
State Water Implementation Revenue Fund for Texas



Bech Bruun - Chairman



**To provide leadership, information, education,
and support for planning, financial assistance, and outreach for
the conservation and responsible development of water for Texas**

Water Supply & Infrastructure

**Regional Water Planning and Development
Program Administration and Reporting
Water Use, Projections, and Planning**

Water Science & Conservation

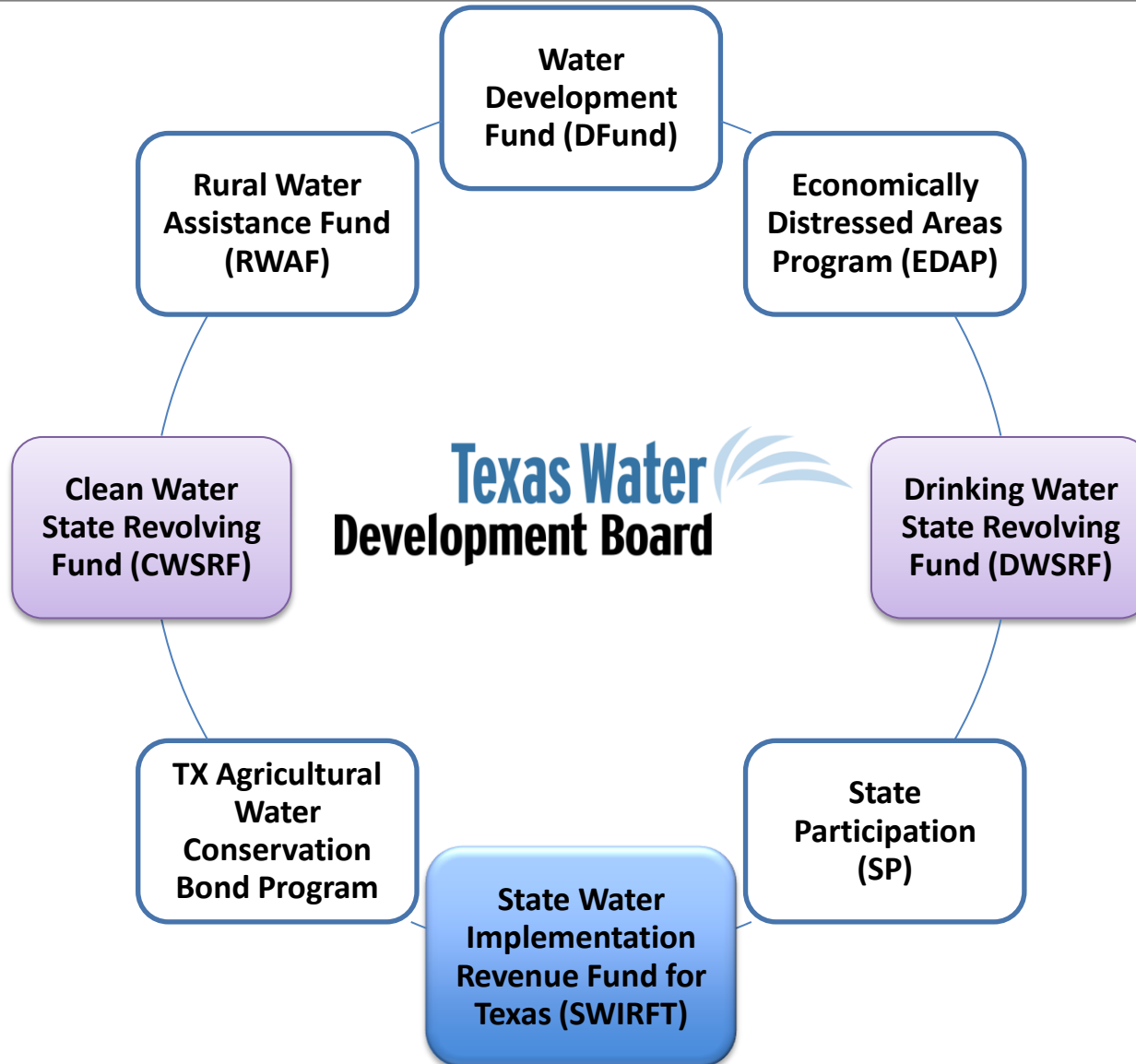
**Conservation & Innovative Water Technologies
Surface Water Resources
Groundwater Resources**

Operations & Administration

**Support Services and Contract Administration
Texas Natural Resources Information System
Human Resources
Information Technology**

