

\$30 billion and counting

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The Northeast Water Purification Plant Expansion Project will result in additional treated water capacity for the City of Houston and area water authorities. Photo credit: City of Houston

Since its establishment in 1957, the Texas Water Development Board (TWDB) has committed more than \$30.4 billion in financial assistance to Texas communities to ensure Texans have access to clean water, effective wastewater treatment, and progressive stormwater solutions.

The TWDB's financial assistance portfolio includes cost-effective loan and grant programs that entities such as political subdivisions of the state, water utilities, and water supply corporations can tap into to help fund projects. Each program is designed for project-specific needs such as water supply and treatment, flood control and stormwater management, and agricultural water conservation.

Nearly half of the \$30.4 billion has been committed since 2013, a testament to the state's growing water supply and infrastructure needs and the agency's ability to meet those needs through creative financing.

Contributing to that high volume of assistance in recent years is the State Water Implementation Fund for Texas (SWIFT) program,* a dedicated funding source to help

communities implement water supply projects in the state water plan. In 2013 the Texas Legislature and voters approved SWIFT, which offers low-interest loans, extended repayment terms, deferral of loan repayments, and incremental repurchase terms. The TWDB has committed approximately \$9 billion in assistance through SWIFT.

TWDB Executive Administrator Jeff Walker said the sheer amount of commitments made to state water plan projects is proof that the concept works: “To put it in perspective, in six years of funding, SWIFT accounts for nearly 27 percent of all commitment dollars since 1957. Those dollars for projects mean that communities will be prepared for the next drought and better able to meet their critical water needs.”

One of the largest SWIFT projects is the Houston area’s Northeast Water Purification Plant expansion project, an extensive effort to transition from groundwater to surface water and lessen the impact of related issues like ground subsidence. By 2024, the project is expected to add 320 million gallons per day to the existing water plant’s capacity. The project includes diverting raw water from the Trinity River to Lake Houston as well as the massive expansion of plant.

The project also represents a multi-region partnership between the City of Houston, North Harris County Regional Water Authority, North Fort Bend Water Authority, West Harris County Regional Water Authority, and Central Harris County Regional Water Authority. The expansion is the largest public works project in the City of Houston’s history and will result in one of the nation’s largest drinking-water treatment plants. The TWDB committed approximately \$4,748,845,000 to the project, offering the project partners an estimated savings of \$597 million—not including savings for 2020 loan closings—by using the SWIFT program.

Not all SWIFT-funded projects are on the scale of Houston’s project; even smaller projects will have a considerable impact on a community. For example, in 2015, the TWDB provided a \$705,000 loan to the City of Marfa to replace a nonfunctional water well. The replacement will help ensure the City has an adequate water supply.

Throughout its 63-year history, the TWDB has administered other successful financial assistance programs, two of which are the Clean and Drinking Water State Revolving Fund programs. The state revolving funds are designed to provide below-market interest rates to borrowers, as well as principal forgiveness for green projects, disadvantaged communities, emergency projects, and very small systems.

"That means applicants cannot get a better deal anywhere," Walker said. "That's a pretty strong incentive, especially when entities have more needs than they have funding. Every bit saved through the state revolving funds is capacity to do additional projects for their communities."

The Clean Water State Revolving Fund (CWSRF) is used to finance wastewater, pollution control, and stormwater control projects, including green infrastructure and disaster recovery projects. In May 2020, the City of Aledo received a \$4,230,000 loan commitment through the program for a project to increase its wastewater collection system's capacity. The City could save approximately \$988,000 over the life of the loan.

The City of Lubbock could save approximately \$6.8 million over the life of a \$35 million CWSRF emergency relief loan to finance construction of a drainage improvement project intended to reduce the risk of flooding.

The Drinking Water State Revolving Fund offers cost-effective financing for a wide range of projects that facilitate compliance with drinking water standards. For example, the Upper Jasper County Water Authority is working to help provide a more reliable water source for customers through a \$3,355,000 loan to replace water lines, drill a new well, and replace a 10,000-gallon ground storage tank.

A growing population, continued stress on our water supplies, and the ongoing threat of drought and flood require flexible and resilient solutions to water supply challenges.

"I have seen the TWDB deliver financial assistance to very small communities of less than 100 to some of the largest cities in the nation, with funding for projects ranging from \$100,000 to over \$1 billion," added Walker. "The great thing about that is our ability to serve their water needs, no matter the size or amount, and I am very proud that we have a role in making that happen."

**The SWIFT program includes two funds, the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT). Revenue bonds for the program are issued through SWIRFT.*

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Upon completion, the Northeast Water Purification Plant expansion will supply approximately 400 million gallons per day of treated water capacity. Photo credit: City of Houston