: none"> • Program Element 1: Task 1.1 Source Water Protection Programs – Source Water Protection Activities • Program Element 2: Task 2.1 Capacity Development – Capacity Development Activities • Program Element 2: Task 2.2 Capacity Development – FMT Assistance • Program Element 2: Task 2.3 Capacity Development – Water Security 	<ul style="list-style-type: none"> • Q2 FFY 2021 – 40 63.6% reduction over Since Q4 2017

PROGRAM ELEMENTS, TASKS, DELIVERABLES AND OUTPUTS

The following describes the Work Plan Deliverables and Outputs provided for the Program Elements and Tasks identified in the 15% DWSRF Work Plan for SFY 2021.

Program Element 1: Source Water Protection (SWP) Programs

This Program Element and associated Task implemented SWP (which includes both surface and wellhead protection) Programs within the State in order to provide ongoing direct local assistance to PWS through assessment of sources with respect to vulnerability to contamination. An estimated total of \$98,016 was expended for activities conducted during the Work Plan period of September 1, 2020 through August 31, 2021. Of the total estimated amount expended, \$98,016 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder, or approximately \$0 has been or is expected to be requested during the months of September 2021 through November 2021. All work was performed during the designated Work Plan period of September 1, 2020 through August 31, 2021.

Task 1.1 Source Water Protection Activities

This Task provided for SWP activities (which included both surface and wellhead protection) within the state in order to provide ongoing direct local assistance to PWS through evaluation of sources with respect to vulnerability to contamination. TCEQ staff and/or contractors were used to support this Task.

The key deliverables were completed SWP reports provided to PWS in order to assist in the implementation of Programs designed to provide SWP within the State.

Work Plan Deliverable	Output Provided
1. Completed evaluation of sources (both surface and wellhead) to determine vulnerability to contamination for PWS;	TCEQ completed five (5) SWP assessments under this grant. TCEQ Staff provided support toward other assessments. A total of five (5) PWS were evaluated in three (3) counties under this grant.
2. Implemented SWP Programs in various areas of the State for PWS;	TCEQ completed 35 SWP Plans, five (5) were conducted under this grant. TCEQ Staff provided support toward other assessments.
3. Best management practices developed to implement SWP for PWS;	TCEQ implemented best management practices for five (5) PWS under this grant. TCEQ Staff provided support toward other assessments.
4. Meetings and site visits in order to facilitate the creation of SWP Programs with PWS;	SWP participants attended fifteen (15) meetings and TCEQ staff conducted site visits in conjunction with development of the SWP Plans. Each of the five (5) SWP Plans completed required water systems to attend an introduction meeting, education outreach event, site inventory and close out meeting. TCEQ Staff provided support toward other assessments.
5. Evaluation of potential source of contamination inventories for PWS;	TCEQ inventoried eight (8) SWP Areas under this grant.
6. Identification of populations protected by a SWP Program and served by vulnerable water sources for PWS; and	Under this grant, TCEQ identified a population of 4,319 protected by a SWP Program and served by vulnerable water sources in five (5) PWS. TCEQ Staff provided support toward other assessments.
7. Other activities in support of the SWP Program within the State of Texas.	TCEQ staff and contractors worked with Texas Rural Water Association (TRWA), Texas Parks and Wildlife Department (TPWD) and source water protection (SWP) contractors to provide technical assistance, including assisting water systems with best management practices (BMP) and updating

Work Plan Deliverable	Output Provided
	SWP plans. TCEQ staff partnered with TRWA and TPWD to complete a SWP plan for one Texas State Park. Gave presentations on SWP and BMP at the 2021 Annual TCEQ Public Drinking Water Conference. TCEQ staff participated in Texas Rural Water Association Annual Symposium, Texas Forests and Drinking Water Partnership, Groundwater Protection Committee, Natural Resource Conservation Service Water Subcommittee and Association of State Drinking Administrators Committee meetings.