Finance

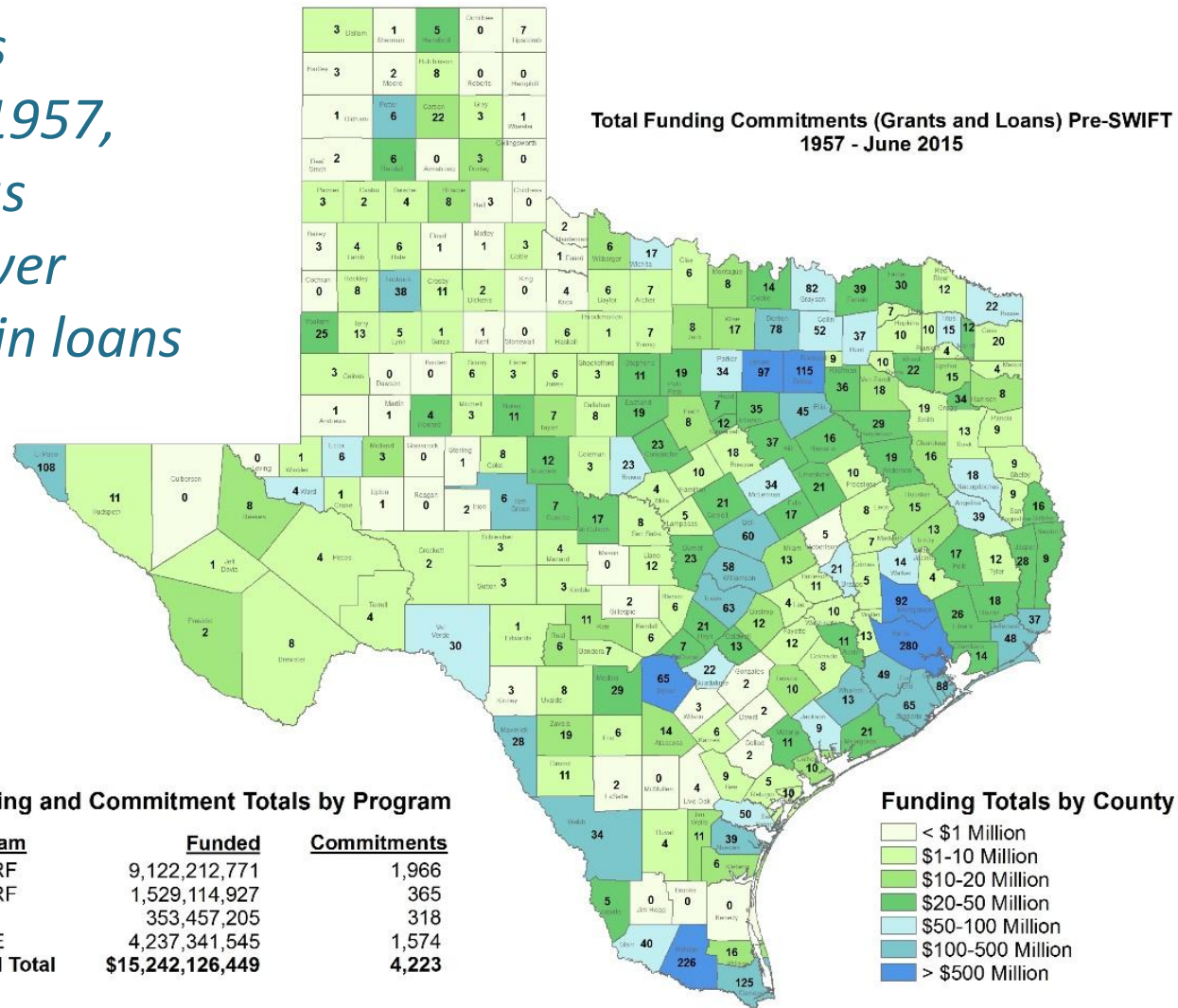
**Debt and Portfolio Management
Financial Compliance
Budget
Accounting**



