



State Water Planning and SWIFT Update

Bech Bruun – Board Member

WATER FOR TEXAS 2012 STATE WATER PLAN

2012

Water for Texas

TEXAS WATER DEVELOPMENT BOARD

State Water Planning in Texas

Texas Water 
Development Board



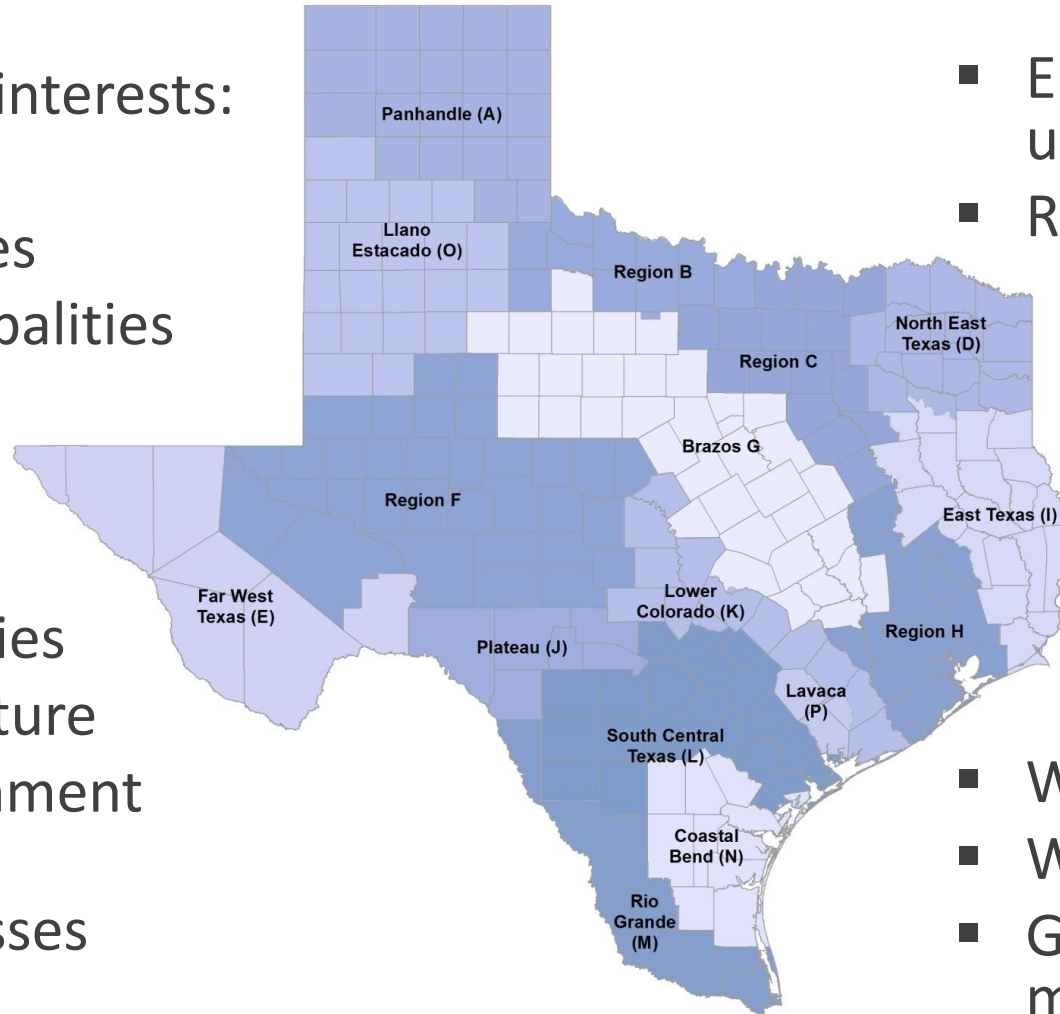
Regional Water Planning

Statutory interests:

- Public
- Counties
- Municipalities

- Industries
- Agriculture
- Environment
- Small businesses

- Electric-generating utilities
- River authorities



- Water districts
- Water utilities
- Groundwater management areas



Regional Water Planning Groups

- Approximately 450 members in the 16 groups:
 - Select host political subdivision
 - Select technical consultant
 - Self-govern (e.g., own bylaws)
 - Hold regular public meetings
 - Quarterly to monthly + subgroup meetings
 - Significant public notice requirements



Regional water planning process

- Project future population and water demand over 50-year planning horizon
- Quantify existing and future water supplies available during repeat of drought of record
- Identify surpluses and needs
- Evaluate and recommend water management strategies





