

TWDB Announces New Financial Assistance Program for Public Water Systems

In February 1997, the Texas Water Development Board (TWDB) adopted rules to administer the new Drinking Water State Revolving Fund (DWSRF).

The DWSRF was established to provide loans at lower than market interest rates to finance water supply projects for compliance with primary and secondary drinking-water regulations established pursuant to the Federal Safe Drinking Water Act. This new financial assistance program will be available to all drinking-water supply systems owned by political subdivisions, such as municipalities and water districts, as well as Texas Non-Profit Water Supply Corporations.

According to a U.S. EPA survey released in January, public water systems in Texas will need \$12.36 billion in capital improvements during the next 20 years to comply with current and future requirements of the Federal Safe Drinking Water Act. These EPA estimates include costs for building or replacing treatment plants, adding or replacing water mains and pumping stations and building water storage tanks. However, the estimates do not include costs for operation and maintenance or the costs of obtaining water rights or developing new water resources.

Also in January, the TWDB mailed a DWSRF information form to potential loan applicants. The information form describes a potential applicant's existing water facilities, additional facility needs, the nature of projects being considered to meet those needs and project cost estimates. The TWDB hopes to use this information in connection with the Texas Natural Resource Conservation Commission to prioritize projects according to need and to identify applicants for loans from the first-year capitalization grant of the new DWSRF.

The TWDB's goal is to have the new loan program in operation in time for applications beginning in the fall of 1997.

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