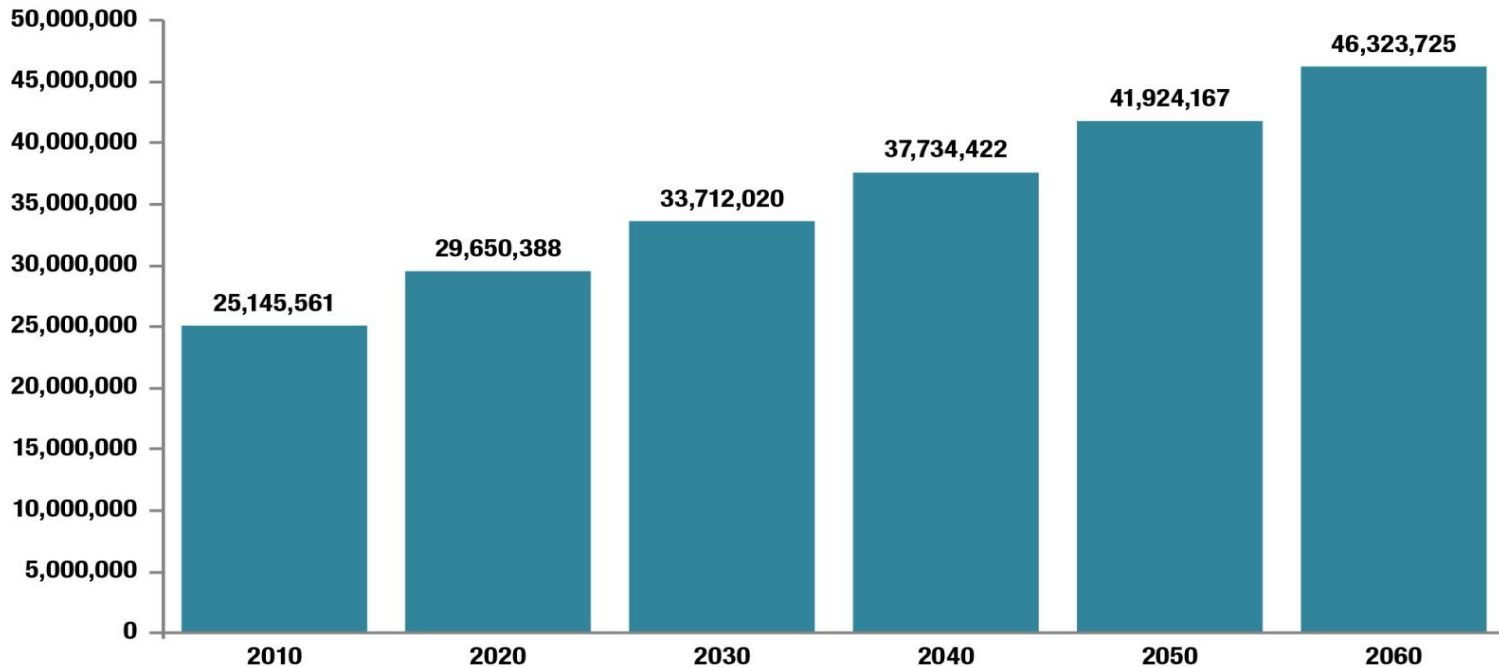
Communities Served



Since TWDB's Inception in 1957, the TWDB has committed over \$15.2 billion in loans and grants



Projected Population Growth & Water Demand

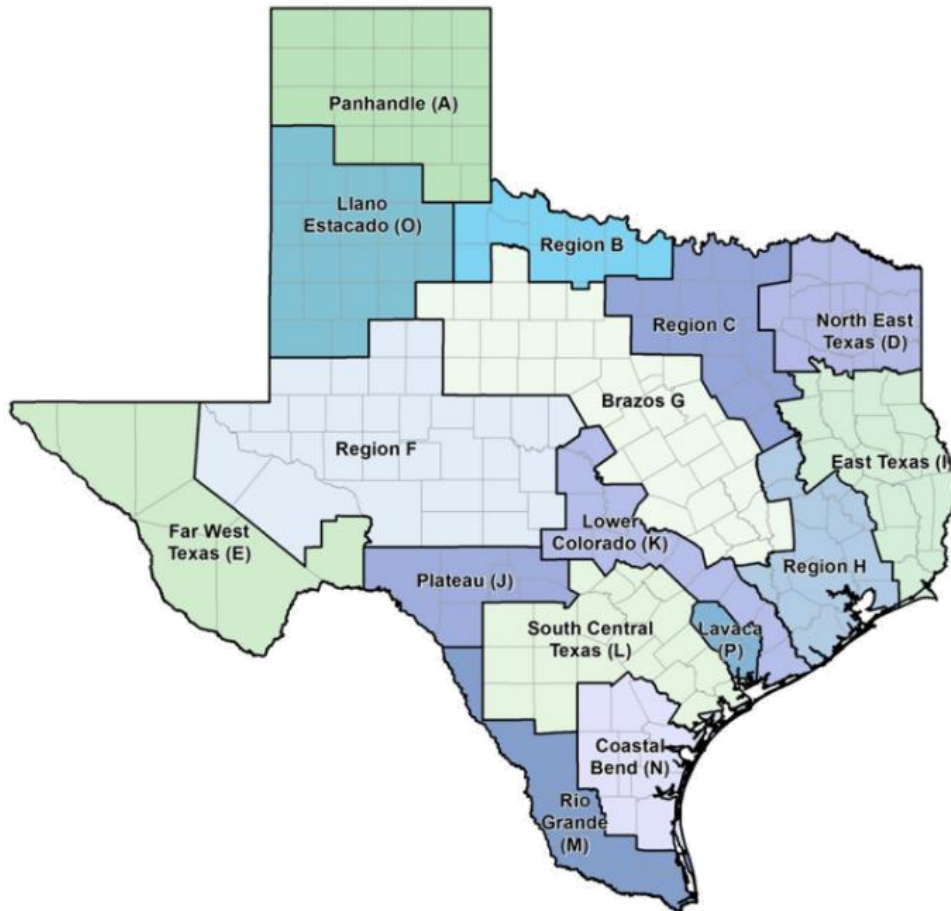


Category	2010	2020	2030	2040	2050	2060	Percent of 2060 Demand
Municipal	4,851,201	5,580,979	6,254,784	6,917,722	7,630,808	8,414,492	38.3%
Manufacturing	1,727,808	2,153,551	2,465,789	2,621,183	2,755,335	2,882,524	13.1%
Mining	296,230	313,327	296,472	285,002	284,640	292,294	1.3%
Steam-electric	733,179	1,010,555	1,160,401	1,316,577	1,460,483	1,620,411	7.4%
Livestock	322,966	336,634	344,242	352,536	361,701	371,923	1.7%
Irrigation	10,079,215	9,643,908	9,299,464	9,024,866	8,697,560	8,370,554	38.1%
Texas	18,010,599	19,038,954	19,821,152	20,517,886	21,190,527	21,952,198	