Planning for Water User Groups

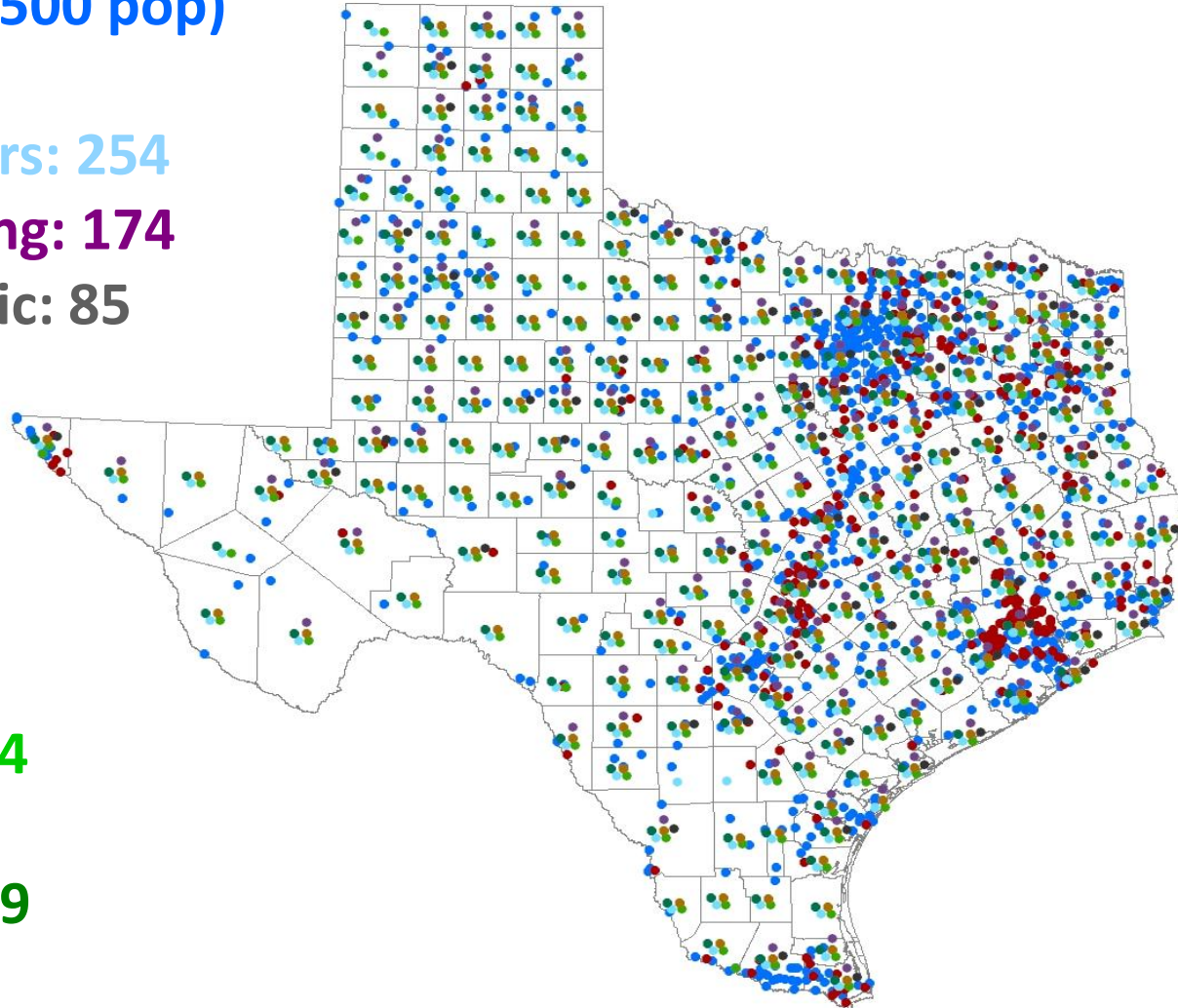
Cities: 971 (>500 pop)

Utilities: 362

County-Others: 254

Manufacturing: 174

Steam-Electric: 85



Livestock: 254

Mining: 229

Irrigation: 239



2012 State Water Plan – Quick Facts

- Population to increase by 82% by 2060
- Water demand to increase by 22%
- Existing water supply to decrease by 10%
- Need for additional water supply:
 - 3.6 million acre-feet per year in current decade
 - 8.3 million acre-feet per year by 2060
- Strategies recommended to result in additional 9 million acre-feet per year by 2060



