

Texas Water Development Board

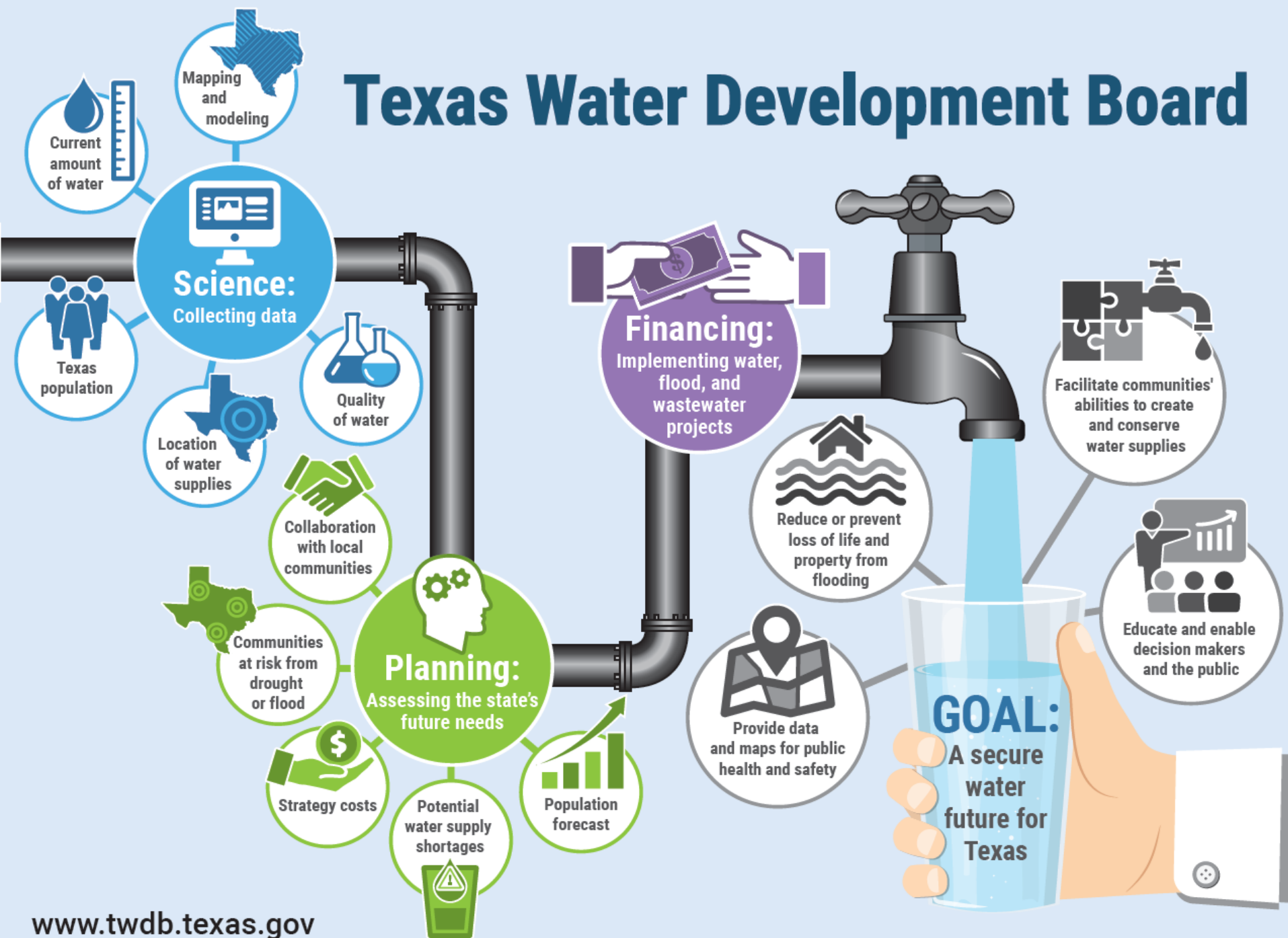
Financial Assistance Programs Briefing

Presented at the
Building the Heart of Texas:
A Redevelopment Resources Workshop

June 10, 2025

- Texas Water Development Board (TWDB) mission is to lead the state's efforts in ensuring a secure water future for Texas.
- TWDB's mission is a vital part of Texas' overall vision to maintain the viability of the state's
 - Natural Resources
 - Health
 - Economic Development
- What financing do we offer?
- How can the TWDB help you complete your infrastructure project?