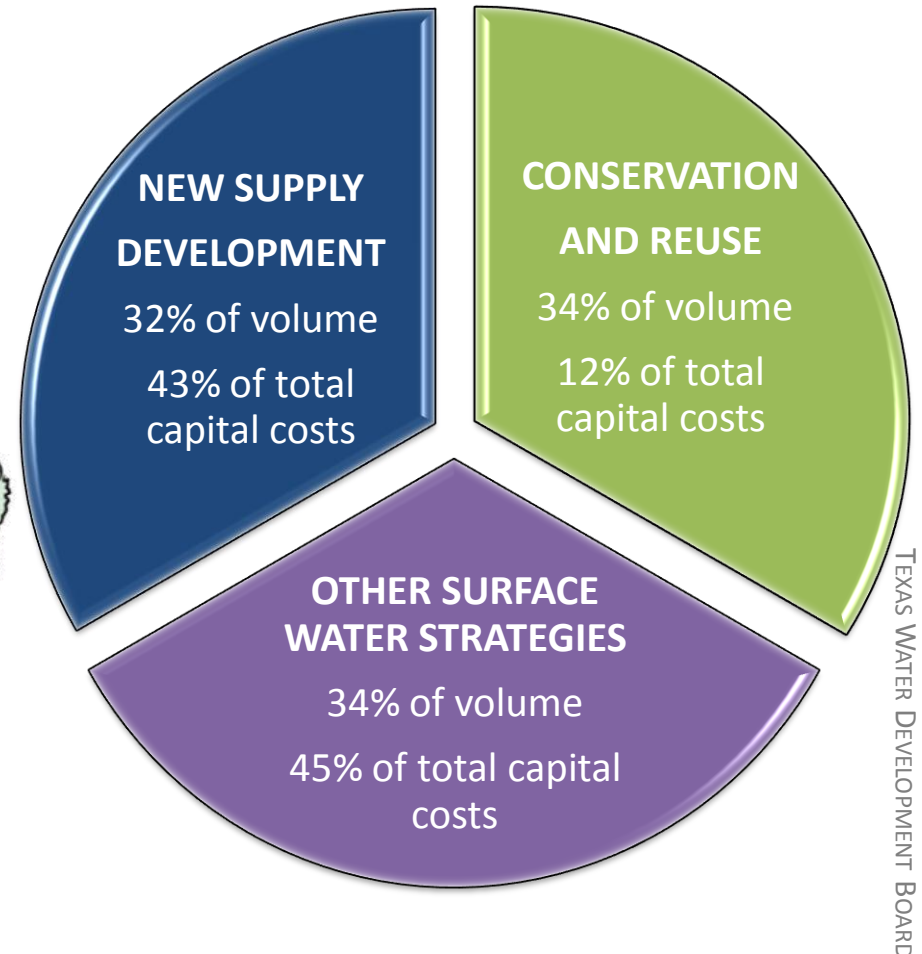
Source: 2012 State Water Plan

The 2012 State Water Plan

Created by Regional Planning Groups



Allocation of Water Supply



Texas Water Needs

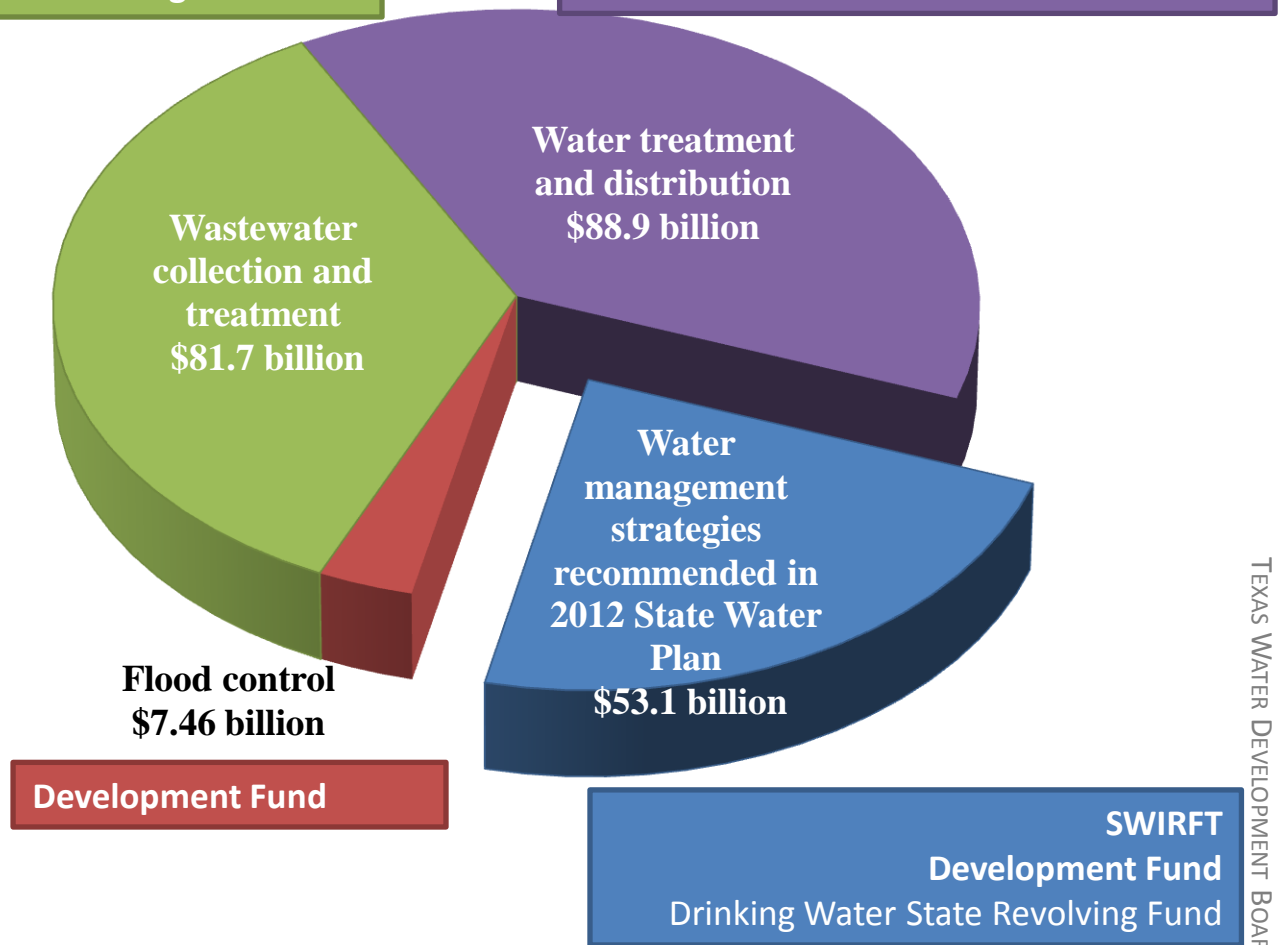


Development Fund
Clean Water State Revolving Fund
Economically Distressed Areas Program

Development Fund
Drinking Water State Revolving Fund
Economically Distressed Areas Program

Total capital costs projected through 2060 for water supplies, water treatment and distribution, wastewater collection and treatment, and flood control:

\$231 billion



Source: 2012 State Water Plan

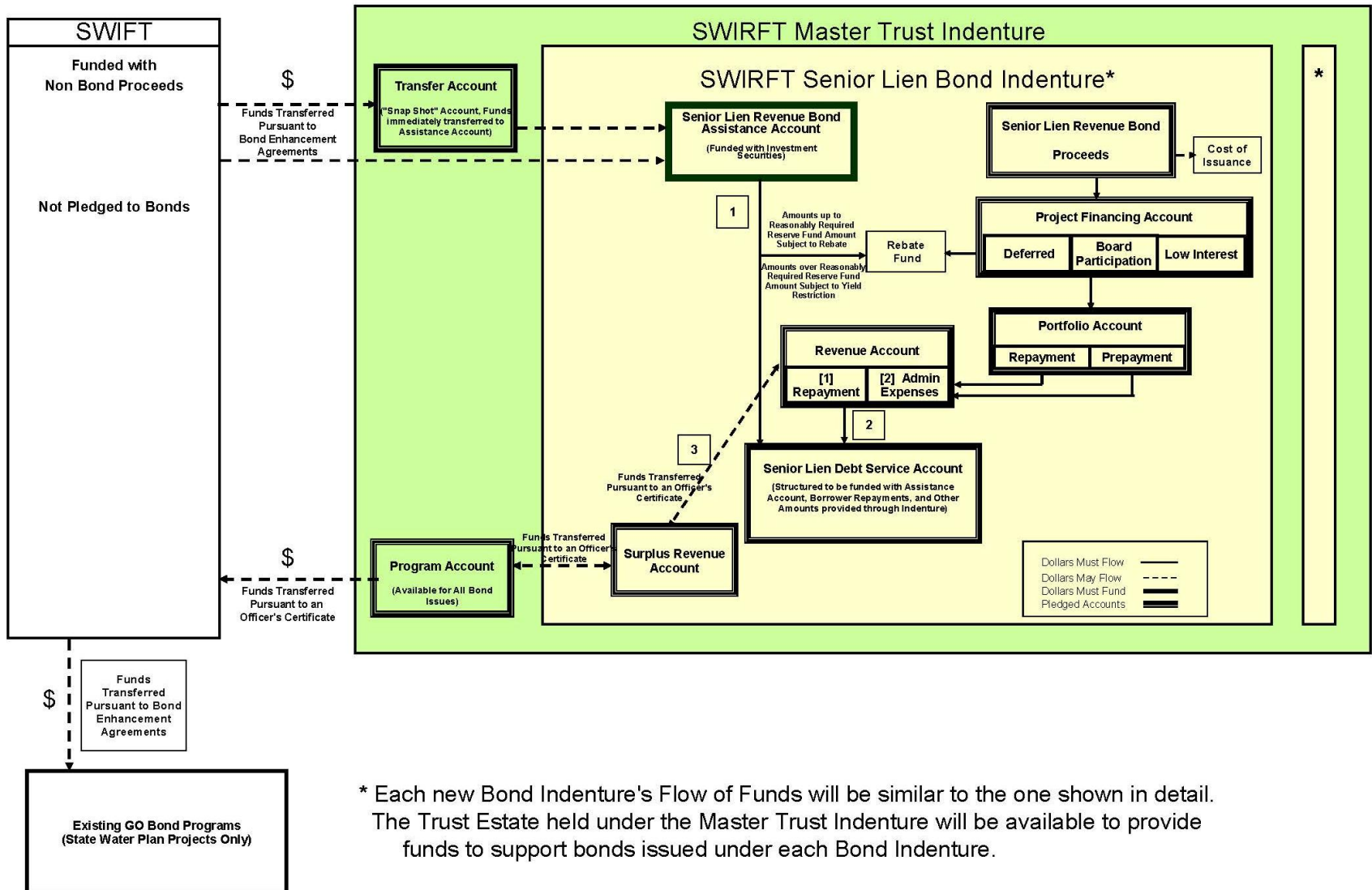
State Water Implementation Revenue Fund for Texas