Water Management Strategies – The Big Picture

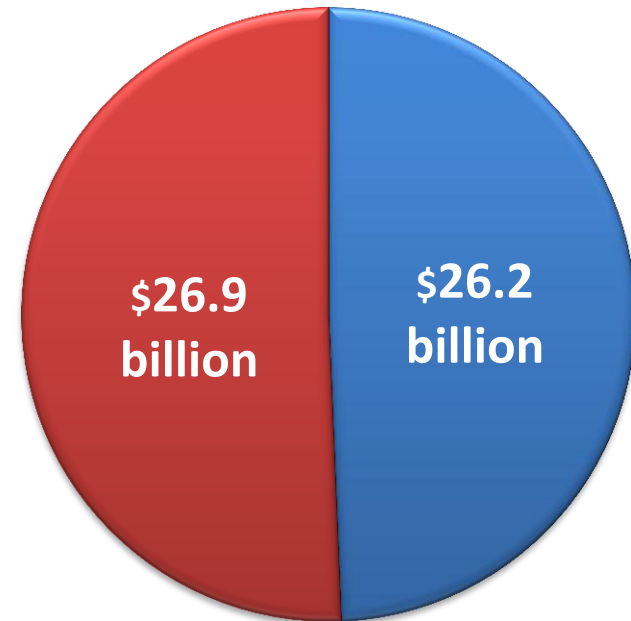
- **Conservation and reuse** – Meeting needs by making more efficient use of what we have
 - **34% of volume, 12% of capital costs**
- **Other surface water** – Developing infrastructure to transport/access supplies already developed.
 - **34% of volume, 45% of total capital costs**
- **New supply development** – reservoirs, groundwater development, desalination, and others
 - **32% of volume, 43% of total capital costs**



Cost of Water Supply Strategies - 2012 State Water Plan

- \$53.1 billion to implement
- Project sponsors need access to \$26.9 billion of project capital costs through state assistance

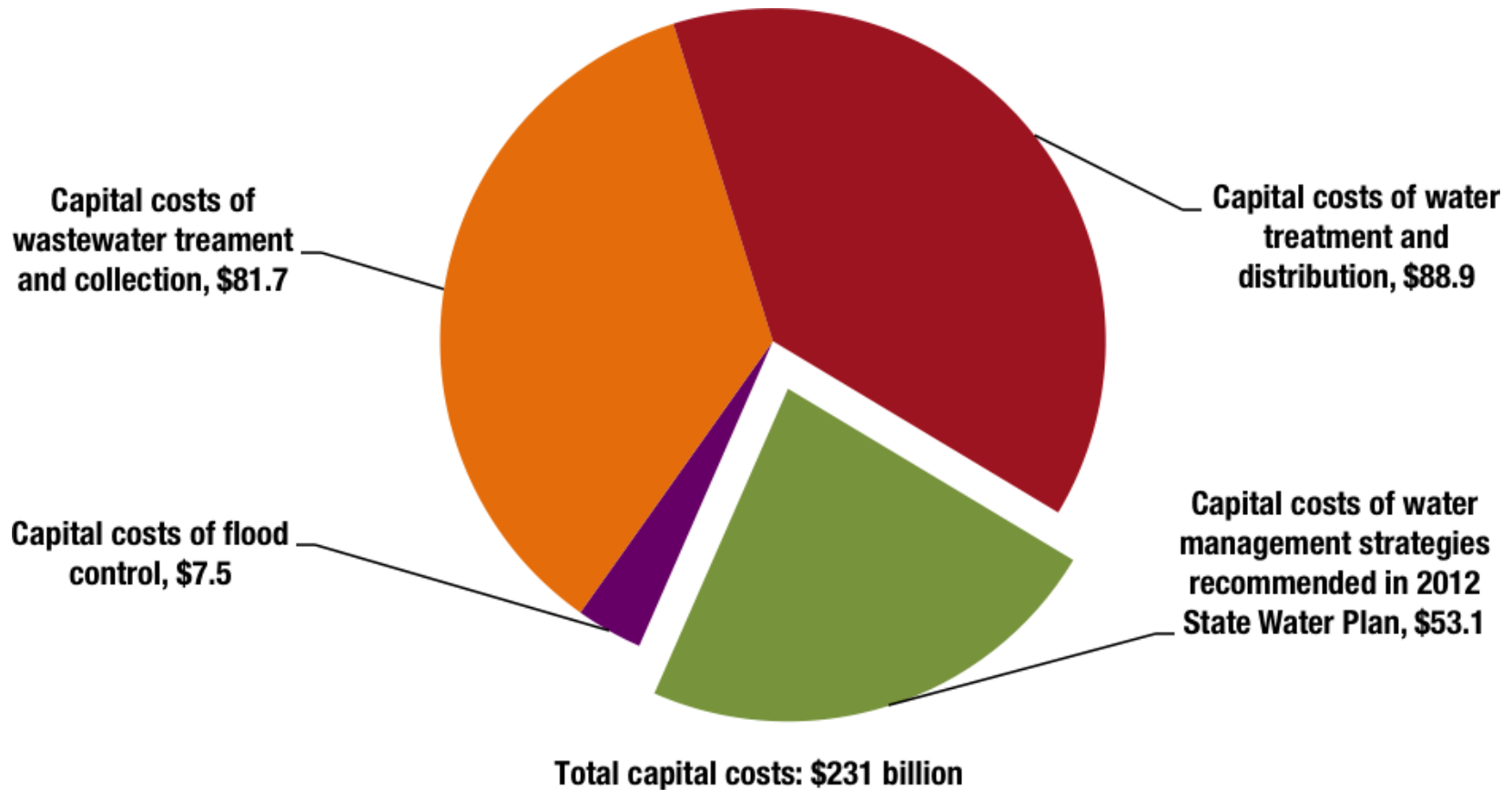
Financing State Water Plan Projects



- Other mechanisms
- State loan and grant programs



Total Water Infrastructure Capital Costs





What Does it Cost if We Do Nothing?

- **In the current decade:**
 - \$12 billion annual lost income
 - \$1 billion annual lost state/local business tax revenue
 - 115,000 lost jobs
- **By 2060:**
 - \$116 billion annual lost income
 - \$10 billion annual lost state/local business tax revenue
 - 1 million lost jobs
 - 1.4 million lost population growth



What will the SWIFT fund?



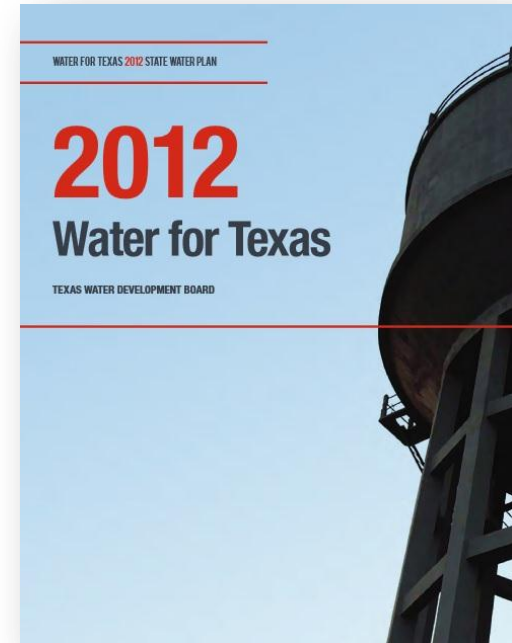
HB4 was
created exclusively
to support projects in
the **state water plan**.

Only political subdivisions and
nonprofit water supply corporations
will be eligible for funds.



Eligible Applicants & Projects

- Applicants must be associated with a project/strategy in the state water plan
- Eligible Projects:
 - Appears in regional and state water plans **with an associated capital cost**
 - The project/strategy in the plan has submitted an **Infrastructure Finance Report (IFR) survey response** associated with it





What's in the legislation?



Undertake to use:
At least **20 percent**
to support water conservation
and reuse projects.

At least **10 percent**
to support projects serving
rural communities and agricultural.



SWIFT Assistance

- **SWIFT offers 3 categories of assistance:**
 - Low-interest Loans
 - Deferred Loans
 - Board Participation
- **Up to 2 cycles per year**



SWIFT Assistance

Low-Interest Loans

- Loan terms of 20-30 years
- Interest rate subsidy for 20-year loan is 35.5% off TWDB's cost of funds
- Reduced interest rate subsidy for longer loans
- Eligible Phases: Planning, Acquisition, Design, and Construction



SWIFT Assistance

Deferred Loans

- Loan terms of 20-30 years
- Principal & interest both deferred for up to 8 years or until the end of construction
- Interest rate subsidy for 20-year loan is 15%
- No subsidy available for longer-term loans
- Eligible phases: Planning & Design only



