

Texas Water Development Board

Water Infrastructure Funding Update

Presented to:
Drinking Water Advisory Work Group (DWAAG)

April 17, 2024

Texas Water Fund Legislation (88th session, 2023)

➤ Senate Bill 28

- Created the Texas Water Fund, New Water Supply for Texas Fund, and the Statewide Water Public Awareness Account

➤ Senate Bill 30

- Authorized a one-time, **\$1 billion** supplemental appropriation of general revenue to the Texas Water Fund, contingent on enactment of SB 28 and approval of SJR 75 by voters

➤ Senate Joint Resolution 75

- Proposed constitutional amendment creating the Texas Water Fund to assist in financing water projects in Texas
- Directed the TWDB to allocate no less than 25 percent to the New Water Supply for Texas Fund (**\$250 million**)

Texas Water Fund (SB 28)

- TWDB must ensure that a portion of the money is used for:
 - water infrastructure projects for rural political subdivisions and municipalities with a population of less than 150,000.
 - projects for which all required state or federal permitting has been substantially completed.
 - water conservation strategies.
 - water loss mitigation projects.

Texas Water Fund (SB 28)

- Allows the fund transfers to certain existing TWDB financial assistance programs including:
 - The State Water Implementation Fund for Texas (SWIFT)
 - The Clean Water or Drinking Water State Revolving Funds
 - The Rural Water Assistance Fund – *April 11, 2024, TWDB approved proposed rule revisions for amendments to 31 Texas Administrative Code (TAC) Chapter 365.*
 - The Texas Water Development Fund II water financial assistance account
 - The Texas Water Development Fund II state participation account

New Water Supply for Texas Fund

- Created to provide financial assistance to develop water supply projects that create new water sources for the state, including:
 - desalination projects, including marine and brackish water desalination.
 - produced water treatment projects.
 - aquifer storage and recovery projects.
 - the development of infrastructure to transport water that is made available by these types of projects.

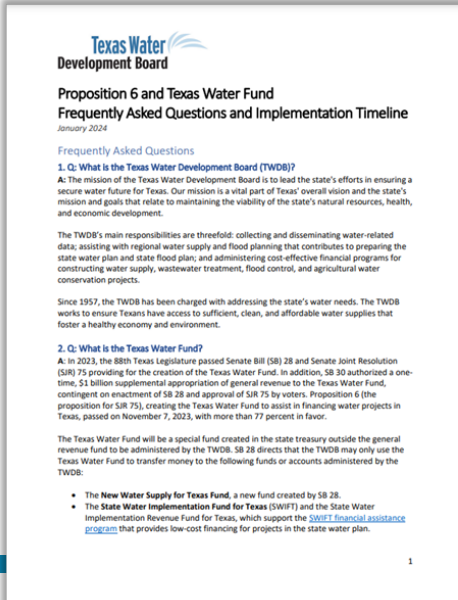
- The **statewide water public awareness account**, a newly created account that will direct funds toward a statewide public awareness program.
 - Estimated Total Funding: \$10 million (up to \$2 million per year for a maximum of five years).
 - Request for Applications Due Date: **April 17, 2024**, at 3:00 p.m. CST.

Texas Water Fund Stakeholder Input

The TWDB is seeking stakeholder input via three survey instruments:

- [Texas Water Fund Survey 1: Financial Assistance for Water Infrastructure Projects](#)
- [Texas Water Fund Survey 2: New Water Supply Fund for Texas](#)
- [Texas Water Fund Survey 3: Statewide Water Public Awareness Program](#)

Deadline April 30, 2024



Texas Water Development Board

Proposition 6 and Texas Water Fund Frequently Asked Questions and Implementation Timeline

January 2024

Frequently Asked Questions

1. Q: What is the Texas Water Development Board (TWDB)?
A: The mission of the Texas Water Development Board is to lead the state's efforts in ensuring a secure water future for Texas. Our mission is a vital part of Texas' overall vision and the state's mission and goals that relate to maintaining the viability of the state's natural resources, health, and economic development.