Program Element 2: Capacity Development

This Program Element provided assistance to PWS by developing and implementing the Capacity Development Strategy requirement of the SDWA. The activities under this Program Element enhanced the financial, managerial, and technical (FMT) abilities of PWS through the identification of PWS that needed assistance in developing, enhancing, and maintaining their FMT abilities to meet state and federal requirements. Additionally, the activities under this Program Element assisted PWS to maintain or enhance their abilities to meet State requirements through developing, issuing and managing of assistance, including assistance from technical assistance contractors, in order to improve their FMT capability. The activities under this Program Element were performed by TCEQ staff and/or contractors.

An estimated total of \$1,701,984 was expended for activities conducted during the Work Plan period of September 1, 2020 through August 31, 2021. Of the total estimated amount expended \$1,660,788 was requested for reimbursement from TWDB through the Capitalization Grant during the period of September 1, 2020 through August 31, 2021 and the remainder, or approximately \$41,196 has been or is expected to be requested during the months of September 2021 through November 2021. All work was performed during the designated Work Plan period of September 1, 2020 through August 31, 2021.

Task 2.1: Capacity Development – Capacity Development Activities

This Task implemented the Capacity Development Strategy under the PWSSP in Texas. The activities under this Task provided local assistance to reduce the risk of both long-term and short-term health effects. This was accomplished through the implementation of: the Texas Optimization Program (TOP); portions of the engineering exceptions program, engineering plan review, capital funding source identification, receivership assistance, coordination, Intended Use Plan ranking and review and other specialized assistance to PWS through the use of TCEQ staff and/or contractors.

The key deliverable is the implementation of Programs designed to meet the goal of 95% of the Texas population with drinking water (DW) that meets DW standards and increased sustainability of PWS by providing local assistance.

Work Plan Deliverable	Output Provided
<p>1. Development of presentations, training materials and other technical documents to support the technical capability and compliance of PWS in Texas;</p>	<p>TCEQ provided presentations and workshop and training materials at the 2021 Annual Texas PDW Conference. Staff developed and made presentations to assist PWS at workshops, conferences, the Drinking Water Advisory Work Group and TWICC meetings with topics including regionalization and how to get assistance with operations and funding. Staff also prepared technical assistance documents and surveys for training operators and assistance providers on topics including cross-connection and backflow prevention.</p>
<p>2. Provide training and technical assistance, through the TOP and other activities as needed, to support the technical capability of PWS;</p>	<p>TOP provided training and technical assistance, as needed, to support the technical capability of PWS in Texas. Examples include technical assistance visits and other technical support to Creek Water Utility, City of McGregor, Brazosport Water Authority, City of Richmond, City of Richwood, City of Queen City, City of Marlin, Webb County, City of Lake Jackson, City of San Angelo, Goodsprings WSC, Jonah Water SUD, City of San Benito, Harri County MUD 304, City of Menard, City of Wils Point, City of Huxley, South Newton WSC, Nigton Wakefield WSC, City of Pinehurst, City of Rose City, City of Taylor, Batesville WSC. CT Study assistance was provided to 10 public water systems and Drinking Water Infrastructure Needs Survey and Assessment assistance was provided to 19 public water systems.</p> <p>TOP provided training to TCEQ staff during the 2021 PWS Investigator Training Conference and delivery of training modules and customized presentations to TCEQ WSD staff, Regional Office staff, and other TCEQ technical assistance providers. Topics included Reviewing and Approving Ultraviolet Reactors, training for new Water Supply Division employees, Granular Media Filter Design, and RTCR Level 2 Assessments.</p> <p>TOP provided training to PWS operators during the 2021 Annual Texas PDW Conference and directly to individual PWS. Presentation, workshop, and</p>

Work Plan Deliverable	Output Provided
	<p>class topics included winter storm preparation, membrane plant checklists, common issues at membrane plants, establishing a cross-connection control program, conducting chlorine conversions, determining chlorine demand and developing chlorine curves.</p> <p>TOP trained other TCEQ technical assistance providers to deliver training and provided training to PWS at the 2021 Annual Texas PDW Conference.</p>
<p>3. Review, analysis, tracking and response to exception requests, engineering plans and other items submitted by PWS;</p>	<p>During the grant period, exceptions for PWS were reviewed by TCEQ staff and contractors. TCEQ staff also assisted PWS through engineering plan reviews for PWS improvements.</p>
<p>4. Purchase of supplies and equipment necessary to support the Capacity Development Program in Texas;</p>	<p>Supplies and equipment deemed necessary to support the Capacity Development Program were purchased.</p>
<p>5. Coordination of and participation in state and/or national organizations including but not limited to Texas Water Infrastructure Coordination Committee (TWICC), the Association of Safe Drinking Water Administrators (ASDWA), and other organizations in support of the Capacity Development Strategy;</p>	<p>TCEQ coordinated activities with the TWICC, ASDWA, EPA, US Department of Agriculture (USDA), Communities Unlimited, Texas Rural Water Association (TRWA), TWDB and other agencies.</p> <p>During this fiscal year, TCEQ participated in regularly scheduled TWICC meetings every other month and helped coordinate with entities looking for funding to enable them to attend the meetings. Each member agency takes turn hosting the meetings and TCEQ hosted the May 2021 meeting. Entities seeking funding and other types of assistance are encouraged to attend TWICC meetings as guests either in person (when available) or by telephone. In SFY 2021, TWICC guests included:</p> <ul style="list-style-type: none"> • A city looking for funding to replace a contaminated well; • A rural community looking for advice on forming a water district and how to fund and develop infrastructure; • A water system operator looking for funding to purchase generators and help public water

Work Plan Deliverable	Output Provided
	<p>systems in northeast Texas repair damages from Winter Storm Uri;</p> <ul style="list-style-type: none"> • A city seeking funding to help a neighboring mobile home community with wastewater issues; • A school district superintendent seeking funding to start a water operator training program for the high school. • Other TWICC activities in SFY 2021 included a presentation by TCEQ staff on the WIIN 2107 Lead Testing in Schools and Child Care Program Drinking Water Grant and follow-up discussion and input from TWICC members on potential funding sources for schools to use for remediation projects. <p>In SFY 2021, TWICC formed a colonia work group of members to discuss water and wastewater issues along the Texas/Mexico border. The group discussed the different definitions of "colonia", available colonia location data, issues in dispersing available funds and potential projects for underserved and unserved disadvantaged areas.</p> <p>TCEQ coordinated the annual TWICC workshop at the 2021 Annual Texas PDW Conference and made presentations on TWICC, partnerships and resources for PWS at three drought workshops and two resiliency workshops.</p>
<p>6. Travel, training, attendance at conferences and other events designed to share and enhance knowledge, skills and abilities and maintain competency of State Program administration staff in support of the Capacity Development Strategy; and</p>	<p>TCEQ Staff participated in virtual trainings, conferences and other events designed to share and enhance knowledge, skills and abilities in support of the Capacity Development Strategy. Staff participated in both ASDWA and EPA workgroups and committees focusing on capacity development topics including small systems, regionalization, and consolidation, the DWSRF and partnerships.</p>
<p>7. Provision of other assistance and support services to PWS in support of the PWSS Program and approved Capacity</p>	<p>TCEQ staff and contractors participated in the 2021 Annual Texas PDW Conference. This conference had a robust workshop section where water systems received specialized training. The conference also provided a technical assistance room for PWS staff to receive one-on-one</p>

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

Task 2.2: Capacity Development - FMT Assistance

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

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

Work Plan Deliverable	Output Provided
1. FMT training and assistance to PWS including but not limited to FMT assessments, consolidation assessments, consolidation facilitation assistance, and other special assistance and assessment projects as needed;	Under this grant, TCEQ, through its FMT Assistance contractor, completed 705 FMT Capacity Assessments, Consolidation Assessments, on-site FMT Assistance, Drinking Water Operator Training, and other special assistance and assessment projects for PWS. TCEQ’s FMT Contractor completed 34 FMT Assistance assignments for the purpose of training and assisting PWS on specific FMT weaknesses identified during FMT Capacity Assessments.
2. Assessment and reporting on DWSRF applicants; and	Under this grant, TCEQ’s FMT Contractor conducted 25 FMT capacity assessments for PWS DWSRF applicants.

Work Plan Deliverable	Output Provided
3. Provision of other assistance, training and services to PWS in support of FMT capabilities and the approved Capacity Development Strategy for the State of Texas.	Under this grant, TCEQ’s FMT Assistance contractor completed 52 TCEQ-administered special assignments that ranged from assisting systems with completing their RTCR Level 2 Assessment to preparing and presenting resiliency workshops.

Task 2.3 Capacity Development – Water Security

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

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

Work Plan Deliverable	Output Provided
1. Review, evaluation and technical assistance related to Emergency Preparedness Plans;	<p>During the 2021 Annual Texas PDW Conference, TCEQ staff provided a presentation on Emergency Preparedness Plans (EPP) which are now applicable to “affected utilities” across all 254 Texas Counties in response to the passage of Senate Bill 3, which now mandates that all affected utilities in the state submit an EPP. An EPP requires an affected utility to explain how the utility plans to provide water and pressure during an extended power outage lasting more than 24 hours. The template for this plan, the EPP webpage, and the Appendices for the EPP were all updated in August 2020. In SFY2021, TCEQ reviewed 60 Emergency Preparedness Plans.</p> <p>In SFY2021, the TCEQ’s WSD sent out 8,298 emergency contact forms to water systems so they can have their contact information updated in SDWIS. On a biannual bases the TCEQ’s WSD sends out emergency contact forms to all water systems across the state, to keep emergency contact information for all PWSs updated in the SDWIS. Emergency contact updates have been conducted on approximately 3,917 water</p>

Work Plan Deliverable	Output Provided
	<p>systems, 1,329 updates for other points of contact have also been updated, and this activity is always ongoing.</p>
<p>2. Support for natural disaster (i.e. drought) initiatives and technical assistance to impacted systems;</p>	<p>Support for natural disaster initiatives included updates to drought watch lists and technical assistance calls to all impacted PWS regardless of PWS size, type, and ownership. During this reporting period PWS were impacted by one major event that required support for impacted water systems. The week of February 14, 2021, a severe winter storm, referred to as Winter Storm Uri, swept across Texas bringing record low temperatures, ice, and snow. Loss of power generation due to the cold weather and peak demand, left approximately 4.3 million customers without power, including many public water systems. The storm impacted many of the state's 7,000 PWS causing wide-spread water outages or shortages, burst pipes, and equipment failures disrupting treatment processes. As a result, 1,985 boil water notices were issued by water systems in the state over the course of the week impacting approximately 16 million Texans. From February 16-March 1, 2021 the TCEQ tracked all BWNs until water systems were able to lift their boil water notices and return to service.</p> <p>The TCEQ continued to provide support and assistance to the Texas Natural Disaster Operational Workgroup (NDOW) by providing training to staff on the implementation and use of Response Manager (RM), the software to conduct drinking water assessments in response to a disaster. In 2021, the RM trainings were offered virtually due to COVID-19 and were held via Teams on:</p> <ul style="list-style-type: none"> • March 9, 2021, for 14 attendees from the Central Texas Area • April 8, 2021 for 19 attendees from the North Central and West Texas Area • April 13, 2021, for 30 attendees from the Coastal and East Texas Area • May 11, 2021, for 35 attendees from the Border and Permian Basin Texas Area • May 13, 2021 for 14 TCEQ Central Office

Work Plan Deliverable	Output Provided
	<p>attendees and 13 EPA attendees. Attendees were taught the purpose of using RM, how to enter drinking water assessments in RM, taught the Drinking Water Operational and Damage Level Definitions, and utilized scenarios to test the attendee’s understanding and function of RM. These trainings prepare TCEQ staff to support PWSs impacted by disasters.</p>
<p>3. Travel and training within Texas or nationally to attend training, conferences and other events designed to enhance knowledge, skills and abilities and maintain competency of Program administration staff in support of the Water Security Program; and</p>	<p>In SFY2021 due to COVID-19, trainings and conferences were attended via webcasts and included:</p> <ul style="list-style-type: none"> • EPA Sodium Hypochlorite Webinar • EPA Enhancing Climate Resilience in the Water Sector • EPA Building Security and Resilience to Cyber Security • EPA Wildfires and Resulting Impacts to Water Bodies Used as Drinking Water Sources • EPA AWIA and Creating Resilient Water Utilities • EPA Hazard Mitigation – Why Now? • U.S. EPA COOP Template Webinar • Lessons Learned from the Fukushima Disaster • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Cybersecurity Workshop • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Central Texas Workshop • Building Resilience to Extreme Weather Events - Introductory Session Webinar • EPA Texas Virtual Community-Based Water Resiliency (CBWR) Workshop • 8 Hour OSHA Refresher • 14th Annual EMAT Symposium • 11th Annual Rio Grande Valley (Virtual) Emergency Management Partners' Hurricane Workshop • 2021 Coastal Bend Hurricane Conference, Multiple Storm Challenge

Work Plan Deliverable	Output Provided
	<ul style="list-style-type: none"> • 2020 Coastal Bend Hurricane Conference a Pandemic Approach • 2020 ASDWA’s Annual Conference • 17th Annual EPA Drinking Water Workshops • EPA’s 18th Annual Drinking Water Conference • ASDWA State Drinking Water Program Emergency Response to Extreme Weather Events • CDC Update on COVID-19 Vaccination for Essential Workers <p>The TCEQ’s Drinking Water Coordinator continues to participate in ASDWA’s Security notes, NDOW’s quarterly meetings, and to maintain a membership with Water ISAC to stay abreast of security issues affecting water utilities in Texas and across the country.</p>
<p>4. Provision of other assistance and support services to PWS in support of the Water Security Program and the approved Capacity Development Strategy for the State of Texas.</p>	<p>In SFY2021, the TCEQ’s Security Education contractor, CDM Smith provided three virtual Drought workshops to PWS across the state. The first workshop was held May 26-27, 2021, and had 36 attendees, the second workshop was held June 22-23, 2021, and had 52 attendees. The third workshop was held August 10, 2021 at the 2021 Public Drinking Water Conference.</p> <p>The workshops provided water utilities with information on Conservation Planning, Funding Opportunities, Rule and Regulation requirements for reporting water restrictions and water shortages/water loss, and Drought Contingency Plan requirements.</p> <p>Additionally, during the WSD’s annual 2021 Online Public Drinking Water Conference the theme was Planning for Long-Term Success. This two-day, free event provided 51 presentations and workshops covering multiple topics for water utilities. There were presentations on: Preparing for Severe Weather Events, TCEQ Plan: After Action Review of PWS and Winter Storm Uri, Texas Drought Outlook, Drought Preparedness and Reporting Requirements, Emergencies and the Plan Review Process, and Emergency Preparedness Plans – Senate Bill 3. This event</p>

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	<p>had approximately 1000 attendees over the two-day period.</p> <p>TCEQ continues to be available for assistance and support services to small PWS as needed through phone calls, the TCEQ's Capacity Development Team, the TCEQ's Critical Infrastructure Division, the TXWARN website and the TDEM's Public Works Response Team (PWRT).</p> <p>The PWRT supports local jurisdictions in their response to a catastrophic event by providing critical public works services as needed to facilitate recovery. TCEQ's Capacity Development Team coordinates with members of TWICC including TDEM, FEMA, Texas Department of Agriculture (TDA), USDA and GLO to assist systems affected by disasters to obtain funding.</p> <p>Another support service provided to water systems is the quarterly Drinking Water Advisory Work Group meetings that are held for all PWSs to attend in person or via webinar. These meetings inform water systems of program activities, response activities, and security activities. The meeting is interactive and allows for web attendees to ask questions during the meeting. The website for these meetings has presentations, the information covered during each meeting, and advertises any upcoming drinking water related trainings provided by TCEQ, EPA, and other providers.</p>