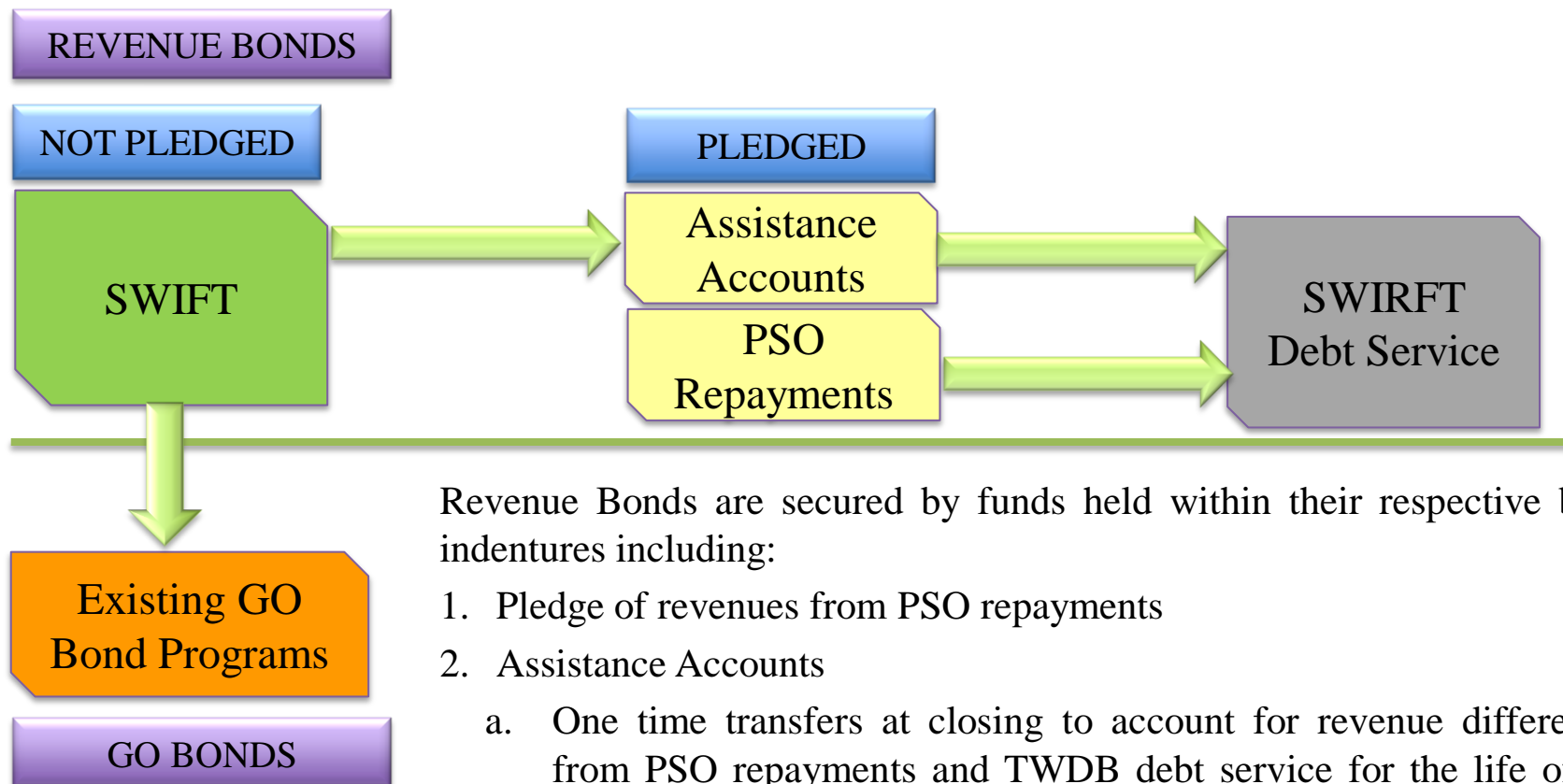
Turns Planning into Projects

- Constitutionally protected and voter approved \$2 billion transfer from the Rainy Day Fund to the SWIFT
- Ensure perpetuity of the \$2 billion capitalization
- Achieve funding of \$27 billion over 50 years
- Provide financial assistance that does not include grants

Flow of Funds



General Overview Flow of Funds



Revenue Bonds are secured by funds held within their respective bond indentures including:

1. Pledge of revenues from PSO repayments
2. Assistance Accounts
 - a. One time transfers at closing to account for revenue differences from PSO repayments and TWDB debt service for the life of the bond issue
 - b. SWIFT funds are only available to support Revenue and General Obligations Bonds of the TWDB that finance State Water Plan Projects

The SWIFT is NOT pledged to the Bonds

Low-Interest Loans ⁽¹⁾

- Structure provides a subsidy of interest rates beginning immediately and through the life of the bond issue
- With SWIRFT, maturities will range from 20 to 30 years
- For the initial round of funding, the subsidy amount is 35.5% for 20 year maturities and a reduced subsidy based on an applied calculation for longer maturities

Deferred Loans ⁽¹⁾

- Proceeds can only be used for planning and design
- Under the new program, maturities will range from 20 to 30 years with principal and interest deferral up to 8 years or the end of construction, whichever is sooner
- Initial subsidy is 15% for 20 year maturities and no subsidy for loans with longer maturities

Board Participation ⁽²⁾

- The TWDB will provide an ownership interest in a project that permits incremental repurchases over time
- Structure provides payment deferrals the first 10 years of amortization, stair-stepping up to level debt service
- Amortization is generally 34 years
- All deferred interest is repaid on a simple interest basis

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1. The Low-Interest Loans are modeled after the Water Infrastructure Fund Program and the Deferred Loans are modeled after the Water Infrastructure Fund Deferred Program, both of which made their first loans in 2008 and collectively have originated \$950,269,000 in loans
 2. Board Participation is modeled after the State Participation Program, which made its first loan in 1992 and has originated \$225,368,000 in financial assistance