The TWDB's main responsibilities are threefold: collecting and disseminating water-related data; assisting with regional water supply and flood planning that contributes to preparing the state water plan and state flood plan; and administering cost-effective financial programs for constructing water supply, wastewater treatment, flood control, and agricultural water conservation projects.

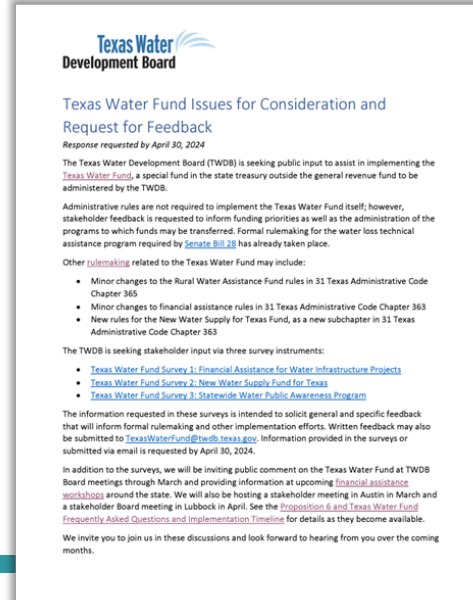
Since 1957, the TWDB has been charged with addressing the state's water needs. The TWDB works to ensure Texans have access to sufficient, clean, and affordable water supplies that foster a healthy economy and environment.

2. Q: What is the Texas Water Fund?
A: In 2023, the 88th Texas Legislature passed Senate Bill (SB) 28 and Senate Joint Resolution (SJR) 75 providing for the creation of the Texas Water Fund. In addition, SB 30 authorized a one-time, \$1 billion supplemental appropriation of general revenue to the Texas Water Fund, contingent on enactment of SB 28 and approval of SJR 75 by voters. Proposition 6 (the proposition for SJR 75), creating the Texas Water Fund to assist in financing water projects in Texas, passed on November 7, 2023, with more than 77 percent in favor.

The Texas Water Fund will be a special fund created in the state treasury outside the general revenue fund to be administered by the TWDB. SB 28 directs that the TWDB may only use the Texas Water Fund to transfer money to the following funds or accounts administered by the TWDB:

- The **New Water Supply for Texas Fund**, a new fund created by SB 28.
- The **State Water Implementation Fund for Texas (SWIFT)** and the State Water Implementation Revenue Fund for Texas, which support the [SWIFT financial assistance program](#) that provides low-cost financing for projects in the state water plan.

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Texas Water Development Board

Texas Water Fund Issues for Consideration and Request for Feedback

Response requested by April 30, 2024

The Texas Water Development Board (TWDB) is seeking public input to assist in implementing the [Texas Water Fund](#), a special fund in the state treasury outside the general revenue fund to be administered by the TWDB.

Administrative rules are not required to implement the Texas Water Fund itself; however, stakeholder feedback is requested to inform funding priorities as well as the administration of the programs to which funds may be transferred. Formal rulemaking for the water loss technical assistance program required by [Senate Bill 28](#) has already taken place.

Other [rulemaking](#) related to the Texas Water Fund may include:

- Minor changes to the Rural Water Assistance Fund rules in 31 Texas Administrative Code Chapter 365
- Minor changes to financial assistance rules in 31 Texas Administrative Code Chapter 363
- New rules for the New Water Supply for Texas Fund, as a new subchapter in 31 Texas Administrative Code Chapter 363

The TWDB is seeking stakeholder input via three survey instruments:

- [Texas Water Fund Survey 1: Financial Assistance for Water Infrastructure Projects](#)
- [Texas Water Fund Survey 2: New Water Supply Fund for Texas](#)
- [Texas Water Fund Survey 3: Statewide Water Public Awareness Program](#)

The information requested in these surveys is intended to solicit general and specific feedback that will inform formal rulemaking and other implementation efforts. Written feedback may also be submitted to TexasWaterFund@twdb.texas.gov. Information provided in the surveys or submitted via email is requested by April 30, 2024.

