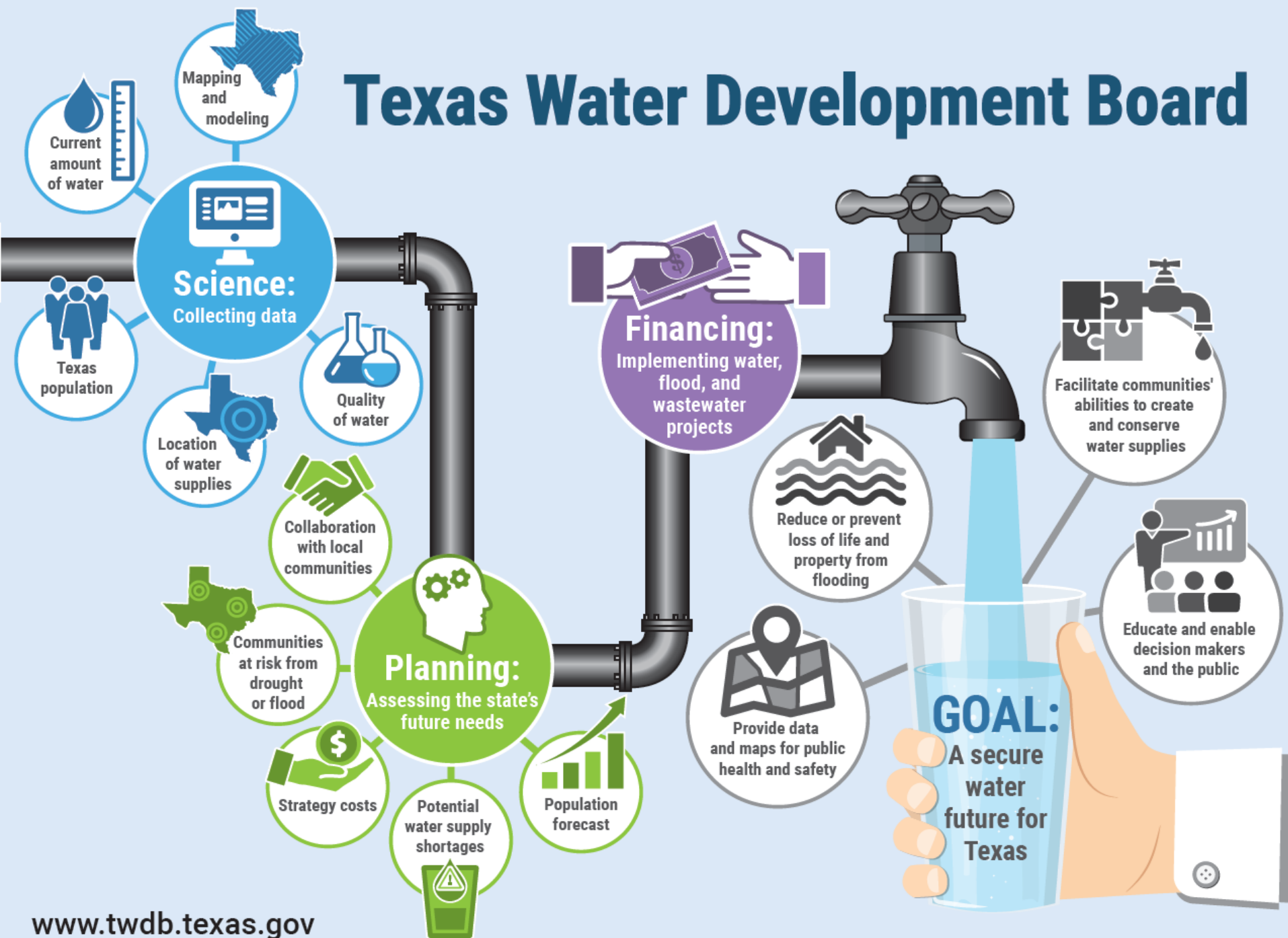


Texas Water Development Board

Financial Assistance Programs Breifing

September 23, 2025

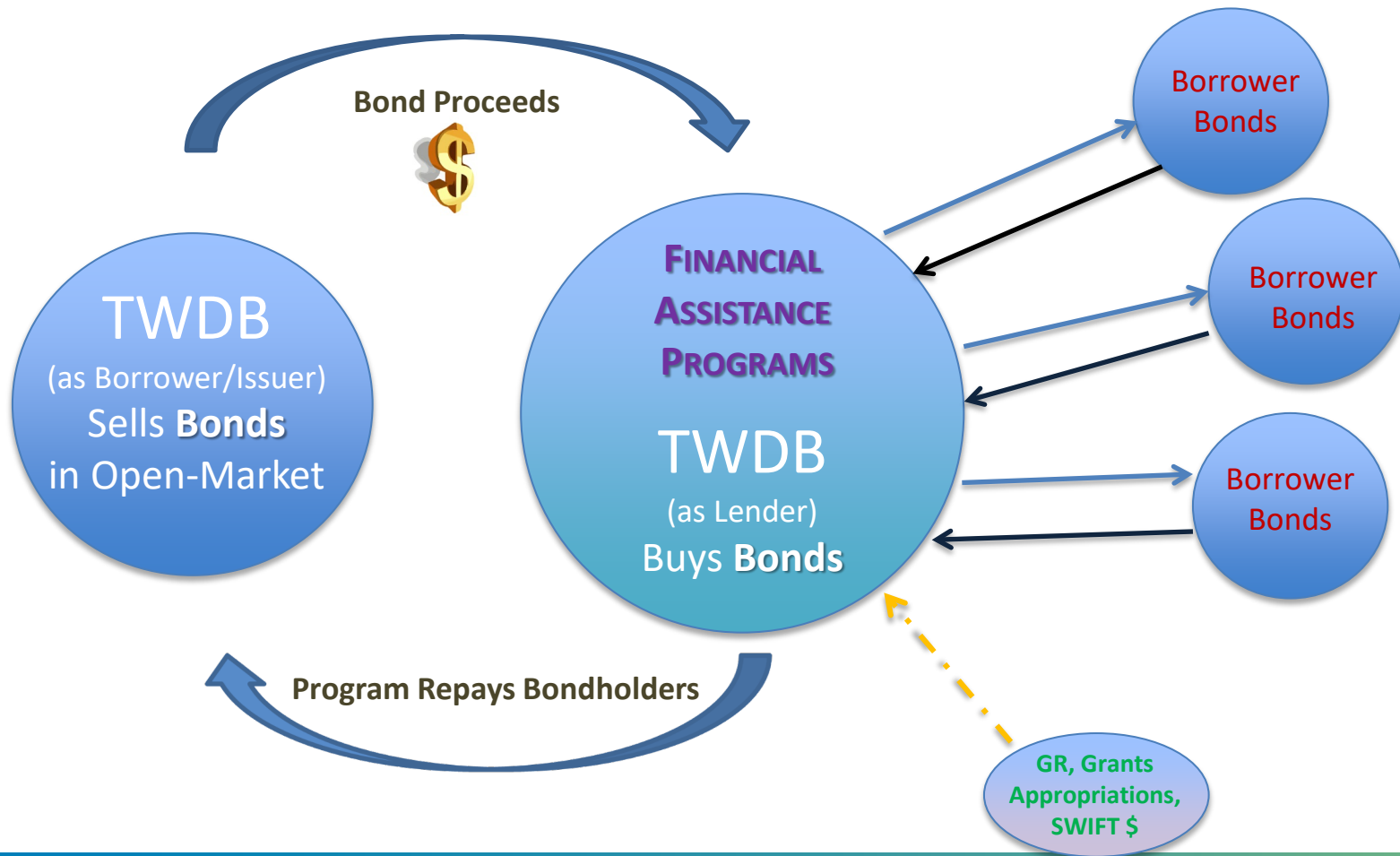
Texas Water Development Board



Dollars Committed and Cost Savings

Entity	Rural	Commitment Date	Program	Commitment Amount	Commitment Cost Savings
City	Yes	08/15/2024	DWSRF	\$ 530,000	\$ 280,712
City	Yes	08/15/2024	CWSRF	\$ 39,315,000	\$ 12,036,859
District	Yes	07/23/2024	SWIFT	\$ 5,000,000	\$ 1,343,310
City	No	07/23/2024	SWIFT	\$ 10,135,000	\$ 1,215,549
City	No	07/23/2024	CWSRF	\$ 11,350,000	\$ 2,267,150
WSC	No	06/12/2024	WDF	\$ 2,500,000	\$ 111,183
City	Yes	06/12/2024	CWSRF	\$ 23,880,000	\$ 9,046,292
Water Authority	Yes	05/09/2024	WDF	\$ 2,880,000	\$ 199,682
City	Yes	05/09/2024	WDF	\$ 5,875,000	\$ 222,633
District	No	04/11/2024	WDF	\$ 5,550,000	\$ 1,123,182

In General, This is How It Works...



Borrowers Repay Programs

Funding Program Key Points

AAA Bond Rating/
Interest Rate
Subsidization

Funding to
accommodate
projects of all sizes

Some projects
qualify for combined
funding through
multiple programs

All project phases are
eligible: planning,
design, acquisition,
construction

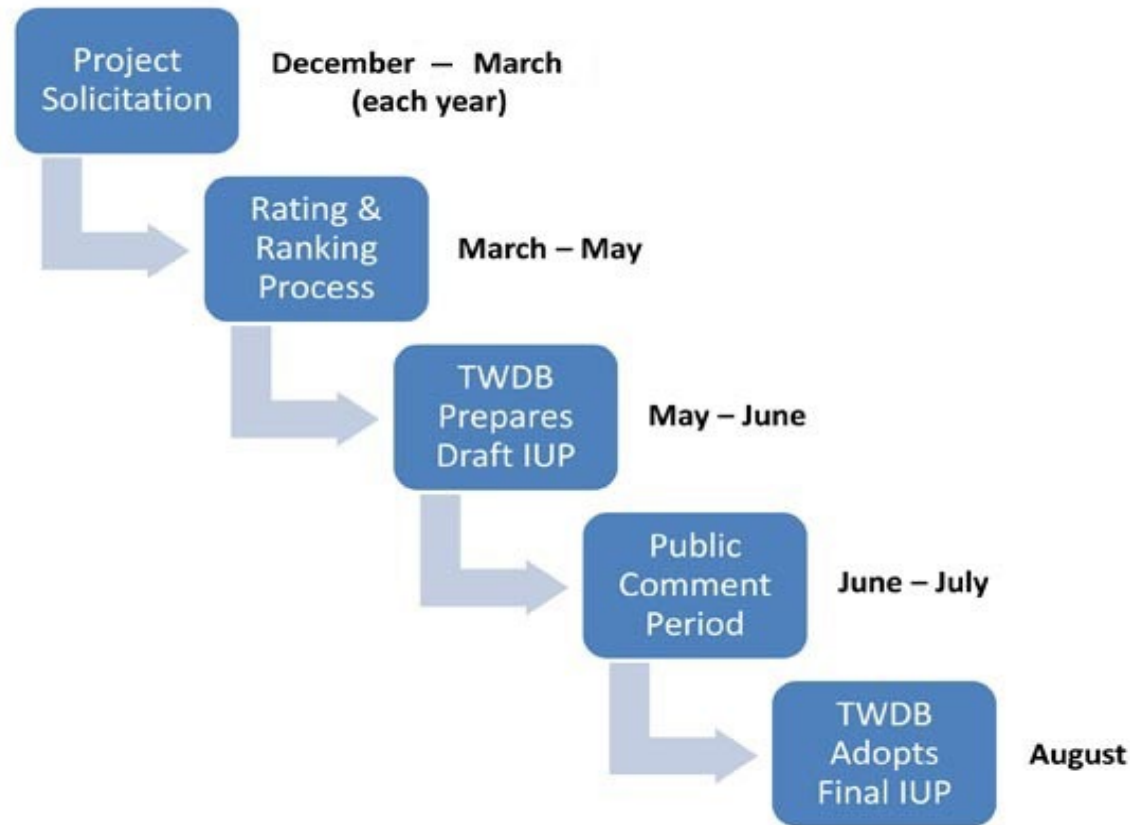
Examples of Eligible Projects

- ❑ Water Supply
- ❑ Correct Water System Deficiencies
- ❑ Upgrade or Replace Water Systems
- ❑ Purchase Capacity, Other Systems, or Consolidate Systems
- ❑ Current and Future Water Needs
- ❑ Water Transmission & Distribution
- ❑ Conservation Projects, Meters
- ❑ Potable and Non potable Reuse
- ❑ Water and Wastewater Treatment
- ❑ Wastewater Collection and Distribution, Recycling, Reuse, Purple Pipe
- ❑ Stormwater Control
- ❑ Nonpoint Source Pollution Control
- ❑ Flood Control, Drainage Infrastructure, Warning Systems