SWIRFT 2015 Savings



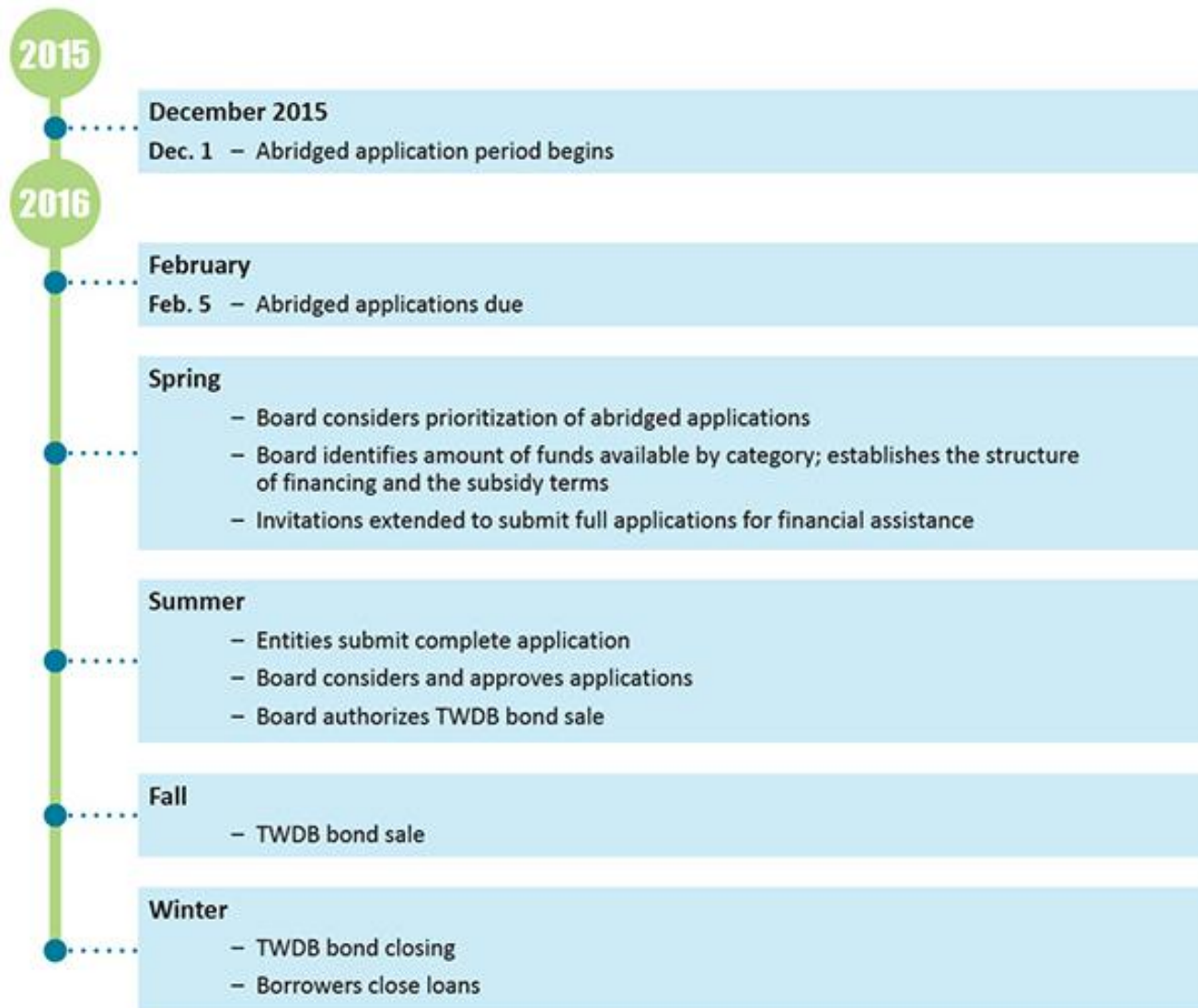
Applicant	2015 Total	SWIFT Subsidy	Net Interest Cost	Savings	% Savings
2015 TOTAL	\$899,660,000			\$106,679,514	8.5%
<i>Selected Samples...</i>					
Tarrant Regional Water District	\$440,000,000	22% (L)	2.89%	\$58,061,108	8.1%
City of Marfa	\$705,000	35.5% (L)	2.06%	\$87,888	9.1%
North Fort Bend Water Authority	\$8,670,000	35.5% (L)	1.96%	\$1,124,693	9.6%
Guadalupe Blanco River Authority	\$2,000,000	15% (D)	2.94%	\$562,936	19.1%
Coastal Water Authority	\$66,565,000	0% (BP)	4.02%	----	----

TEXAS WATER DEVELOPMENT BOARD

For Board Participation, no savings calculations have been included due to the structure of the financing. This type of financing does not receive subsidy.

This illustration does not take into consideration individual entities' credit ratings or potential costs of issuance.

2016 SWIRFT Timeline



State Water Implementation Fund for Texas (SWIFT) can be found at:

www.twdb.texas.gov/financial/programs/SWIFT

The 2012 State Water Plan is available at:

www.texasstatewaterplan.org

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