In addition to the surveys, we will be inviting public comment on the Texas Water Fund at TWDB Board meetings through March and providing information at upcoming [financial assistance workshops](#) around the state. We will also be hosting a stakeholder meeting in Austin in March and a stakeholder Board meeting in Lubbock in April. See the [Proposition 6 and Texas Water Fund Frequently Asked Questions and Implementation Timeline](#) for details as they become available.

We invite you to join us in these discussions and look forward to hearing from you over the coming months.

Texas Water Fund Email Subscription

Texas Water Development Board

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

Texas Water Fund

In 2023, the 88th Texas Legislature passed Senate Bill (SB) 28 and Senate Joint Resolution (SJR) 75 providing for the creation of the Texas Water Fund, a special fund in the state treasury outside the general revenue fund to be administered by the TWDB. In addition, SB 30 authorized a onetime, \$1 billion supplemental appropriation of general revenue to the Texas Water Fund, contingent on enactment of SB 28 and approval of SJR 75 by voters. Proposition 6 (the proposition for SJR 75), creating the Texas Water Fund to assist in financing water projects in Texas, passed on November 7, 2023, with more than 77 percent in favor.

The Texas Water Fund is not a new financial assistance program itself; rather, it allows the TWDB to provide funding through certain existing financial assistance programs and the newly created New Water Supply Fund for Texas. The TWDB is working to implement the Texas Water Fund and is seeking stakeholder feedback to inform funding priorities as well as the administration of the programs to which funds may be transferred.

Sign up for TWDB "General Information" and "Financial Assistance" [email lists](#) for regular updates.

- [Texas Water Fund - March 20 Stakeholder Meeting Invitation](#)
- [Texas Water Fund Issues for Consideration and Request for Feedback](#)
- [Texas Water Fund FAQs and Implementation Timeline](#)

Upcoming Financial Assistance Workshops

- Agriculture Water Conservation Grants
- Agriculture Water Conservation Loans
- Asset Management Program for Small Systems
- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Lead Service Line Replacement (LSLR) Program
- Emerging Contaminants (EC) Programs
- Economically Distressed Areas Program
- FEMA Flood Mitigation Assistance
- Flood Infrastructure Fund (FIF)
- Rural Water Assistance Fund
- State Participation Program
- State Water Implementation Fund for Texas (SWIFT)
- Texas Water Development Fund
- Water Utilities Technical Assistance Program

Total Funding Commitments

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

Economically Distressed Areas Program

- Provide financial assistance through **grants and loans for water and wastewater projects** in economically distressed areas **where residential service is unavailable or inadequate** to meet state standards.
- Available funding capacity
 - Estimated up to \$100 million from one or more bond sale
- Types of financial assistance available
 - Grants: up to 70%
 - Loans:
 - Portion of the EDAP eligible commitment not funded by a grant must be an EDAP loan.
 - 20-year terms

Reimbursement may be eligible for incurred project costs on or after December 31, 2023.

- Abridged Application deadline May 15, 2024.

Timelines

Program	Solicitation Open	Application Deadline
Clean Water State Revolving Fund (CWSRF)	12/15/2023	3/1/2024
CWSRF Emerging Contaminants (C-EC)	12/15/2023	4/1/2024
Drinking Water State Revolving Fund (DWSRF)	12/15/2023	3/1/2024
DWSRF Lead Service Line Replacement (LSLRP)	12/15/2023	4/1/2024
DWSRF Emerging Contaminants (D-EC)	12/15/2023	4/1/2024
State Water Implementation Fund for Texas (SWIFT)	12/7/2023	2/1/2024
Flood Infrastructure Fund (FIF)	12/15/2023	4/15/2024
Economically Distressed Areas Program (EDAP)	3/15/2024	5/15/2024
Texas Water Development Fund (DFund)	Summer 2024	12/31/2024
AMPSS	9/18/2023	11/2/2023
WUTAP	11/17/2023	1/31/2024
Timelines are subject to change.		

