



COUNCIL OF INFRASTRUCTURE FINANCING AUTHORITIES

## Texas

### Clean Water and Drinking Water State Revolving Funds

<b>Meet the Managers</b>		
<b>Responsibilities</b>	<b>Texas Water Development Board</b> <a href="http://www.twdb.texas.gov">www.twdb.texas.gov</a>	<b>Texas Department of Environmental Quality</b> <a href="http://www.tceq.texas.gov">www.tceq.texas.gov</a>
Project Priority List	Clean & Drinking	Drinking
Intended Use Plan	Clean & Drinking	
Application Submissions	Clean & Drinking	
Engineering Review	Clean & Drinking	
Environmental Review	Clean & Drinking	
Loan Agreements	Clean & Drinking	
Monitoring (construction)	Clean & Drinking	
Monitoring (loan)	Clean & Drinking	
Reporting	Clean & Drinking	
Bond	Clean & Drinking	

#### State Contribution

Source of Match: State Appropriation, Bonds

#### Leveraging Profile

Frequency: Frequently (every year or every other year)  
 First Year: Clean Water SRF: 1989; Drinking Water SRF: 2018  
 Bond Rating: AAA

#### Set-Asides (assistance for small systems and local and state programs)

Drinking Water: 14.1% to 15% (14.1% in most recent year)

#### Subsidized Interest Rates

Basis: Tiered interest rates based on market rate, project type and applicant need  
 Clean Water: 30% of market rate  
 Drinking Water: 30% of market rate

#### Additional Subsidization (principal forgiveness, grants, negative interest loans)

Clean Water: 36 - 40% (39.4% in most recent year) of annual federal capitalization grant  
 Drinking Water: 28 - 35% (35% in most recent year) of annual federal capitalization grant  
 Type: Principal Forgiveness

Interest rate is set at closing. The chart below shows the interest rate by term and bond rating for equivalency projects (funded by the federal capitalization grant) and non-equivalency projects (funded by state funds). Texas also offers an interest rate of 0% for certain types of projects and based on applicant need.

### State Revolving Funds for Projects in the SFY 2020 Intended Use Plans

<u>Type of Funds (5)</u>	<b>Term</b>	<b>Estimated Rate</b>		<b><u>VARIANCE (6)</u></b>
		<b><u>Market Rate (1)</u></b>	<b><u>TWDB Rate (4)</u></b>	
Clean Water SRF Non-Equivalency (AA)	<b>20</b>	<b>1.68%</b>	<b>0.38%</b>	1.30%
Clean Water SRF Non-Equivalency (BAA)	<b>20</b>	<b>2.11%</b>	<b>0.81%</b>	1.30%
Clean Water SRF Equivalency (AA)	<b>20</b>	<b>1.68%</b>	<b>0.03%</b>	1.65%
Clean Water SRF Equivalency (BAA)	<b>20</b>	<b>2.11%</b>	<b>0.46%</b>	1.65%
Clean Water SRF Non-Equivalency (AA)	<b>30</b>	<b>1.83%</b>	<b>0.53%</b>	1.30%
Clean Water SRF Non-Equivalency (BAA)	<b>30</b>	<b>2.26%</b>	<b>0.96%</b>	1.30%
Clean Water SRF Equivalency (AA)	<b>30</b>	<b>1.83%</b>	<b>0.18%</b>	1.65%
Clean Water SRF Equivalency (BAA)	<b>30</b>	<b>2.26%</b>	<b>0.61%</b>	1.65%
Drinking Water SRF Non-Equivalency (AA)	<b>20</b>	<b>1.68%</b>	<b>0.43%</b>	1.25%
Drinking Water SRF Non-Equivalency (BAA)	<b>20</b>	<b>2.11%</b>	<b>0.86%</b>	1.25%
Drinking Water Equivalency SRF (AA)	<b>20</b>	<b>1.68%</b>	<b>0.13%</b>	1.55%
Drinking Water Equivalency SRF (BAA)	<b>20</b>	<b>2.11%</b>	<b>0.56%</b>	1.55%
Drinking Water SRF Non-Equivalency (AA)	<b>30</b>	<b>1.83%</b>	<b>0.58%</b>	1.25%
Drinking Water SRF Non-Equivalency (BAA)	<b>30</b>	<b>2.26%</b>	<b>1.01%</b>	1.25%
Drinking Water Equivalency SRF (AA)	<b>30</b>	<b>1.83%</b>	<b>0.28%</b>	1.55%
Drinking Water Equivalency SRF (BAA)	<b>30</b>	<b>2.26%</b>	<b>0.71%</b>	1.55%