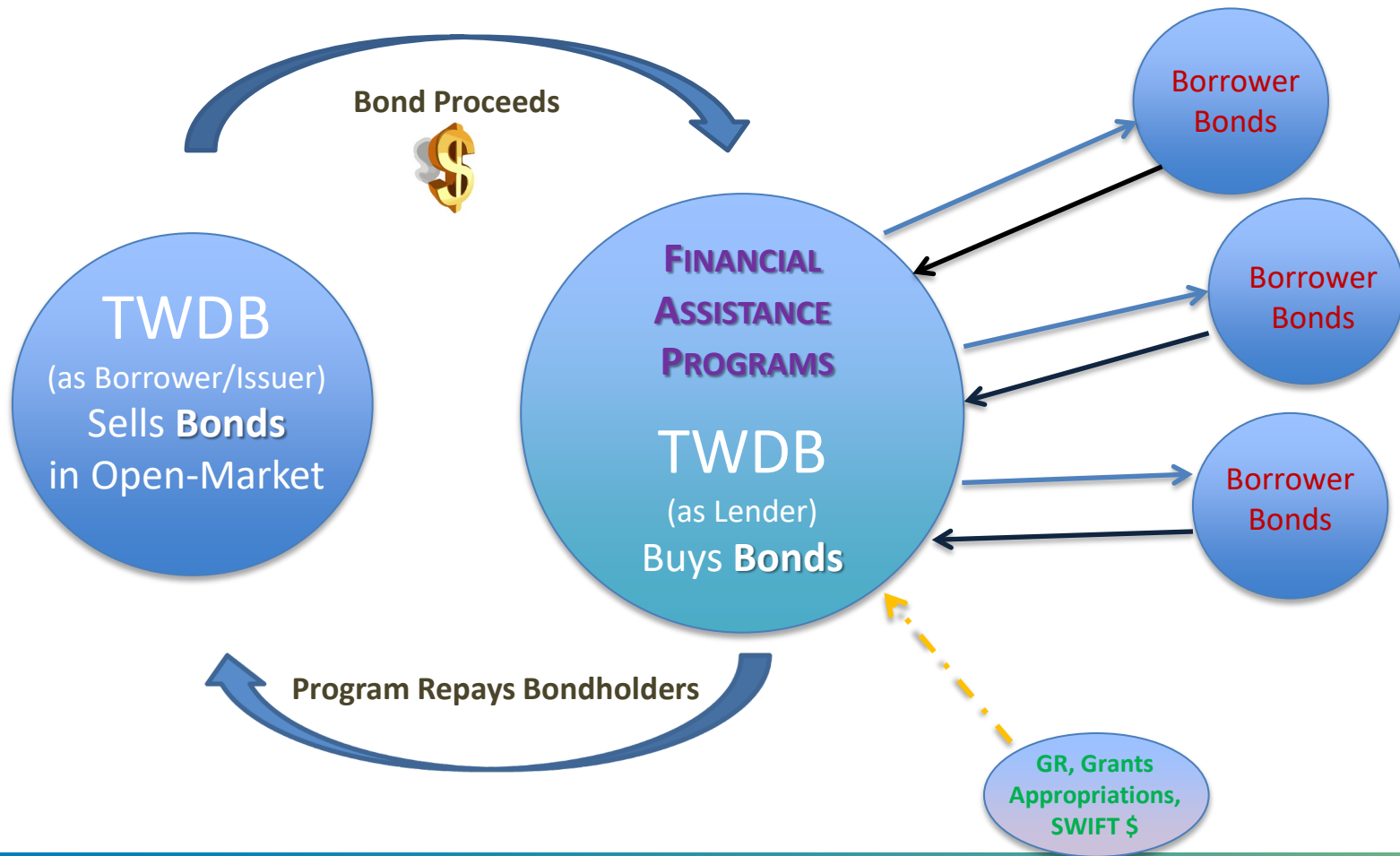
Texas Water Development Board



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

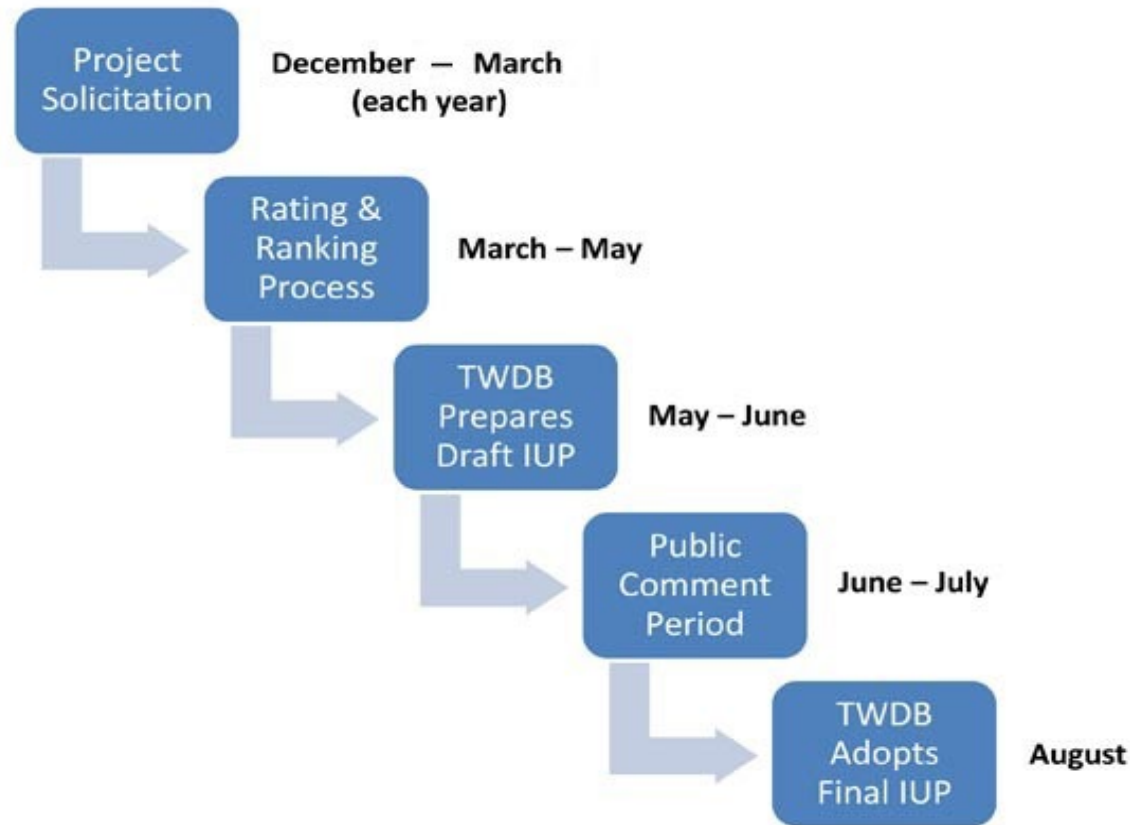
Some projects
qualify for combined
funding through
multiple programs

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

Funding Application Process Overview



Funding Application Detail

Step 1

Project Solicitation - PIF & AA
(Short Form) Submissions
December 2025 - Spring 2026

Rating & Ranking Process
March - May

TWDB Prepares Draft IUP
Early Summer

Public Comment
Summer

TWDB Adopts Final IUP
Late Summer - Early Fall

TWDB invites top ranked PIF & AA to complete
Step 2 (Long Form) formal application
Late Fall - Winter

Step 2

Formal Application Intake
(Long Form)

Project Eligibility Review

Credit Analysis

TWDB's Executive Administrator
Recommendation

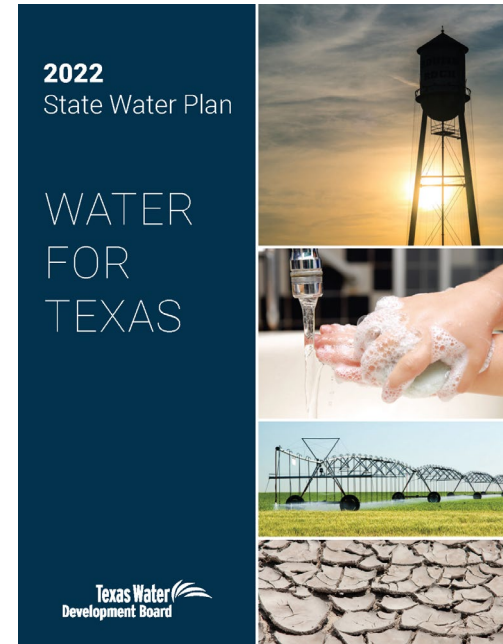
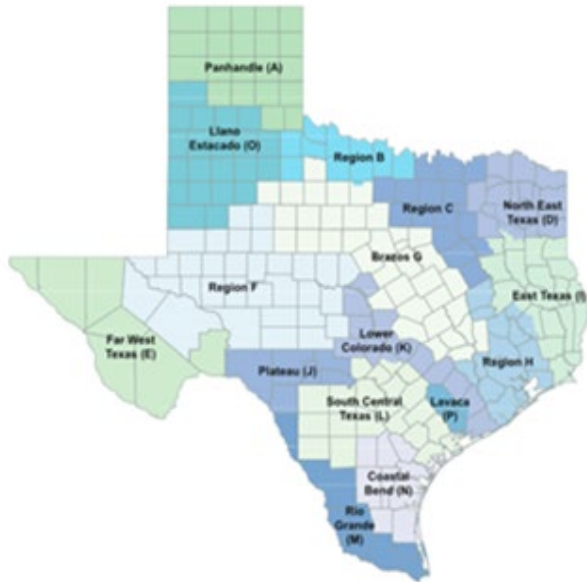
TWDB's Board Commitment