Helpful Tip

➤ **Financial Audits**

- Are they up to date?
- At the time of full application submittal, a current audit is required for the application to be deemed administratively complete.
- Costs can be captured in project budget.

➤ **Ability to Take on Debt**

- Analysis will be completed.
- What rates and charges are in place? Will they need to be raised?

➤ **Updated Water use Survey and Water Loss Audit.**

➤ **Water Conservation and Drought Contingency Plan (if applicable).**

➤ **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)
 Jesse Milonovich, P.E. (512) 463-8657

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

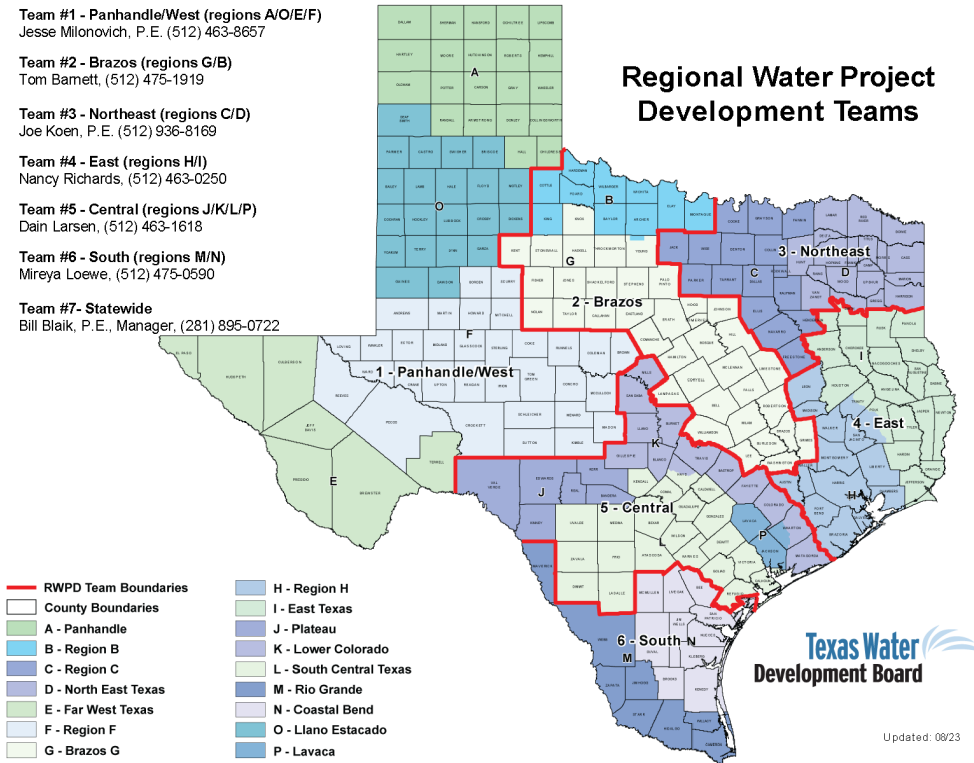
Team #3 - Northeast (regions C/D)
 Joe Koen, P.E. (512) 936-8169

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

Team #5 - Central (regions J/K/L/P)
 Dain Larsen, (512) 463-1618

Team #6 - South (regions M/N)
 Mireya Loewe, (512) 475-0590

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



General Email

Financial_Assistance@twdb.texas.gov

Financial Assistance Outreach

Scott Galaway

737-226-3381

scott.galaway@twdb.texas.gov

Drinking Water SRF Coordinator

dwsrf@twdb.texas.gov

Clean Water SRF Coordinator

cwsrf@twdb.texas.gov

Resource Links

* **New Texas Water Fund**

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

* **New Texas Water Fund Stakeholder Online Survey**

<https://www.twdb.texas.gov/home/tabs/doc/hot/TWF-Issues-Stakeholder-Input.pdf?d=87645.89999997616>

* **TWDB Financial Assistance Programs**

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

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

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

* **TWDB Funding Application FAQ**

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

* **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

Stay connected:

