



TWDB Funding Strategies for Water Forward Projects

Water Forward Task Force Meeting | January 12, 2021



Presentation Overview



- Austin Water Strategy
- Loan Types and Factors
- Funding for Water Forward Projects
- Summary

Austin Water Strategy

- Austin Water staff monitors potential alternative funding mechanisms and options
- Identification of TWDB loan opportunities and ongoing reporting
 - AW Internal TWDB Committee
 - Evaluate CIP Projects in approved 5-Year CIP Plan and CIP Projects in 10-Year CIP Plan



| | TWDB SWIFT Loan | TWDB Drinking Water SRF |
|---------------|--|---|
| Uses: | Projects that are recommended water management strategies in the most recent approved State Water Plan associated with a capital cost. | Planning, acquisition, design and construction of water related infrastructure, including water supply and Source Water protection. |
| Availability: | Twice a year | Year round |
| Terms: | 20 to 30 yrs | 20 to 30 yrs |
| Restrictions: | Project must be included in the State Water Plan (Region K) | Must comply with federal requirements |
| Other: | AW to apply by Feb 1st and close loan in Nov. | AW to apply anytime during the year and close loan in Nov. |

Loan Types and Factors



TWDB Loan Considerations

- Environmental Review
- Debt Service Payments immediate after loan closing
- Loan Reporting such as Annual HUB reporting
- Texas Region K Plan for SWIFT



Water Forward Projects

- ♦ AMI (Advanced Metering Infrastructure) - \$80,195,000 TWDB Loan.

Austin's Smart Water Meter System will replace more than 230,000 analog water meters with electronically read meters connected to a wireless network over the next five years. Visit myatxwater.org for more information.

- Multi-Year Funding Submittal due to TWDB by Feb. 1, 2021

- ♦ Aquifer Storage and Recovery

- Pilot project underway with Phase 1 Engineering Services
- Full Scale project anticipated to submit TWDB application by Feb 1, 2027



Timeline for TWDB Loan Applications

18 to 24
month
process

ASR in
State
Water
Plan

SWIFT
Abridged
Application
due to,
February 1st

TWDB
Considers
Application
Loan
Approval

TWDB/
Attorney
General
and Legal
Review

DWSRF
Project
Info.
Forms
due to
TWDB
(anytime)

TWDB
Prioritization
Review &
Invitation to
Submit Full
Application
with City
Council
Approval

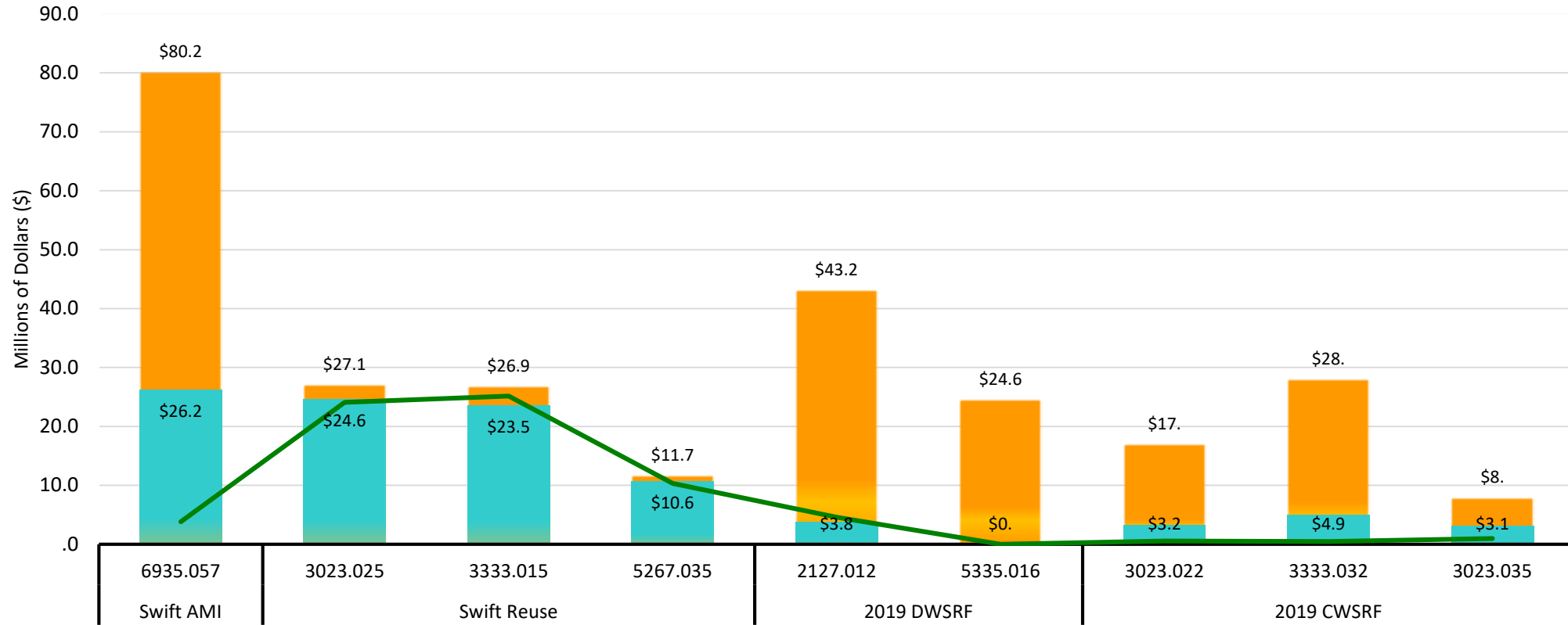
Prepare Loan Closing
Documents/City
Council Financing
Agreement or Bond
Ordinance

Execute
1st Loan
Closing on
Multi-year
Loan



TWDB Loan Progress by Projects

as of November 30, 2020



| | Swift AMI | | Swift Reuse | | | 2019 DWSRF | | 2019 CWSRF | | | Total |
|---------------|-----------|--|-------------|----------|----------|------------|----------|------------|----------|----------|---------|
| Subproject | 6935.057 | | 3023.025 | 3333.015 | 5267.035 | 2127.012 | 5335.016 | 3023.022 | 3333.032 | 3023.035 | |
| * Release | 26.2 | | 24.6 | 23.5 | 10.6 | 3.8 | .0 | 3.2 | 4.9 | 3.1 | \$100.0 |
| ** Commitment | 80.2 | | 27.1 | 26.9 | 11.7 | 43.2 | 24.6 | 17.0 | 28.0 | 8.0 | \$266.6 |
| *** ITD Exp | 3.8 | | 24.1 | 25.1 | 10.3 | 4.6 | .0 | .5 | .5 | 1.0 | \$70.0 |

* Release is cumulative loan closing amount for each project.

** Commitment is total TWBD approved project amount.

*** Costs funded by TWDB which is generally the construction phase.



Summary

- AW currently has an internal TWDB loan committee and monitors other potential funding sources.
- Current plan is to pursue a TWDB loan to fund the full-scale ASR project.
- AW will continue to work with our Financial Advisors on financing strategies that will provide the most savings for the utility and our rate payers.



Questions and Discussion