Loan Closing

Project Implementation

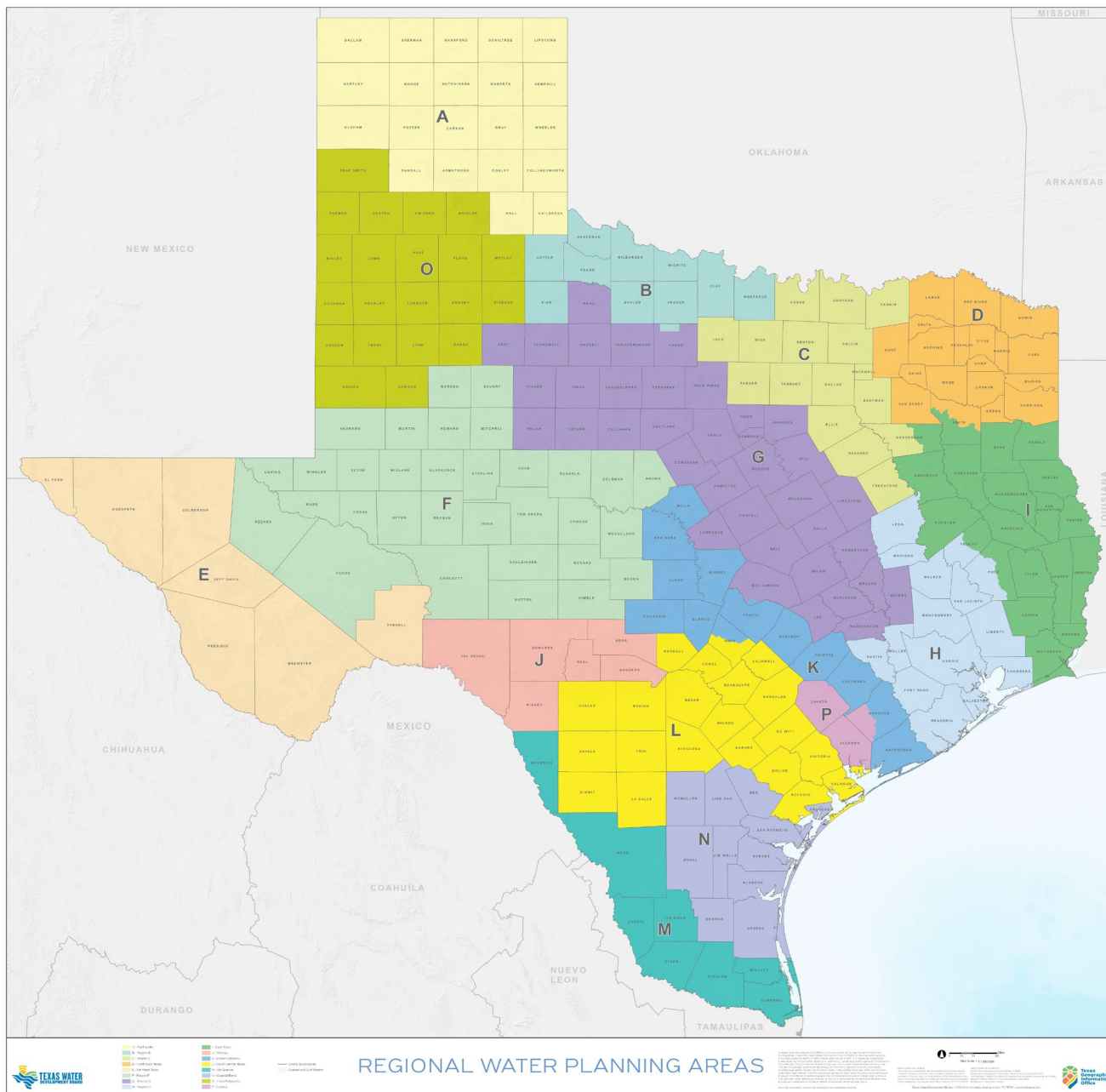


Water Planning

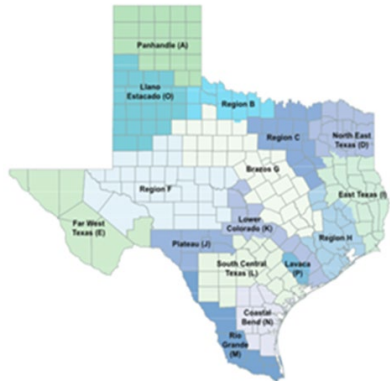
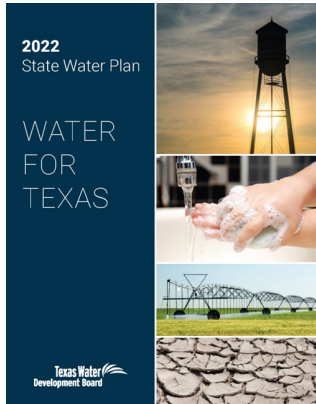


Current State Water Plan 2022. The state water plan is prepared and adopted every five years. Published next 2027.

SWIFT Funding Requirement – Recommended water management strategy projects with a capital cost in the most recent adopted state water plan.



