

Financial Assistance Programs









































About Us

The Texas Water Development Board (TWDB) serves as a source of financial assistance for municipalities and rural areas across Texas. We offer a variety of cost-effective loan and grant programs that provide for the planning, design, and construction of water-related infrastructure and other water quality improvements. Through our different financial assistance programs, the TWDB has committed more than \$35.4 billion in funding for water, wastewater, and stormwater projects throughout the state.

The Texas Water Development Board’s mission is to lead the state’s efforts in ensuring a secure water future for Texas.

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Funding Categories Key:		
Federal funding		
State funding		
Water supply		
Wastewater		
Flood		
Conservation		
Technical assistance		



Clean Water State Revolving Fund (CWSRF)

The CWSRF assists communities by providing low-cost financing for a wide range of wastewater, stormwater, reuse, and other pollution control projects. Streamlining the program provides year-round funding as projects are included in the CWSRF Intended Use Plan.

Eligible Applicants

- Political subdivisions, including water supply corporations that are Designated Management Agencies (DMAs)
- Authorized Indian tribal organizations
- Private entities (for nonpoint source or estuary projects only)

Eligible Projects

Planning, design, acquisition, and construction of:

- Wastewater treatment facilities
- Wastewater recycling and reuse facilities including “purple pipe” distribution systems
- Nonpotable reuse
- Wastewater collection systems
- Existing wastewater facilities
- Stormwater control
- Nonpoint source pollution control projects, such as correction of failing onsite systems and wetlands restoration
- Estuary management projects identified in either the Galveston Bay or Coastal Bend Estuary Management Plans

Benefits and Terms

- Below-market fixed interest rates (subsidized interest rates based on participant’s existing credit rating)
- Principal forgiveness for qualifying disadvantaged, small/rural disadvantaged, emergency relief, and green projects
- Up to 30-year repayment period
- There is no maximum eligible commitment amount for a project under the Fiscal Year 2023 Intended Use Plan; however, the total funding available by category is limited. Please refer to future Intended Use Plans to determine maximum funding per project.

Program Requirements

- Loan origination fee
- Projects must be listed in the current CWSRF Intended Use Plan
- Entities receiving assistance greater than \$500,000 must adopt a water conservation and drought contingency 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

For specific questions on the program, please contact CWSRF@twdb.texas.gov.

Detailed information on the program is also available at www.twdb.texas.gov/financial/programs/CWSRF.



Drinking Water State Revolving Fund (DWSRF)

The DWSRF assists communities by providing low-cost financing for a wide range of water projects that facilitate compliance with drinking water standards. Streamlining the program provides year-round funding as projects are included in the DWSRF Intended Use Plan.

Eligible Applicants

- Publicly and privately owned water systems
- Nonprofit water supply corporations
- Nonprofit, non-community public water systems

Eligible Projects

Planning, design, acquisition, and construction to:

- Correct water system deficiencies
- Upgrade or replace water systems
- Consolidate systems
- Purchase capacity
- Purchase other systems
- Implement green projects
- Implement source water protection projects

Benefits and Terms

- Below-market fixed interest rates (subsidized interest rates based on participant's existing credit rating)
- Principal forgiveness for qualifying disadvantaged, small/rural disadvantaged, green, very small systems, and urgent need projects
- Up to 30-year repayment period
- There is no maximum eligible commitment amount for a project under the SFY 2023 Intended Use Plan (IUP) however, the total funding available by category is limited. Please refer to future IUPs to determine the maximum funding per project.

Program Requirements

- Loan origination fee
- Projects must be consistent with the current state water plan
- Projects must be listed in the current DWSRF Intended Use Plan
- Entities receiving assistance greater than \$500,000 must adopt a water conservation and drought contingency 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
- Review of legislative requirements regarding water loss threshold limits
- For equivalency projects only: Disadvantaged Business Enterprise program

For specific questions on the program, please contact

DWSRF@twdb.texas.gov.

Detailed information on the program is also available at www.twdb.texas.gov/financial/programs/DWSRF.



Flood Mitigation Assistance Grant Program

The Flood Mitigation Assistance (FMA) Grant Program, under the Federal Emergency Management Agency’s (FEMA’s) Hazard Mitigation Assistance program, assists states and communities by providing federal funds for cost-effective measures to reduce or eliminate the long-term risk of flood damage to repetitive and severe repetitive loss buildings, manufactured homes, and other structures insurable under the National Flood Insurance Program (NFIP). The Texas Water Development Board administers the FMA program for the State of Texas on behalf of FEMA. This is a nationally competitive annual grant program.

Eligible Applicants

Political subdivisions (cities, counties, special districts, and federally recognized tribes) that participate in the NFIP and have a FEMA-approved and adopted Hazard Mitigation Plan.

Eligible Funding Activities and Projects (with Federal Funding Caps)

Projects can be used for, but are not limited to:

- Capability and capacity building activities
 - Developing or updating multi-hazard mitigation plans (\$25,000)
 - Project scoping/flood studies (\$900,000)
 - Additional capability building activities (\$300,000)
- Localized flood risk reduction projects (\$50,000,000)
 - Floodwater storage and diversion
 - Stormwater management
 - Floodplain, wetland, marsh, riverine, and coastal restoration and protection
 - Other combination of green, gray infrastructure, and nature-based solutions
 - Localized flood control projects with co-benefits to other hazards and social or environmental benefits
- Individual flood mitigation projects (no federal caps)
 - Acquisition and demolition or relocation of structures
 - Structure elevation
 - Mitigation reconstruction
 - Dry floodproofing of non-residential properties and historic residential properties
 - Structural and non-structural retrofitting of existing buildings
 - Infrastructure retrofit

Cost Share Requirements

Generally, the federal cost share funding is available for up to 75% of the eligible activity cost with a non-federal cost match of 25%. However, FEMA may contribute up to 90% federal cost

share with a non-federal cost match of 10% when the individual property being mitigated meets the definition of repetitive loss structure; or the individual property or the average project benefit area has a Centers of Disease Control and Prevention Social Vulnerability Index of 0.5001 or higher. If the structure meets the definition of severe repetitive loss property, FEMA may contribute up to 100% of the eligible activity cost.

Management Cost

Communities may apply for up to 5% of the total grant application funding request for grant management activities, such as any indirect costs, administrative costs, and any other expenses that are reasonable in administering and managing the grant.

Project Grant Eligibility Criteria

A project must, at a minimum, be

- feasible and effective at mitigating flood hazards within a participating NFIP community;
- cost beneficial to the National Flood Insurance Fund, yielding a benefit-cost ratio of 1.0 or greater;
- in compliance with the Environmental Planning and Historical Preservation requirements included in FEMA’s Hazard Mitigation Assistance Unified Guidance; and
- able to reduce or eliminate flood risk to insured structures under the NFIP.

A project must also conform with

- the minimum standards of the NFIP floodplain;
- local regulations;
- the applicant’s Hazard Mitigation Plan; and
- all applicable laws and regulations, such as federal and state environmental standards and local building codes.

For specific questions about the program, please contact floodgrant@twdb.texas.gov. Additional information, including how to access FEMA’s electronic grant application system (FEMA GO), is available at www.twdb.texas.gov/financial/programs/FMA/index.asp.



Asset Management Program for Small Systems (AMPSS)

The Asset Management Program for Small Systems (AMPSS) is a funding opportunity offered by the TWDB to assist small water and wastewater systems by creating a comprehensive plan for managing the systems in a financially and technically sustainable manner. Systems participating in the program will choose a pre-qualified contractor to work with and develop an asset management plan and other related tools to serve as a planning basis for the short-, medium-, and long-term needs of the system.

Eligible Applicants

- Water or wastewater systems that
 - serve 5,000 service connections or less and are eligible for funding through the Clean Water State Revolving Fund or Drinking Water State Revolving Fund; or
 - serve 10,000 people or less, are not located within the boundaries or extra-territorial jurisdiction of any municipality with a population over 10,000 people, and are eligible for funding through the Clean Water State Revolving Fund or Drinking Water State Revolving Fund.

Benefits and Terms

- Up to \$100,000 worth of data collection, system analysis, and planning activities
- The final products of the program include the following:
 - Asset management plan
 - System operations and maintenance manual
 - Compliance manuals
 - Training for system management and staff
 - Installation of all tools that were developed on the system's computers
 - Presentation to system management and governing bodies

Program Requirements

- There is no financial match required by the system
- A minimum of 80 hours must be contributed to the project by system staff
- A contract will be executed between the contractor and the TWDB, while a memorandum of understanding will be executed between the participating system and the TWDB

For more information on the program, including how vendors and systems can participate, please visit www.twdb.texas.gov/financial/programs/AMPSS. Further questions about the program can be sent to AMPSS@twdb.texas.gov.



State Water Implementation Fund for Texas (SWIFT)

The State Water Implementation Fund for Texas (SWIFT)* was created by the Texas Legislature to provide affordable, ongoing state financial assistance for projects in the state water plan. The program helps communities develop cost-effective water supplies by providing low-interest financing, extended repayment terms, deferred repayments, and incremental repurchase terms.

Eligible Applicants

- Any political subdivision or nonprofit water supply corporation with the ability to issue municipal bonds for a project included in the most recently adopted state water plan

Eligible Projects

- Recommended water management strategy projects with an associated capital cost in the most recently adopted state water plan at the time abridged applications are due to the TWDB for consideration
- Projects include conservation and reuse, desalinating groundwater and seawater, building new pipelines, developing reservoirs and well fields, and purchasing water rights, as well as numerous other strategies

Benefits and Terms

- Interest rates reflecting the TWDB’s low cost of funds (additional subsidies may apply and are set by the Board for each funding cycle)
- Up to 30-year repayment period
- Flexible financing structures:
 - Low interest**
 - Deferred** - Principal and interest deferred up to eight years or until end of construction (for planning and design phase costs), whichever is sooner
 - Board Participation** - A temporary TWDB ownership interest in the excess capacity of a state water plan project, providing an entity the opportunity to reasonably finance an optimally sized regional facility. The TWDB may participate in up to 80% of the total project costs.
- Additional interest rate subsidies for rural or agricultural water conservation/irrigation projects
- Subject to eligibility and Board approval, there is currently no set maximum funding limit
- Multi-year commitments are available

Program Requirements

- Projects must be recommended water management strategies in the adopted regional water plans that are included in the most recently adopted state water plan at the time abridged applications are due to the TWDB for consideration and have an associated capital cost
- State-level environmental review
- Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)
- Financing agreement and private placement memorandum
- Historically Underutilized Business (HUB) reporting
- U.S. Iron and Steel requirements (except for projects that received a SWIFT program funding commitment before May 1, 2019, for any portion of the project)
- Reservoir funding must be segmented or phased; permitting is required prior to a construction commitment
- Board participation is limited to funding of excess capacity portion and up to 80% of total project costs
- Review of legislative requirements regarding water loss threshold limits
- Entities with at least one public rating from a nationally recognized statistical rating agency may not discontinue the rating issued until their SWIFT obligations are retired or no longer held by the TWDB
- Entities whose application for financial assistance exceeds 4% of the anticipated principal balances owed to the TWDB (including any existing SWIFT program obligations) as of December of the previous year** must provide a publicly available rating from a nationally recognized statistical rating organization

For specific questions on the program, please contact SWIFT@twdb.texas.gov. Detailed information on the program is also available at www.twdb.texas.gov/financial/programs/SWIFT.

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

**Applies to entities applying for financial assistance, including their existing SWIFT program obligations, of \$360,647,800 or greater.



Economically Distressed Areas Program (EDAP)

The EDAP provides financial assistance in the form of grants and loans for water and wastewater projects in economically distressed areas where service is unavailable or inadequate to meet state standards. Program funding is dependent upon legislative appropriations. Appropriations sufficient to provide up to an estimated \$100 million in financial assistance was received for the 2024–2025 biennium.

Eligible Applicants

- Political subdivisions, including cities, counties, and water districts
- Nonprofit water supply corporations

Eligible Projects

- Planning, land acquisition, design, and construction for
 - first-time water and wastewater service,
 - water supply and/or treatment system improvements,
 - wastewater collection system and/or treatment works improvements.
- EDAP funds are only eligible for residential water and/or wastewater service

Benefits and Terms

- Projects with documented public health nuisance determination from the TWDB or Texas Department of State Health Services are eligible for grants up to 70%; projects without a public health nuisance determination are eligible for grants up to 50%
- Portion not paid for by a grant must be provided as an EDAP loan
- Loans with long-term fixed interest rates based on the TWDB's cost of funds

