

**TEXAS  
WATER  
DEVELOPMENT  
BOARD**

**P.O. Box 13231,  
Capitol Station  
Austin, TX  
78711-3231**

**Phone: 512.463.7847  
FAX: 512.475.2053**

**URL Address:  
<http://www.twdb.state.tx.us>**

**Email Address:  
[info@twdb.state.tx.us](mailto:info@twdb.state.tx.us)**

**Texas Natural Resources  
Information System (TNRIS)  
<http://www.tnr.is.state.tx.us>**

**StratMap  
<http://www.stratmap.org>**

**Borderlands Information Center  
(BIC)  
<http://www.bic.state.tx.us>**

**Water Information Integration and  
Dissemination  
(TWDB WIID System)  
<http://wiid.twdb.state.tx.us/>**

**Texas Water Information  
Network (TxWIN)  
<http://www.txwin.net>**

**Water Smart  
<http://www.watersmart.org>**

# **CLEAN WATER STATE REVOLVING FUND**

## **WHAT IS THE CWSRF PROGRAM AND WHO CAN APPLY?**

The Clean Water State Revolving Fund (CWSRF) provides loans at interest rates lower than the market to political subdivisions with the authority to own and operate a wastewater system. The CWSRF also includes Federal (Tier III) and Disadvantaged Communities funds that provide even lower interest rates for those meeting the respective criteria.

Although nonprofit water supply corporations are considered political subdivisions for various other TWDB programs, they are not eligible to receive assistance from the CWSRF.

## **HOW CAN CWSRF LOANS BE USED?**

Loans can be used for the planning, design and construction of wastewater treatment facilities, wastewater recycling and reuse facilities, collection systems, stormwater pollution control projects and nonpoint source pollution control projects.

## **WHAT LOAN TERMS ARE OFFERED THROUGH THE CWSRF?**

The CWSRF offers fixed and variable rate loans at subsidized interest rates. The maximum repayment period for a CWSRF loan is 20 years from the completion of project construction. A cost-recovery loan origination charge of 1.85% is imposed to cover administrative costs of operating the CWSRF. Applicants have the option to finance the origination charge in their loan or to pay it at closing. An additional interest rate subsidy is offered to those financing the origination charge. Total loan amounts are limited to \$75,000,000 for the first nine months of the fiscal year.

Interest rates vary according to the type of financing selected and are locked in at closing:

- Fixed rate loans offer net long-term interest rates at **0.95% below market rates** for those applicants financing the origination charge. For applicants who pay for the origination charge from other sources, the interest rate is **0.70% below market rates**.
- Short-term, variable rate loans are also available. Variable rates are available during the construction period but must convert to a long-term, fixed rate loan within 90 days of the completion of project construction. The variable interest rates are generally about 2% below the above-described fixed rates, or up to **2.95% below market rates**. Borrowers have the option to convert to long-term, fixed rate financing at any time prior to project completion.
- Federal funds offer an additional subsidy of 1.0%. Interest rates are up to



1.95% below market rates.

- Disadvantaged Communities funds will offer loans to eligible communities with populations under 25,000 at interest rates of 0% and 1%.

## **WHAT IS THE APPLICATION AND APPROVAL PROCESS?**

### **PRE-APPLICATION:**

Each year the TWDB notifies all potential entities of the availability of funding and timelines for the upcoming cycle. Prospective loan applicants are asked to submit a CWSRF Intended Use Plan (IUP) Worksheet for inclusion in the IUP. The Worksheet describes the applicant's existing wastewater facilities, facility needs, the nature of the project being considered and project cost estimates. This information is used to rate each proposed project and place them in priority order on the IUP. Projects are ranked in priority order in one of seven different categories: six population groups and one nonpoint source/bays and estuaries group. Available funds are distributed among these categories and funding lines are drawn. Applicants above the funding lines are invited to submit applications. All applicants are encouraged to schedule a pre-application conference that will guide them through the CWSRF application process. Funding lines are redrawn as necessary and subsequent invitations are sent to prospective applicants.

### **APPLICATION AND COMMITMENT:**

Applications consist of an engineering feasibility report and environmental information, as well as general, fiscal and legal information. The timeframe for submittal of an application is the first business day of the month preceding the month during which the applicant desires TWDB Board consideration. Applications for loans are considered for approval by the TWDB Board at its monthly public meetings that are generally held on the third Wednesday of each month.

### **LOAN CLOSING OPTIONS:**

The CWSRF offers a pre-design funding option, whereby an eligible applicant may receive a loan commitment based on preliminary engineering, environmental, economic and social information. Pre-design funding allows for the release of funds for completion of detailed planning and environmental studies at closing. Funds for design, preparation of final plans and specifications, and construction are placed in escrow at closing to be released when applicable.

If the pre-design option is not used, prior to closing the applicant must develop plans and specifications, obtain all necessary permits and bid the project in order to determine the exact amount needed for funding.

Applicants generally received a two-year loan commitment. All TWDB loans are monitored for the life of the outstanding debt to ensure compliance with all requirements and the maintenance of a sound financial condition.

## **ARE THERE ANY SPECIAL REQUIREMENTS?**

- Applicants for loans greater than \$500,000 must adopt a water conservation and drought contingency plan (a statutory requirement).
- Loans from the Federal funds (Tier III) portion require compliance with various federal cross-cutter requirements. Included in these requirements are: good faith efforts to obtain Minority and Women Business Enterprises participation through its procurement for construction, materials and service, including contracts for professional services, and a National Environmental Policy Act type environmental review. TWDB staff is available to assist applicants in determining the scope of investigation required, preparing reports and coordinating with environmental regulatory agencies.

## **WHERE MAY I GET MORE INFORMATION?**

For more information, contact the Texas Water Development Board at 512/463-7853. Additional information on the CWSRF and other agency programs is also available on the TWDB web site: [www.twdb.state.tx.us](http://www.twdb.state.tx.us) under Assistance.

#### **Our Mission**

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

#### **EQUAL OPPORTUNITY EMPLOYER**

*The Texas Water Development Board does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services, programs or activities.  
1-800-RELAY TX (for the hearing impaired)*