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

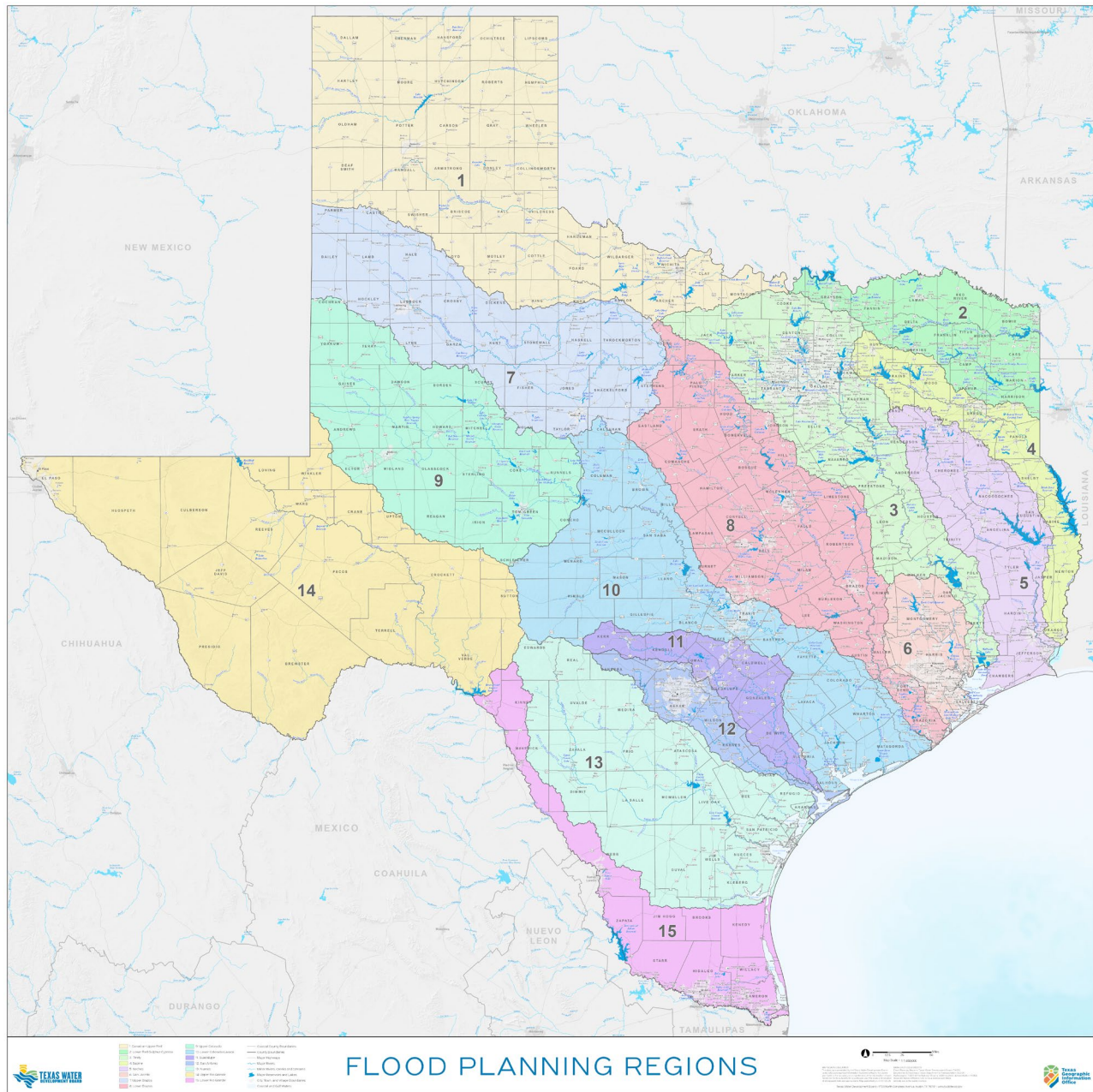


- Current State Water Plan 2022. The state water plan is prepared and adopted every five years. Published next 2027.
- **Recommended water management strategies** listed in Regional and State Water Plans with an associated capital cost.
- Projects include conservation and reuse, desalinating groundwater 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 2/3/2025.

Flood Planning in Texas

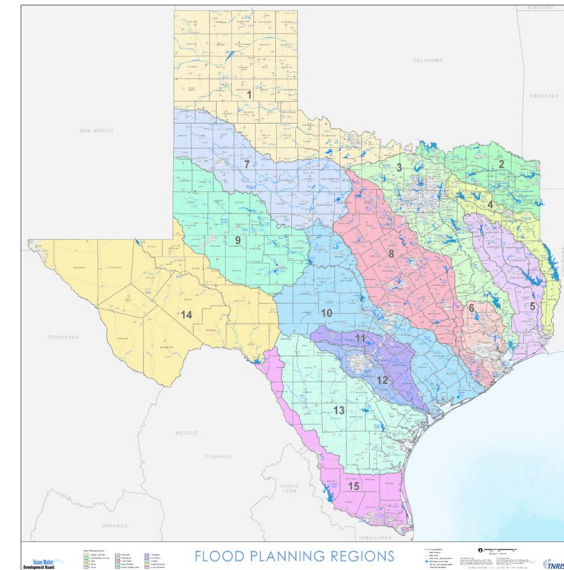
- The 2019 Texas Legislature greatly expanded the TWDB's role in flood planning and financing.
- Inaugural **2024 Texas State Flood Plan** adopted on August 15, 2024.
- Brings together the findings of the 15 river-basin-based regional flood plans and makes legislative and floodplain management recommendations to guide state, regional, and local flood control policy.





Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Flood Infrastructure Fund (FIF)</u>	<ul style="list-style-type: none"> Political Subdivisions Nonprofit Water Supply Corporations Project must be in adopted State Flood Plan 	<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"> Varies

- Must be recommended as Flood Management Evaluations (FME), Flood Mitigation Projects (FMP), or Flood Management Strategies (FMS) in a Regional and State Flood Plan.
- Up to 30-year repayment period for construction projects.
- Up to 10-year repayment period for planning, acquisition, and/or design projects.
- 0% interest loans and grants available.
- Eligible activities: planning, construction, nature-based solutions, warning systems, and gages.
- **The next funding cycle is State Fiscal Year 2026-2027.**



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 accepted through December 31, 2025.

Texas Water Fund Distribution

Proposition 6 – Voter Approved November 7, 2023

Funding Description	Target Amount
Rural Water Assistance Fund	
<i>100 percent grant for conservation/water loss projects from SRF solicitation (under 1,000 population)</i>	\$45,000,000
<i>90 percent grant/10 percent loan or local match for conservation/water loss projects from SRF solicitation (1,000 to 10,000 in population)</i>	\$130,000,000
<i>High risk or need projects (100 percent grant)</i>	\$20,000,000
Rural Water Assistance Fund subtotal	\$195,000,000
Water Loan Assistance Fund	
<i>70 percent grant/30 percent loan or local match for conservation/water loss projects from 2025 SRF solicitation (10,001 to 150,000 in population)</i>	\$90,000,000
Statewide water public awareness program	\$15,000,000
SWIFT program support	\$300,000,000
Potential bond leveraged funding through existing financial assistance programs	\$150,000,000
New Water Supply for Texas Fund - SYF 2026	\$250,000,000
Grand total	\$1,000,000,000

New Funding from the 89th Texas Legislature

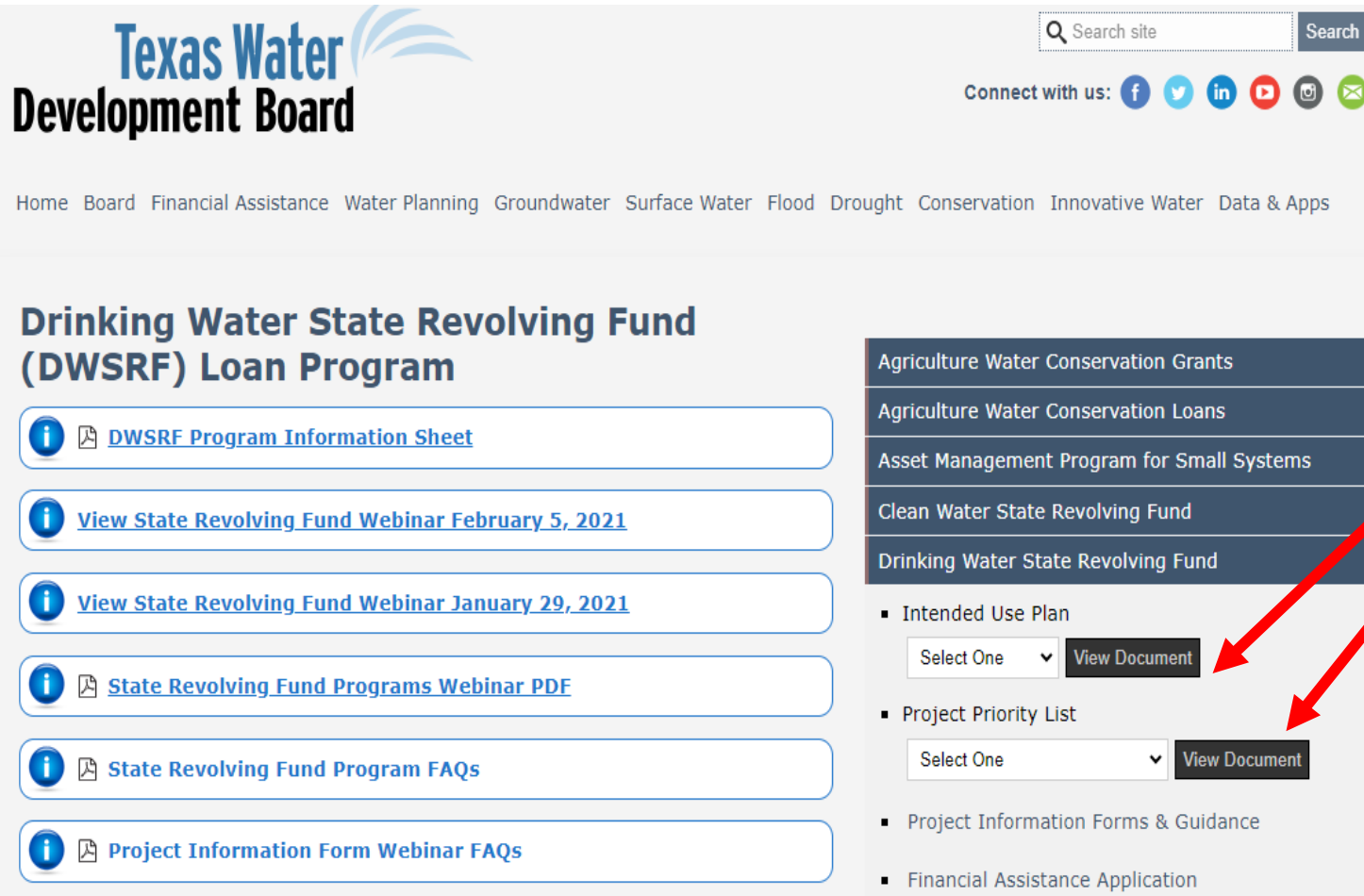
- SB 7 – Perry
- HJR 7 – Harris
- SJR 66 – Perry

- Sent to the Governor for signature.
Contingent upon voter approval - November 4, 2025.
- \$1Billion annually beginning in State Fiscal Year 2027 until 2035 for water supply projects.
 - 50% New Water Supplies
 - 50% Aging Infrastructure

Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Clean Water State Revolving Fund (CWSRF)</u>	<ul style="list-style-type: none"> • Political Subdivisions • Water Supply Corporations • Designated Water Management Agencies • Authorized Tribal Organizations • Private Entities (<i>Nonpoint Source Projects Only</i>) 	<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 wastewater, stormwater, and reuse such as wastewater treatment facilities, wastewater recycling and reuse facilities, non potable reuse, wastewater collection systems, stormwater control, nonpoint source pollution control projects.
- Loan Principal Forgiveness (grants) for disadvantaged communities, small/rural disadvantaged, very small systems, green, and urgent need.
- 1.75% loan origination fee
- SFY25 - \$481,832,070
- \$70M - maximum financing per project.
- Project Information Form (PIF) due March 7, 2025.

