

CHAPTER 9

WATER INFRASTRUCTURE FINANCING ANALYSIS

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9 WATER INFRASTRUCTURE FINANCING ANALYSIS

The Infrastructure Financing Report (IFR) survey presented in this chapter identifies the state financing options proposed by entities in this *Plan* to meet future infrastructure needs. Chapter 5 provides recommended water management strategies for numerous communities in Far West Texas that either have a projected water supply deficit and recommended strategies to meet that need or have an identified need for a water supply infrastructure project, which may require state financial assistance. These entities were surveyed to determine their proposed method(s) for financing the estimated capital costs involved in implementing the water supply strategies recommended in the *2021 Far West Texas Water Plan*.

Unlike infrastructure financing surveys conducted for previous regional water plans, questions during this planning cycle focused on projected needs for financial assistance from programs administered by the TWDB. The TWDB will aggregate the projected requests for funding from these programs from the 16 water planning regions to provide a picture of estimated long-term infrastructure funding needs to the State Legislature.

9.1 TWDB FUNDING PROGRAMS

The TWDB offers financial assistance for the planning, design and construction of projects identified in Regional Water Plans or the State Water Plan. Programs available include the State Water Implementation Fund for Texas (SWIFT), Water Infrastructure Fund (WIF), the State Participation Fund (SP), and the Economically Distressed Areas Program (EDAP). To be eligible to apply for funding from the SWIFT source, the applicant must be a political subdivision of the state, or in some cases a water supply corporation and the proposed project must be a recommended water management strategy in the most recent approved Regional Water Plan or State Water Plan.

9.1.1 State Water Implementation Fund for Texas (SWIFT)

The Texas Legislature created the SWIFT to provide affordable, ongoing state financial assistance for projects in the state water plan. Passed by the Legislature and approved by Texas voters through a constitutional amendment, the SWIFT helps communities develop and optimize water supplies at cost-effective rates. The program provides low-interest loans, extended repayment terms, deferral of loan repayments, and incremental repurchase terms for projects with state ownership aspects. Recognizing the benefit of conservation and the needs of rural Texas, the legislation directed that not less than 10% of the SWIFT funding should support projects for rural communities and agricultural water conservation; and not less than 20% of the funds should support water conservation and reuse projects.

9.1.2 Water Infrastructure Fund (WIF)

The Water Infrastructure Fund (WIF) provides subsidized interest rate loans for planning, design and construction. The WIF-Deferred fund offers the option of deferring all interest and principal payments for up to 10 years for planning, design and permitting costs, while the WIF-Construction fund offers subsidized interest for all construction costs including planning, acquisition, design, and construction.

9.1.3 State Participation Fund (SP)

The State Participation Fund (SP) is geared towards large projects which are regional in scope and meant to capitalize on economies of scale in design and construction, but where the local project sponsors are unable to assume the debt for an optimally sized facility. The TWDB assumes a temporary ownership interest in the project, and the local sponsor repays the cost of the funding through purchase payments on a deferred schedule. The goal of the program is to build a project that will be the right size for future needs, even if that results in the short term in building excess capacity, rather than constructing one or more smaller projects now.

9.1.4 Rural and Economically Distressed Areas (EDAP)

Both grants and zero percent interest loans for planning, design and construction costs are offered through these programs, which are available to eligible small, low-income communities. Rural and economically distressed areas that meet population, income and other criteria are eligible to apply for these funds. EDAP funding eligibility also requires adoption of the Texas Model Subdivision Rules by the applicant planning entities.

9.2 INFRASTRUCTURE FINANCE SURVEY

The survey instrument is prefaced with an explanation of its purpose in identifying the need for financial assistance programs offered by the State of Texas and administered by the TWDB. The available funding programs (SWIFT, WIF, SP and EDAP) are summarized, and the survey participant is asked to: 1) identify the amounts they might request from each funding source for each identified project or strategy; and 2) the earliest date the funds would be needed, by fund type. Water user groups with multiple strategies to meet future water needs are only surveyed for strategies with a capital cost.