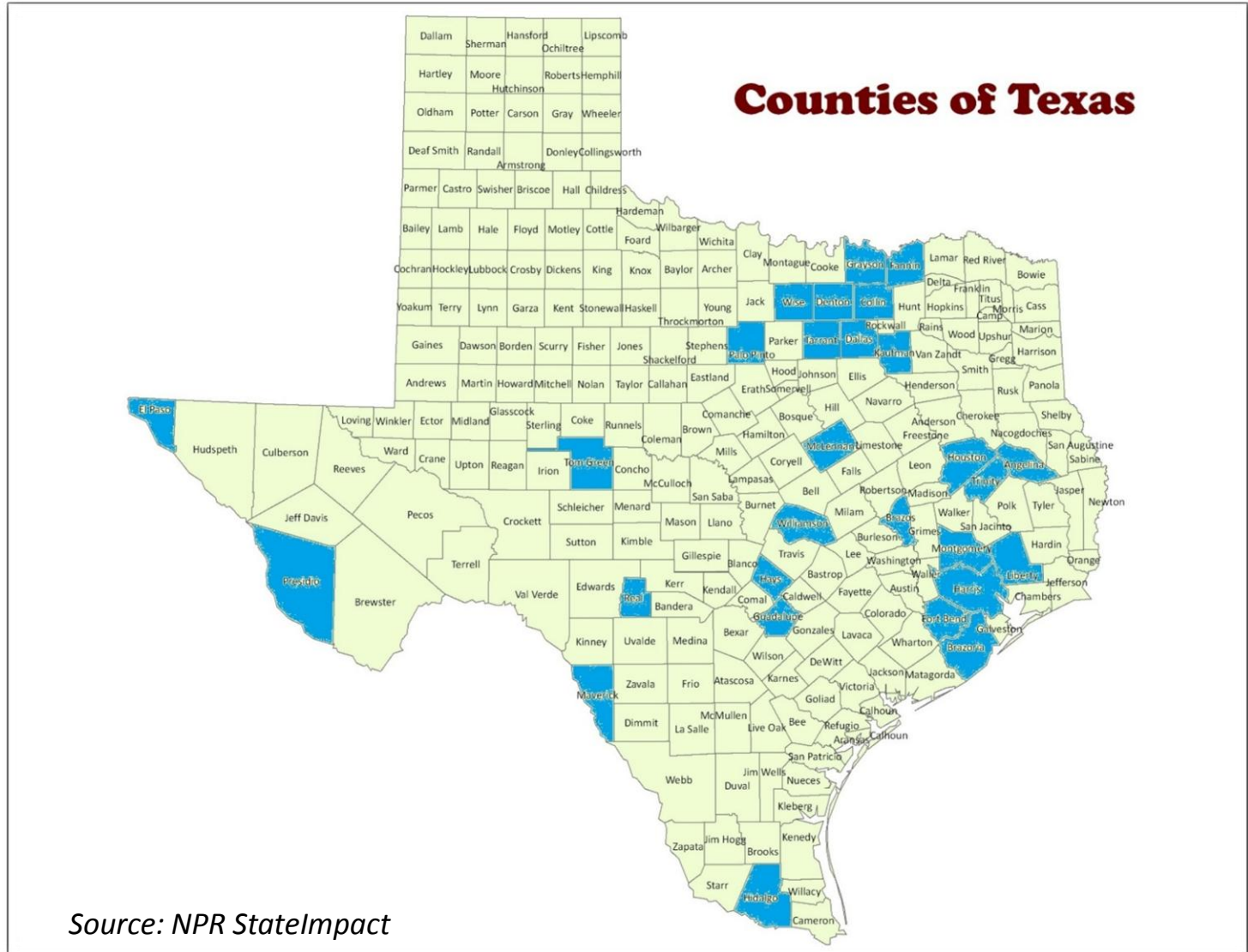
SWIFT Assistance

Board Participation

- TWDB purchases a temporary ownership interest in regional water supply projects, which the entity buys back over time
- Only funds the excess capacity provided by a project
- **Regional projects only**
- Eligible phases: Planning, Acquisition, Design, Construction



SWIFT Abridged Applications



Prioritization Criteria			
Highest consideration:	Max Points	Additional criteria:	Max Points
Serve a large population	30	Local contribution & leveraging state, local, and federal funds	5
Assist a diverse urban and rural population	30	Financial capability of the applicant to repay	2
Provide regionalization	30	Emergency Need	5
Meet a high percentage of water supply needs	30	Readiness to proceed	8
		Effect on water conservation	15
		Priority assigned by regional water planning group	15
Max “Highest Consideration” Subtotal	50	Max “Additional Criteria” Subtotal	50
Maximum Total Points: 100			



SWIFT Implementation

Feb 3, 2015

- Abridged applications due

Spring 2015

- TWDB prioritizes abridged applications
- TWDB determines availability of funds by category and financing terms
- Invitations to apply are extended
- Entities submit complete applications

Summer 2015

- TWDB considers and approves applications
- TWDB authorizes bond sale

Fall 2015

- TWDB bond sale and closing
- **Borrowers close loans**



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