SRF Intended Use Plans



Texas Water Development Board

Search site Search

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Home Board Financial Assistance Water Planning Groundwater Surface Water Flood Drought Conservation Innovative Water Data & Apps

Drinking Water State Revolving Fund (DWSRF) Loan Program

- [DWSRF Program Information Sheet](#)
- [View State Revolving Fund Webinar February 5, 2021](#)
- [View State Revolving Fund Webinar January 29, 2021](#)
- [State Revolving Fund Programs Webinar PDF](#)
- [State Revolving Fund Program FAQs](#)
- [Project Information Form Webinar FAQs](#)

- Agriculture Water Conservation Grants
- Agriculture Water Conservation Loans
- Asset Management Program for Small Systems
- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund

- Intended Use Plan
Select One View Document
- Project Priority List
Select One View Document
- Project Information Forms & Guidance
- Financial Assistance Application

User-friendly interface with ability to select IUPs and PPLs via drop-down window for SFYs

CWSRF IUP Appendix C - Rating Criteria

Publicly Owned Treatment Works (§ 212) Rating Criteria

- 30 pts. – Enforcement action (court, EPA, or Texas Commission of Environmental Quality (TCEQ) order) imposes a schedule.
- 20 pts. – Enforcement action: Participation in TCEQ's Sanitary Sewer Overflow Initiative
- 11 pts. – Unserved area of an existing developed community is extended service.
- 30 pts. – Unserved area to be served has a nuisance documented by letter from the TCEQ or a Designated Agent licensed by the TCEQ. If the project is in an Economically Distressed Areas Program county, the letter may come from the State Health Department or a registered sanitarian.
- 10 pts. – Water body impacted by project is listed in a Watershed Protection Plan approved by the EPA.
- 5 pts. – Water body impacted by project is listed in a Watershed Protection Plan that is under development.
- 15 pts. – Innovative or alternative types of collection or treatment are proposed.
- 30 pts. – More stringent permit limits are to be met, or
Conversion to a no-discharge or partial reuses facility to avoid higher level of treatment.
- 10 pts. – Regional project removes or prevents plant outfalls, or
Regional project results in delivery of flow to, or receipt of flow at, a regional facility, thereby avoiding construction of a separate waste water treatment plant facility.

For projects that involve a facility that requires expansion of its hydraulic capacity or removal of extraneous flow, use EPA self-reporting data to determine the percentage of permitted capacity.

CWSRF IUP Appendix C - Rating Criteria Continued

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. 10.00

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
- SFY25 - \$444,395,440
- \$59M - maximum financing per project.
- Project Information Form (PIF) due March 7, 2025.

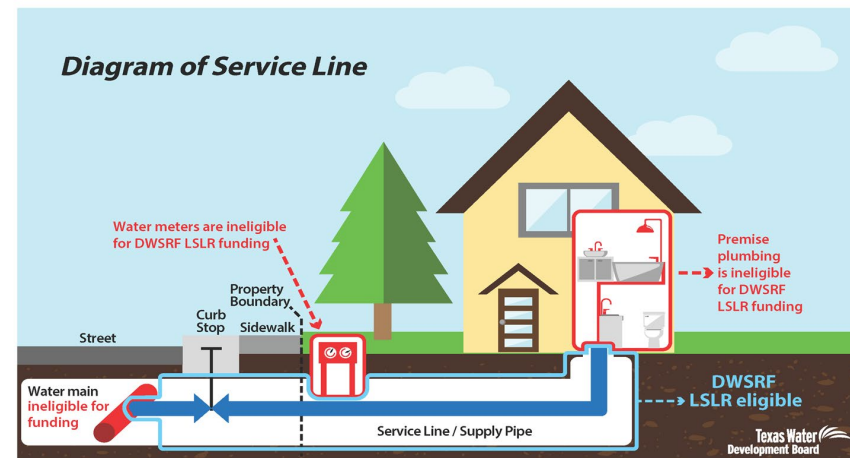
Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Emerging Contaminants (EC) for both DWSRF and CWSRF</u>	<ul style="list-style-type: none"> Political Subdivisions Water Supply Corporations Designated Water Management Agencies Authorized Tribal Organizations State Agencies Private Entities (<i>Nonpoint Source Projects Only</i>) 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A

- The Infrastructure Investment and Jobs Act (IIJA) appropriated funds through the base SRF program.
- CWSRF-EC or DWSRF-EC, it must be eligible under the base CWSRF or DWSRF programs **AND** specifically reduce exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and/or other emerging contaminants.
- **All project funding will be in the form of 100% principal loan forgiveness.**
- CWSRF-EC SFY25 \$9,817,000
- DWSRF-EC SFY25 \$60,914,000
- Project Information Form (PIF) due April 4, 2025



Programs	Eligible Applicants:	Security Instruments:	Typical Pledges Include:	Length of Loans:
<u>Lead Service Line Replacement (LSLR) Program</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 • State agencies 	<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"> • 15 years (Inventory-Only) • 30 years (Non-Inventory, Replacement)

- The Infrastructure Investment and Jobs Act (IIJA) appropriated funds through the base DWSRF for Lead Service Line Replacement (LSLR) projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines.
- 2.00% loan origination fee
- SFY25 \$27,528,500
- All funding awarded at ratio of:
 - **49% Loan**
 - **51% Principal Forgiveness**
- Project Information Form (PIF) due April 4, 2025



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 charges sustainable? Will they need to be raised?