All communities listed in Chapter 5 water management strategies were presented with surveys provided by the TWDB. The survey along with supporting documentation that summarized the water management strategies included in the *Regional Plan* for that entity were delivered to the mayor or the city/utility manager and follow-up contacts were made with each entity to encourage response to the survey. Table 9-1 presents the surveys responses.

Table 9-1. Infrastructure Finance Survey

Sponsor Entity Name	Project Name	IFR Element Name	IFR Element Value	Year of Need
EAST MONTANA WATER SYSTEM	EAST MONTANA WS - WATER LOSS AUDIT AND MAIN-LINE REPAIR	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$1,124,435	2021
EAST MONTANA WATER SYSTEM	EAST MONTANA WS - WATER LOSS AUDIT AND MAIN-LINE REPAIR	CONSTRUCTION FUNDING	\$6,488,627	2022
EAST MONTANA WATER SYSTEM	EAST MONTANA WS - WATER LOSS AUDIT AND MAIN-LINE REPAIR	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$0	
EL PASO COUNTY TORNILLO WID	EL PASO CO. TORNILLO WID - ADDITIONAL GROUNDWATER WELL AND TRANSMISSION LINE	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING		Project completed
EL PASO COUNTY TORNILLO WID	EL PASO CO. TORNILLO WID - ADDITIONAL GROUNDWATER WELL AND TRANSMISSION LINE	CONSTRUCTION FUNDING		
EL PASO COUNTY TORNILLO WID	EL PASO CO. TORNILLO WID - ADDITIONAL GROUNDWATER WELL AND TRANSMISSION LINE	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY		
FORT DAVIS WSC	FORT DAVIS WSC - ADDITIONAL GROUNDWATER WELL	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING		Project completed
FORT DAVIS WSC	FORT DAVIS WSC - ADDITIONAL GROUNDWATER WELL	CONSTRUCTION FUNDING		
FORT DAVIS WSC	FORT DAVIS WSC - ADDITIONAL GROUNDWATER WELL	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY		
FORT DAVIS WSC	FORT DAVIS WSC - ADDITIONAL TRANSMISSION LINE	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING		Project no longer planned
FORT DAVIS WSC	FORT DAVIS WSC - ADDITIONAL TRANSMISSION LINE	CONSTRUCTION FUNDING		
FORT DAVIS WSC	FORT DAVIS WSC - ADDITIONAL TRANSMISSION LINE	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY		
HACIENDAS DEL NORTE WID	HACIENDAS DEL NORTE WID - WATER LOSS AUDIT AND MAIN-LINE REPAIR	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$250,000	2022
HACIENDAS DEL NORTE WID	HACIENDAS DEL NORTE WID - WATER LOSS AUDIT AND MAIN-LINE REPAIR	CONSTRUCTION FUNDING	\$750,000	2023

Table 9-1. (continued) Infrastructure Finance Survey

ponsor Entity Name	Project Name	IFR Element Name	IFR Element Value	Year of Need
HACIENDAS DEL NORTE WID	HACIENDAS DEL NORTE WID - WATER LOSS AUDIT AND MAIN-LINE REPAIR	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$0	
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - IMPROVEMENTS TO WATER DISTRICT DELIVERY SYSTEM	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$500,000	2021
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - IMPROVEMENTS TO WATER DISTRICT DELIVERY SYSTEM	CONSTRUCTION FUNDING	\$5,500,000	2021
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - IMPROVEMENTS TO WATER DISTRICT DELIVERY SYSTEM	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$0	
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - IRRIGATION SCHEDULING	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$0	NA
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - IRRIGATION SCHEDULING	CONSTRUCTION FUNDING	\$102,595	2025
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - IRRIGATION SCHEDULING	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$0	
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - REGULATING RIVERSIDE RESERVOIR	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$750,000	2021
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - REGULATING RIVERSIDE RESERVOIR	CONSTRUCTION FUNDING	\$6,004,036	2022
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - REGULATING RIVERSIDE RESERVOIR	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$0	
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - TAILWATER REUSE	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$0	NA
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - TAILWATER REUSE	CONSTRUCTION FUNDING	\$973,368	2025
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID #1 - TAILWATER REUSE	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$0	
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID#1 - NEW WATERWAY 32 RIVER DIVERSION PUMPING POINT	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$455,000	2021