Program Requirements

- Prioritization, detailed program requirements, and application process are established in an Intended Use Plan
- Water supply projects must be consistent with the current state water plan
- Service area median household income can be no greater than 75% of statewide median household income
- Clear documentation of system inadequacies
- Residential subdivision served by the project must have been established prior to June 1, 2005
- County and/or city has adopted and is enforcing Model Subdivision Rules
- Application and maintenance of authorized agent designation for regulating onsite waste disposal facilities
- Application or possession of Certificate of Convenience and Necessity (if required by Chapter 13 of the Water Code)
- Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)
- U.S. Iron and Steel requirements
- Review of legislative requirements regarding water loss threshold limits

For specific questions on the program, please contact

Financial_Assistance@twdb.texas.gov.

Detailed information on the program is also available at

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



Rural Water Assistance Fund (RWF)

The RWF program provides small, rural water utilities with low-cost, long-term financing for water and wastewater projects. Program funding is dependent upon legislative appropriations or available funds. To be notified of future funding availability, please join the TWDB's Financial Assistance mailing list at www.twdb.texas.gov/newsmedia/signup.asp.

Eligible Applicants

- Rural political subdivisions, including nonprofit water supply corporations, serving a population of 10,000 or less
- Counties in which no urban area has a population exceeding 50,000
- Applicants may partner with a federal or state agency, or another rural political subdivision, to apply for funding

Eligible Projects

- Planning, design, acquisition, and construction of water, wastewater, or consolidation and regionalization projects

Benefits and Terms

- Long-term fixed interest rates based on the TWDB's cost of funds
- 20- to 30-year repayment terms
- Tax exemption for project supplies
- Subject to availability and Board approval, there is currently no maximum funding limit

Program Requirements

- Program funding is dependent upon legislative appropriations or available funds
- State-level environmental review
- Must meet any applicable U.S. Tax Code requirements
- Water supply projects must be consistent with the current state water plan
- Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)
- U.S. Iron and Steel requirements
- Review of legislative requirements regarding water loss threshold limits

For specific questions on the program, please contact

Financial_Assistance@twdb.texas.gov.

Detailed information on the program is also available at www.twdb.texas.gov/financial/programs/RWAF.



Texas Water Development Fund (DFund)

The DFund provides financing for various types of eligible infrastructure projects. This program enables the TWDB to fund projects with multiple purposes (e.g., water and wastewater) in one commitment.

Eligible Applicants

- Political subdivisions
- Nonprofit water supply corporations

Eligible Projects

Planning, design, acquisition, and construction of projects for:

- Water supply, including reservoirs and well fields
- Conservation
- Water quality enhancement
- Flood control
- Wastewater

Benefits and Terms

- Long-term fixed interest rates based on the TWDB's cost of funds
- 20- to 30-year repayment terms
- Subject to eligibility and Board approval, there is currently no maximum funding limit
- Access to funding on a periodic basis (please contact us to discuss project timeline and funding availability)

Program Requirements

- State-level environmental review
- Water supply projects must be consistent with the current state water plan
- Reservoir funding must be segmented or phased; permitting is required prior to a construction commitment
- Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)
- U.S. Iron and Steel requirements
- Review of legislative requirements regarding water loss threshold limits

For specific questions on the program, please contact

Financial_Assistance@twdb.texas.gov.

Detailed information on the program is also available at

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



State Participation

The State Participation program’s goal is to allow for the “right sizing” of projects in consideration of future needs. The program encourages the optimum development of regional projects by funding excess capacity for future use. Program funding is dependent upon legislative appropriations or available funds. To be notified of future funding availability, please join the TWDB’s Financial Assistance mailing list at www.twdb.texas.gov/newsmedia/signup.asp.

Eligible Applicants

- Political subdivisions
- Nonprofit water supply corporations

Eligible Projects

Planning, design, acquisition, and construction for the excess capacity of regional projects for:

- Water supply, including reservoirs, well fields, and water rights
- Wastewater
- Flood protection

Benefits and Terms

- Financing through a temporary TWDB ownership interest in a regional facility (local sponsor repurchases the TWDB’s interest under a repayment schedule that allows for the structured deferral of both principal and interest)
- Up to 34-year repayment terms (generally)
- Subject to eligibility and Board approval, there is currently no maximum funding limit

Program Requirements

- Program funding dependent upon legislative appropriations or available funds; includes a prioritization process
- State-level environmental review
- Water supply projects must be consistent with the current state water plan
- Reservoir funding must be segmented or phased; permitting is required prior to a construction commitment
- Limited to funding of excess capacity portion; up to 80% of total water project costs and 50% for wastewater costs
- Adoption of water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)
- Master Agreement rather than bonds
- Review of legislative requirements regarding water loss threshold limits
- U.S. Iron and Steel requirements

For specific questions on the program, please contact Financial_Assistance@twdb.texas.gov.