➤ 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.

TWDB Contacts

Team #1 - Panhandle/West (regions A/O/E/F)
Theresa Finch, (512) 475-1713

Team #2 - Brazos (regions G/B)
Tom Barnett, (512) 475-1919

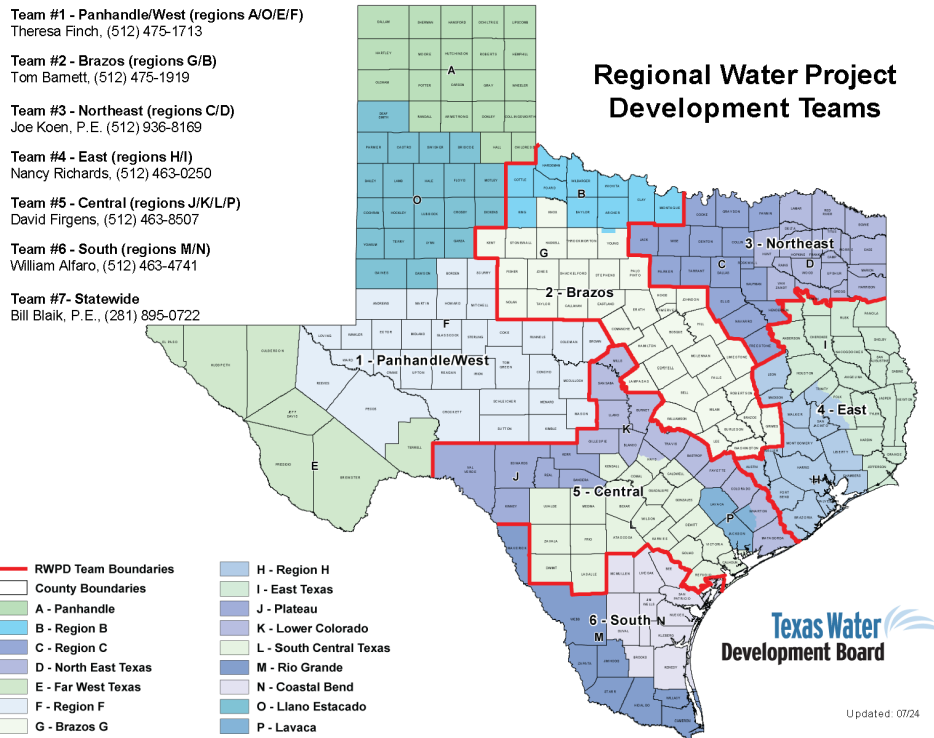
Team #3 - Northeast (regions C/D)
Joe Koen, P.E., (512) 936-8169

Team #4 - East (regions H/I)
Nancy Richards, (512) 463-0250

Team #5 - Central (regions J/K/L/P)
David Firgens, (512) 463-8507

Team #6 - South (regions M/N)
William Alfaro, (512) 463-4741

Team #7- Statewide
Bill Blaik, P.E., (281) 895-0722



General Email

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Financial Assistance Outreach

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Drinking Water SRF Coordinator

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Clean Water SRF Coordinator

cwsrf@twdb.texas.gov

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>

- * **Clean Water State Revolving Fund Program**

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

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

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

- * **Texas Water Fund**

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

Resource Links

- * Interactive State Water Plan**

<https://2022.texasstatewaterplan.org/statewide>

- * Regional Water Planning**

www.twdb.texas.gov/waterplanning/index.asp

- * Flood Programs**

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

- * Water Use Survey**

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

- * Water Loss Audit Reporting**

<https://www.twdb.texas.gov/conservation/municipal/waterloss/index.asp>

- * Conservation Plan Reporting**

<https://www.twdb.texas.gov/conservation/municipal/plans/ARs.asp>

Resource Links

- * **Texas Water Infrastructure Coordination Committee (TWICC)**

- Funding Guide**

- https://twicc.org/resources/doc/TWICC_Funding_Resources_Guide.pdf

- * **Free Financial, Managerial, and Technical Assistance for Public Water and Wastewater Systems - Texas Commission on Environmental Quality**

- <https://www.tceq.texas.gov/drinkingwater/fmt>

- * **TWDB Regional Funding Workshop Schedule**

- <https://www.twdb.texas.gov/home/tabs/doc/hot/Regional-Financial-Assistance-Workshop.pdf>

- * **TWDB Newsletter**

- <https://www.twdb.texas.gov/newsmedia/signup.asp>

For more information

Visit

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

Or email:

financial_assistance@twdb.texas.gov

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