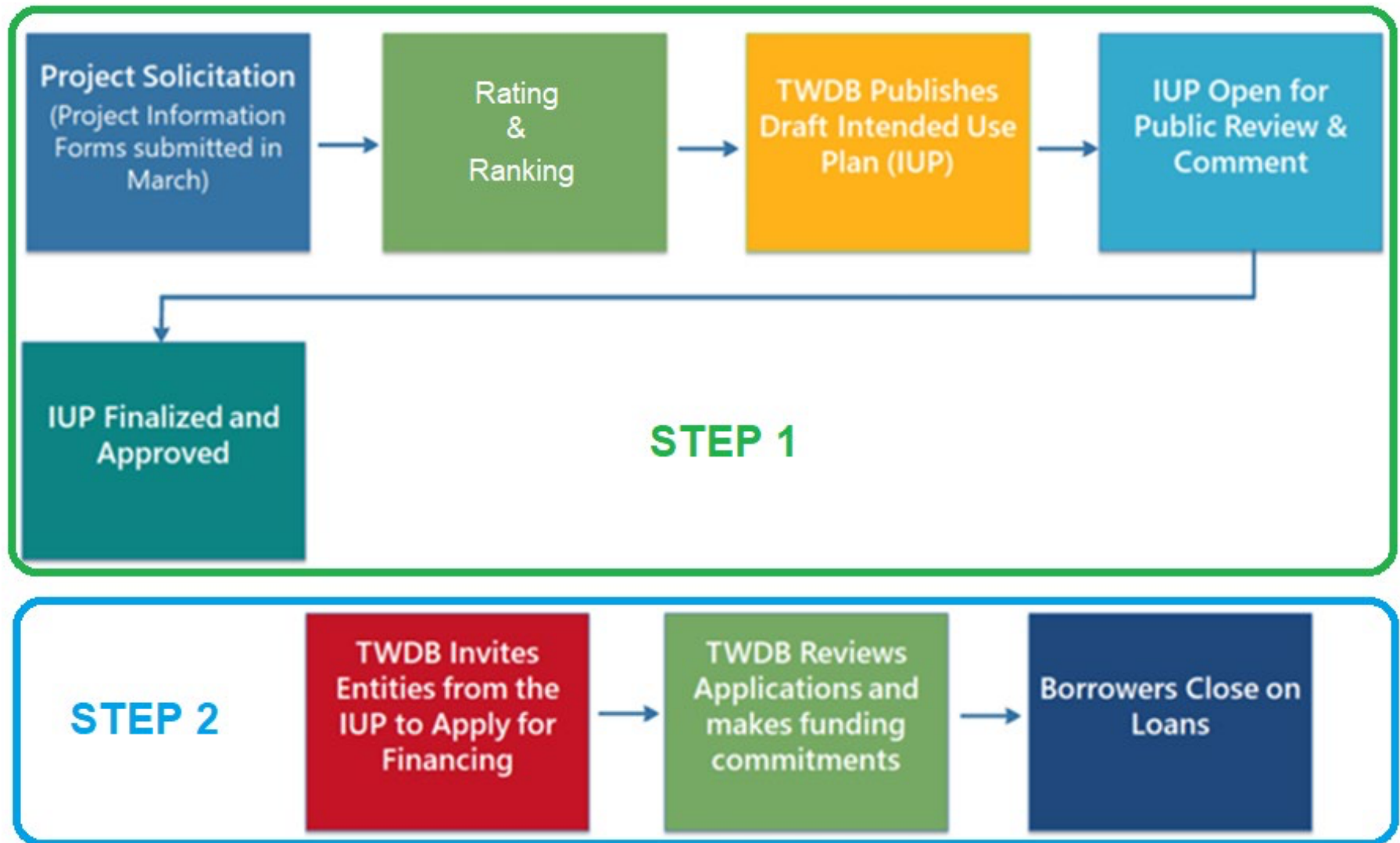
Financial Assistance Programs

Program	Link
Agricultural Water Conservation Grants Program	https://www.twdb.texas.gov/financial/programs/AWCG/index.asp
Agricultural Water Conservation Loan Program	https://www.twdb.texas.gov/financial/programs/AWCL/index.asp
Asset Management Program for Small Systems	https://www.twdb.texas.gov/financial/programs/ampss/index.asp
Clean Water State Revolving Fund	https://www.twdb.texas.gov/financial/programs/CWSRF/index.asp
Drinking Water State Revolving Fund	https://www.twdb.texas.gov/financial/programs/DWSRF/index.asp
Lead Service Line Replacement	https://www.twdb.texas.gov/financial/programs/Lead-SLR/index.asp
Emerging Contaminants Program	https://www.twdb.texas.gov/financial/programs/ec/index.asp
Economically Distressed Areas Program	https://www.twdb.texas.gov/financial/programs/EDAP/index.asp
FEMA Flood Mitigation Assistance Grant Program	https://www.twdb.texas.gov/financial/programs/FMA/index.asp
FMA Swift Current	https://www.twdb.texas.gov/financial/programs/FMASC/index.asp
Flood Infrastructure Fund	https://www.twdb.texas.gov/financial/programs/FIF/index.asp
Rural Water Assistance Fund	https://www.twdb.texas.gov/financial/programs/RWAF/index.asp
State Participation Program	https://www.twdb.texas.gov/financial/programs/SPP/index.asp
State Water Implementation Fund for Texas	https://www.twdb.texas.gov/financial/programs/SWIFT/index.asp
Texas Water Development Fund	https://www.twdb.texas.gov/financial/programs/TWDF/index.asp
Water Utilities Technical Assistance Program	https://www.twdb.texas.gov/financial/programs/WUTAP/index.asp

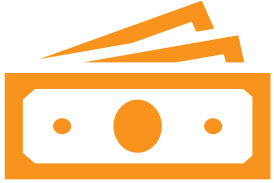
Funding Application Process Overview



Funding Application Detail



Outlays and Escrows



Disbursements

Outlays: Entities must provide evidence of costs incurred on projects.

Escrow Releases: Recipients account where TWDB funds are deposited at closing but can only be released with TWDB approval.

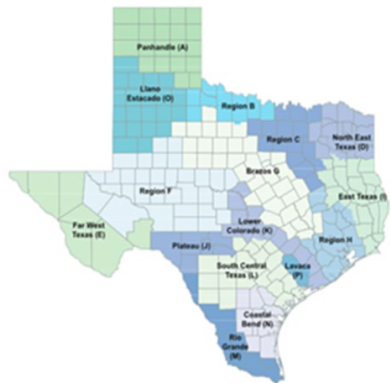
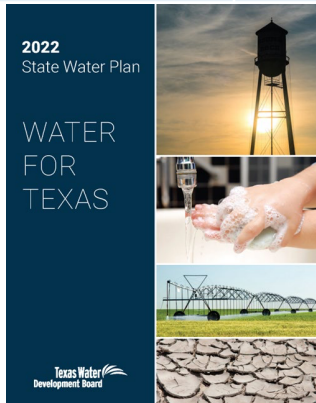


Disbursement Methods

Federal programs with principal forgiveness: released based on outlays provided.

Program funds can be released either with outlays or completion of project milestones.

Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>State Water Implementation Fund for Texas (SWIFT)</u>	<ul style="list-style-type: none"> • Political Subdivisions • Water Supply Corporations • Project must be in adopted State / Regional Water Plan 	<ul style="list-style-type: none"> • Bonds • Master Agreement 	<ul style="list-style-type: none"> • System Revenue • Contract Revenue • Ad Valorem Tax • Tax and Revenue Pledge 	<ul style="list-style-type: none"> • 20 to 30 years • 34 years for Board Participation



- ❓ Board approved 2026 Regional Water Plans. The state water plan is prepared and adopted every five years. Published next 2027.
- ❓ **Recommended water management strategies** listed in Regional and State Water Plans with an associated capital cost.
- ❓ Projects include conservation and reuse, desalinating groundwater and seawater, building new pipelines, developing reservoirs and well fields, purchasing water rights, and other plan strategies.
- ❓ Interactive State Water Plan: 2022.texasstatewaterplan.org
- ❓ Abridged Application Due February 2026.

Region K Planning Group

The Lower Colorado Regional Water Planning Area is composed of all or parts of 14 counties, stretching from Mills County in the Hill Country southeast to Matagorda County on the Gulf Coast. Most of the region lies in the Colorado River Basin. Major cities in the region include Austin, Bay City, Pflugerville, and Fredericksburg. The largest economic sectors in the region include agriculture, government, service, manufacturing, and retail trade. The manufacturing sector is primarily concentrated in the technology and semiconductor industry in the Austin area. Oil, gas, as well as petrochemical processing, and mineral production, are found primarily in Wharton and Matagorda counties near the coast.



State Water Plan

Regional Water Planning

- [Planning Group Meeting Schedule](#)
- [Planning Group Information](#)
- [6th Planning Cycle Information \(2026 RWPs\)](#)
- [Draft 2026 Regional Water Plans & Previous Plans](#)
- [Educational Information](#)
- [Member Resources](#)

Next Region K Meeting

September 25, 2025, 10:00AM - Adoption of the final 2026 Region K Water Plan

<https://www.regionk.org/>

Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Texas Water Development Fund (DFUND)</u>	<ul style="list-style-type: none"> • Political Subdivisions • Nonprofit Water Supply Corporations 	<ul style="list-style-type: none"> • Bonds • Loan Agreement 	<ul style="list-style-type: none"> • System Revenue • Contract Revenue • Ad Valorem Tax • Tax and Revenue Pledge 	<ul style="list-style-type: none"> • 20 to 30 years

- ❑ The program enables the TWDB to fund projects with multiple purposes for **drinking water and wastewater** in one commitment.
- ❑ 100% low-interest loan available annually.
- ❑ Long-term fixed interest rates based on the TWDB's cost of funds.
- ❑ No maximum funding limits. TWDB will sell bonds as needed.
- ❑ Applications due **December 31, 2025**, and require a pre-application meeting.

Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Drinking Water State Revolving Fund (DWSRF)</u>	<ul style="list-style-type: none"> • Political Subdivisions • Public and Privately Owned Water Systems • Nonprofit Water Supply Corporations • Nonprofit, Non-Community Public Water Systems 	<ul style="list-style-type: none"> • Bonds • Loan Agreement 	<ul style="list-style-type: none"> • System Revenue • Contract Revenue • Ad Valorem Tax • Tax and Revenue Pledge 	<ul style="list-style-type: none"> • 20 to 30 years

- ❓ Federal Program to address water infrastructure needs, correct water system deficiencies, upgrade or replace water systems, **consolidate systems, purchase capacity, purchase other systems**, green projects.
- ❓ Loan Principal Forgiveness (grants) for disadvantaged communities, small/rural disadvantaged, very small systems, green, and urgent need.
- ❓ 2.00% loan origination fee
- ❓ Past Cycle - SFY25 - \$444,395,440
- ❓ \$59M - maximum financing per project.
- ❓ Project Information Form (PIF) due March 6, 2026.

DWSRF IUP Appendix C – TCEQ Rating Criteria

Appendix C. Rating Criteria

TCEQ Ratings

All TCEQ ratings will be summed then multiplied by 10 before adding effective management and affordability points.

Combined Rating, Health and Compliance, and Primary Compliance Factors

Microbiological Factors

The sum of the total coliform MCL violations, total acute coliform MCL violations, and the treatment technique violations (including all exceedances of the 0.5 Nephelometric Turbidity Units standard), disregarding one violation.

Points
 $(TCV=s)+(ACV=s)+(TT)-1$

Chronic Chemical

The compliance result above the MCL for any chronic exposure chemical, divided by the MCL level.

Result/MCL

Acute Chemical

Three times the compliance result above the MCL for Nitrate or Nitrite, divided by the MCL level.

$(Result/MCL) \times 3$

Carcinogen

Two times the compliance result above the MCL for any carcinogenic chemical, divided by the MCL level.

$(Result/MCL) \times 2$

Lead/Copper

Two times the greater of the 90th percentile lead level divided by the lead action level or the 90th percentile copper level divided by the copper action level.

$[Greater\ of\ (Pb90/0.015) \\ or\ (Cu90/1.3)] \times 2$

Filtration

Awarded to any system with one or more sources identified as surface water or groundwater under the direct influence of surface water for which no filtration is provided.

12.00

Groundwater Rule Factor

Awarded to any system with one or more sources of water identified as groundwater requiring 4-log viral inactivation for which 4-log inactivation is not provided.

12.00

DWSRF IUP Appendix C – TWDB Rating Criteria

TWDB Ratings

Effective Management

An adopted asset management plan that contains an inventory of assets, an assessment of the criticality and condition of assets, a prioritization of capital projects, and a budget. 2.50

Entity has adopted an Asset Management / Financial Planning tool within the past 5 years that contains the product deliverables under the AMPSS initiative as described in Section XII. 5

Entity plans to prepare an asset management plan with completion of proposed project 0.50

Providing asset management training for the entities governing body and employees 0.50

Project addresses a specific goal in a water conservation plan 1.00

Project involves the use of reclaimed water 1.00

Project addresses a specific goal in an energy assessment, audit, or optimization study conducted within the past three years 1.00

Project is consistent with a municipal and/or state watershed protection plan, water efficiency plan, integrated water resource management plan, a regional facility plan, regionalization or consolidation plan, or an approved Total Maximum Daily Load implementation plan 2.00

Disadvantaged Eligibility

Awarded to any entity that qualifies as a disadvantaged community (see Appendix D for eligibility criteria) 20.00

Previously Received TWDB Planning, Acquisition or Design Funds

The project is requesting construction financing and previously received a TWDB commitment for Planning, Acquisition, and/or Design (PAD) financing within the prior five years (60 months) of the 10.00

New Funding from the 89th Texas Legislature

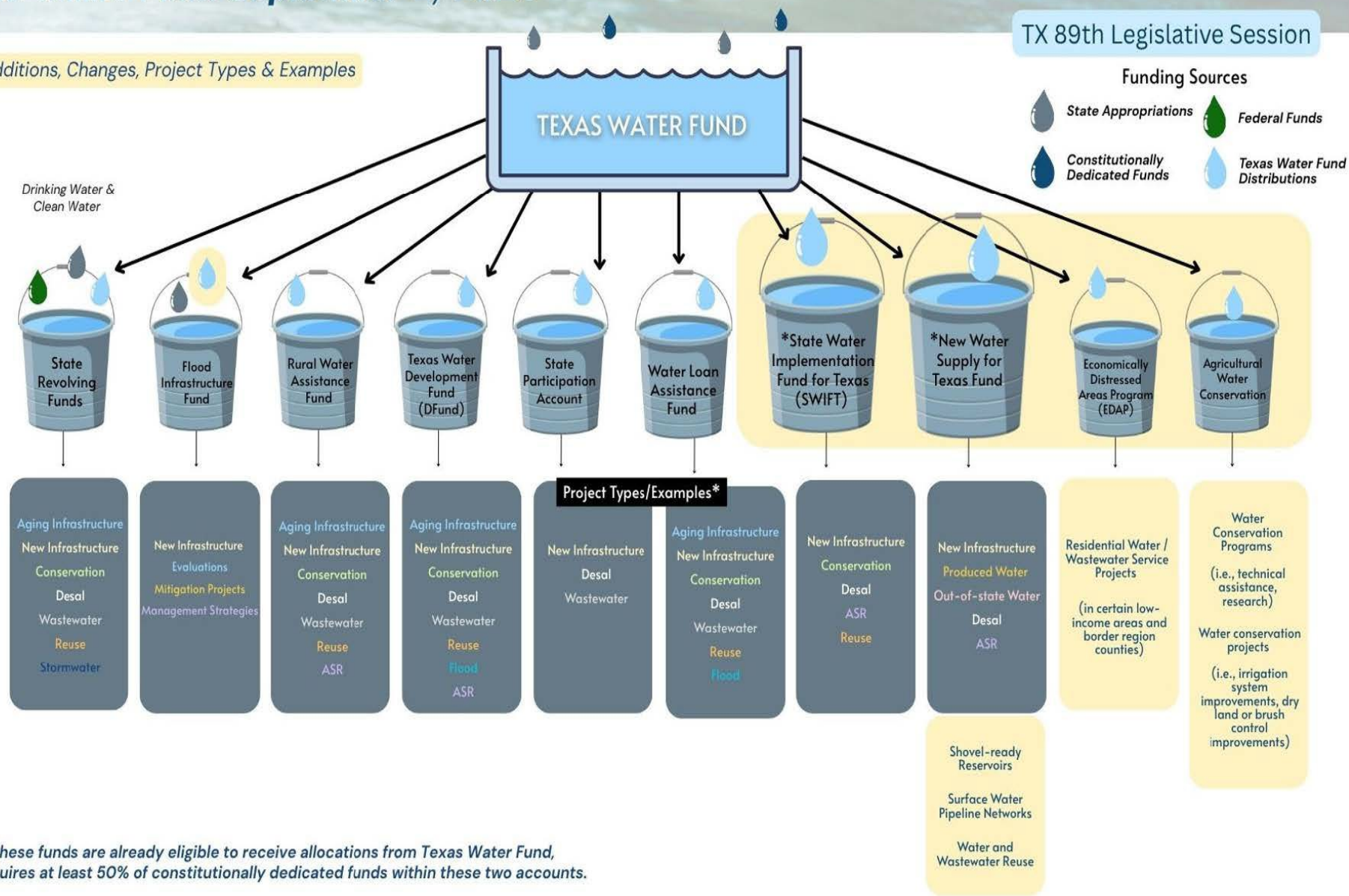
- ☐ SB 7 – Perry
- ☐ SJR 66 – Perry
- ☐ HJR 7 – Harris

- June 20, 2025 – Legislation Signed by Governor
November 4, 2025 – Voter Approval Required
- \$1Billion annually for 20-years beginning in the 2028-29 Biennium for water supply projects.
 - 50% New Water Supplies
 - 50% Aging Infrastructure

Texas Water Fund September 1, 2025

TX 89th Legislative Session

New Additions, Changes, Project Types & Examples



Program Requirements

Federal

Loan origination fee

Projects must be listed in the current SRF Intended Use Plan

Davis-Bacon wage rate requirements

American Iron and Steel (AIS) requirements

Build America Buy America (BABA) requirements

National Environmental Policy Act (NEPA)-type environmental review

For equivalency projects only:

- Disadvantaged Business Enterprise program

- Additional steps when procuring architecture and engineering services

State

Water supply projects must be consistent with the current state water plan

U.S. Iron and Steel requirements

State-level environmental review

All

Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)

Helpful Tips

? Financial

- Is the entity prepared for bond issuance?
- Independent Financial Audit up to date?

At the time of formal application submittal, a current audit is required for the application to be deemed administratively complete.

- Current registration with SAM (System for Award Management, <https://sam.gov>)

? Ability to Take on Debt

- Credit analysis will be completed.
- Loan repayment pledge?
- Are water, wastewater rates, and surcharges sustainable? Will rates need to be increased?

? Self-Reports to the TWDB up-to-date?

- Water Use Survey
- Water Loss Audit
- Water Conservation and Drought Contingency Plan
- Water Conservation Plan Annual Reports

? Talk early and often with TWDB staff – we are happy to provide guidance and support.

Resource Links

- * **TWDB Financial Assistance Programs Index**

<https://www.twdb.texas.gov/financial/index.asp>

- * **TWDB Funding Application FAQ**

<https://www.twdb.texas.gov/financial/applications/faq.asp>

- * **TWDB Financial Assistance Applications**

<https://www.twdb.texas.gov/financial/applications/index.asp>

- * **TWDB Financial Assistance Program Guidance Manuals and Forms Library**

<https://www.twdb.texas.gov/financial/instructions/index.asp>

- * **Drinking Water State Revolving Fund Program**

www.twdb.texas.gov/financial/programs/DWSRF/index.asp

- * **Texas Water Development Fund**

<https://www.twdb.texas.gov/financial/programs/TWDF/index.asp>

For more information

Visit

<https://www.twdb.texas.gov/financial/index.asp>

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