Detailed information on the program is also available at www.twdb.texas.gov/financial/programs/SPP.



Flood Infrastructure Fund (FIF)

Passed by the legislature and approved by Texas voters through a constitutional amendment, the Flood Infrastructure Fund (FIF) program currently provides financial assistance in the form of grants and zero percent interest loans for flood control, flood mitigation, and drainage projects. Please join the TWDB Financial Assistance mailing list at www.twdb.texas.gov/newsmedia/signup.asp to be notified of application periods and other important information.

Eligible Applicants

- All categories: “Eligible political subdivisions,” meaning cities, counties, and any district or authority created under Article III, Section 52 or Article XVI, Section 59 of the Texas Constitution.
- Flood Management Evaluation category only: Any political subdivision of the state, interstate compact commission to which the state is a party, and nonprofit water supply corporation created and operating under Chapter 67.

Eligible Projects

Only flood management evaluations, flood mitigation projects, and flood management strategies recommended in an amended regional flood plan approved by the TWDB are eligible for financial assistance.

- Flood control planning of entire watersheds
- Activities such as construction, rehabilitation, demolition, and decommission; feasibility assessments; detailed hydraulic and hydrologic studies; activities to obtain regulatory approval; drainage infrastructure; and nonstructural and nature-based solutions
- Projects such as warning systems, crossing barriers, public education and outreach, reverse 911 systems, and dam emergency action plans
- Projects for which communities have received a federal award for flood-related activities contingent on the availability of local matching funds

Benefits and Terms

- Up to 30-year repayment period for construction projects
- Up to 10-year repayment period for planning, acquisition, and/or design projects
- Zero percent interest loans and grants available

Program Requirements

- State level environmental review
- U.S. Iron and Steel requirement
- Benefit-cost ratio analysis
- Memorandum of understanding
- Affidavit that the applicant has acted cooperatively with other political subdivisions
- No redundant funding for activities already performed and/or funded through another source
- Floodplain ordinances or orders must be in place and the appropriate entity must certify that it is currently enforcing floodplain management standards at least equivalent to National Flood Insurance Program (NFIP) minimum standards; an entity is exempt if requesting FIF funding to fulfill additional requirements for participation in the NFIP
- Must use best/most recent available data
- Applicants for construction funds must document plans for operations and maintenance costs associated with the proposed facilities and must consider possible floodwater capture techniques that could be associated for water supply purposes

For specific questions on the program, please contact FIF@twdb.texas.gov.

Detailed information on the program is also available at www.twdb.texas.gov/financial/programs/FIF.

Additional information on the state flood plan is available at www.twdb.texas.gov/flood/planning.



Agricultural Water Conservation Grant and Loan Programs

The Agricultural Water Conservation grant and loan programs provide financial assistance for agricultural water conservation projects in Texas. Financial assistance is provided in the form of grants and loans to support implementation of strategies and practices that improve agricultural irrigation water use efficiency and water conservation.

Examples of Funded Programs and Projects

- Construction projects that improve infrastructure, equipment, and efficiency of irrigation delivery
- Technical assistance, technology transfer, and education relating to agricultural water use and conservation
- Metering devices to quantify water savings by measuring agricultural irrigation water use
- Long-term education and demonstration initiatives, such as the Texas Alliance for Water Conservation (www.depts.ttu.edu/tawc/) and the Master Irrigators Program (northplainsgcd.org)

Grants

- The TWDB publishes a request for applications in the Texas Register each year that details available funding
- Grant categories vary from year to year

Eligible Grant Applicants

- State agencies
- Political subdivisions

Loans

- Low-interest, fixed interest rates
- Up to 10-year repayment terms
- Applications may be submitted at any time, subject to availability of funds
- U.S. Iron and Steel requirements apply to certain projects

Eligible Loan Applicants

- Political subdivisions

For questions about grants, please contact agconservation@twdb.texas.gov.

Detailed information on the grant program can be found at www.twdb.texas.gov/financial/programs/AWCG.

For specific questions about loans, please contact financial_assistance@twdb.texas.gov.

Detailed information on the loan program can be found at www.twdb.texas.gov/financial/programs/AWCL.

Contact Us

To provide you with a single point of contact at the TWDB, our staff is organized into regional teams led by a team manager:

Region 1

Theresa Finch, (512) 475-1713

Region 2

Tom Barnett, (512) 475-1919

Region 3

Joe Koen, (512) 936-8169

Region 4

Nancy Richards, (512) 463-0250

Region 5

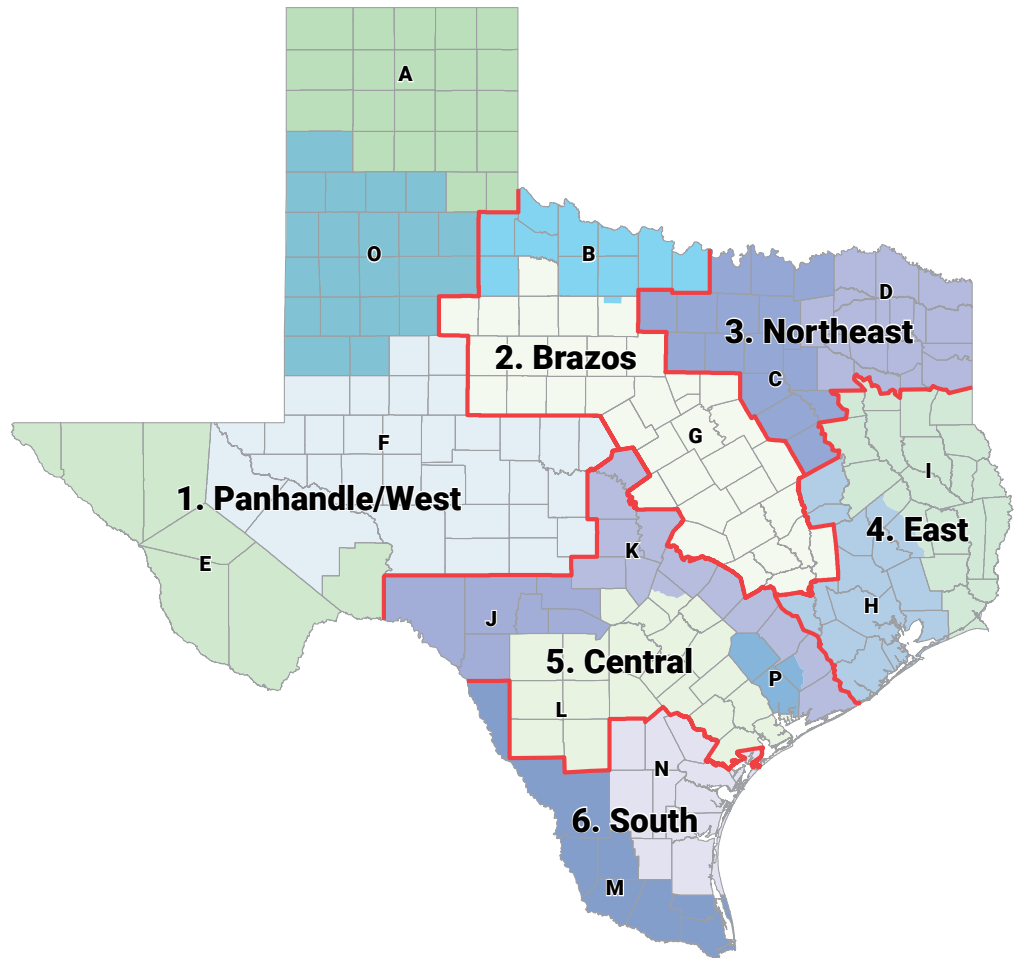
David Firgens, (512) 463-8507

Region 6

William Alfaro, (512) 463-4741

Statewide

Bill Blaik, (281) 895-0722



Please also feel free to contact our financial assistance department or visit the TWDB website:

Financial_Assistance@twdb.texas.gov

(512) 463-7847

www.twdb.texas.gov/financial/programs



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