Table 9-1. (continued) Infrastructure Finance Survey

Sponsor Entity Name	Project Name	IFR Element Name	IFR Element Value	Year of Need
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID#1 - NEW WATERWAY 32 RIVER DIVERSION PUMPING POINT	CONSTRUCTION FUNDING	\$3,500,887	2022
IRRIGATION, EL PASO	EL PASO COUNTY - EPCWID#1 - NEW WATERWAY 32 RIVER DIVERSION PUMPING POINT	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$0	
LAJITAS MUNICIPAL SERVICES	LAJITAS MUNICIPAL SERVICES - WATER LOSS AND MAIN-LINE REPAIR	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	NA	
LAJITAS MUNICIPAL SERVICES	LAJITAS MUNICIPAL SERVICES - WATER LOSS AND MAIN-LINE REPAIR	CONSTRUCTION FUNDING	\$2,545,000	Ongoing
LAJITAS MUNICIPAL SERVICES	LAJITAS MUNICIPAL SERVICES - WATER LOSS AND MAIN-LINE REPAIR	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY		
LOWER VALLEY WATER DISTRICT	LVWD - GROUNDWATER FROM PROPOSED WELL FIELD - HUECO BOLSON AQUIFER	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$3,611,000	2024
LOWER VALLEY WATER DISTRICT	LVWD - GROUNDWATER FROM PROPOSED WELL FIELD - HUECO BOLSON AQUIFER	CONSTRUCTION FUNDING	\$32,499,000	2025
LOWER VALLEY WATER DISTRICT	LVWD - GROUNDWATER FROM PROPOSED WELL FIELD - HUECO BOLSON AQUIFER	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$75	
LOWER VALLEY WATER DISTRICT	LVWD - GROUNDWATER FROM PROPOSED WELL FIELD - RIO GRANDE ALLUVIUM AQUIFER	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$3,923,600	2025
LOWER VALLEY WATER DISTRICT	LVWD - GROUNDWATER FROM PROPOSED WELL FIELD - RIO GRANDE ALLUVIUM AQUIFER	CONSTRUCTION FUNDING	\$35,312,400	2026
LOWER VALLEY WATER DISTRICT	LVWD - GROUNDWATER FROM PROPOSED WELL FIELD - RIO GRANDE ALLUVIUM AQUIFER	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$75	
LOWER VALLEY WATER DISTRICT	LVWD - SURFACE WATER TREATMENT PLANT AND TRANSMISSION LINES	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$7,433,800	2025
LOWER VALLEY WATER DISTRICT	LVWD - SURFACE WATER TREATMENT PLANT AND TRANSMISSION LINES	CONSTRUCTION FUNDING	\$66,904,200	2026
LOWER VALLEY WATER DISTRICT	LVWD - SURFACE WATER TREATMENT PLANT AND TRANSMISSION LINES	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$80	

Table 9-1. (continued) Infrastructure Finance Survey

Sponsor Entity Name	Project Name	IFR Element Name	IFR Element Value	Year of Need
LOWER VALLEY WATER DISTRICT	LVWD - WASTEWATER TREATMENT AND ASR FACILITY	PLANNING, DESIGN, PERMITTING & ACQUISITION FUNDING	\$2,350,900	2025
LOWER VALLEY WATER DISTRICT	LVWD - WASTEWATER TREATMENT AND ASR FACILITY	CONSTRUCTION FUNDING	\$21,158,100	20276
LOWER VALLEY WATER DISTRICT	LVWD - WASTEWATER TREATMENT AND ASR FACILITY	PERCENT STATE PARTICIPATION IN OWNING EXCESS CAPACITY	\$75	

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