

# Texas Water Development Board

## Financial Assistance Programs Briefing

January 13, 2026

# Financial Assistance Programs

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

# New Funding from the 89<sup>th</sup> Texas Legislature

- **Proposition 4 - Voter Approval - November 4, 2025**
- \$1 Billion annually for 20-years beginning in the 2028-29 Biennium for water supply projects.
  - 50% New Water Supplies
  - 50% Aging Infrastructure
- Prop 4 dedicates \$1B in state sales tax above \$46.5B to the Texas Water Fund.
- The Texas Water Fund created in 2023 with the passage of Proposition 6 - an account that can move funds into existing TWDB financial assistance programs.
- **Fall 2029:** Availability of funds via TWDB financial assistance programs.

# 50% New Water Supplies

- desalination projects, including marine and brackish water desalination;
- produced water treatment projects, other than projects that are only for purposes of oil and gas exploration;
- aquifer storage and recovery projects;
- **water and wastewater reuse projects;**
- **acquisition of water or water rights originating from outside this state;**

# 50% New Water Supplies Continued

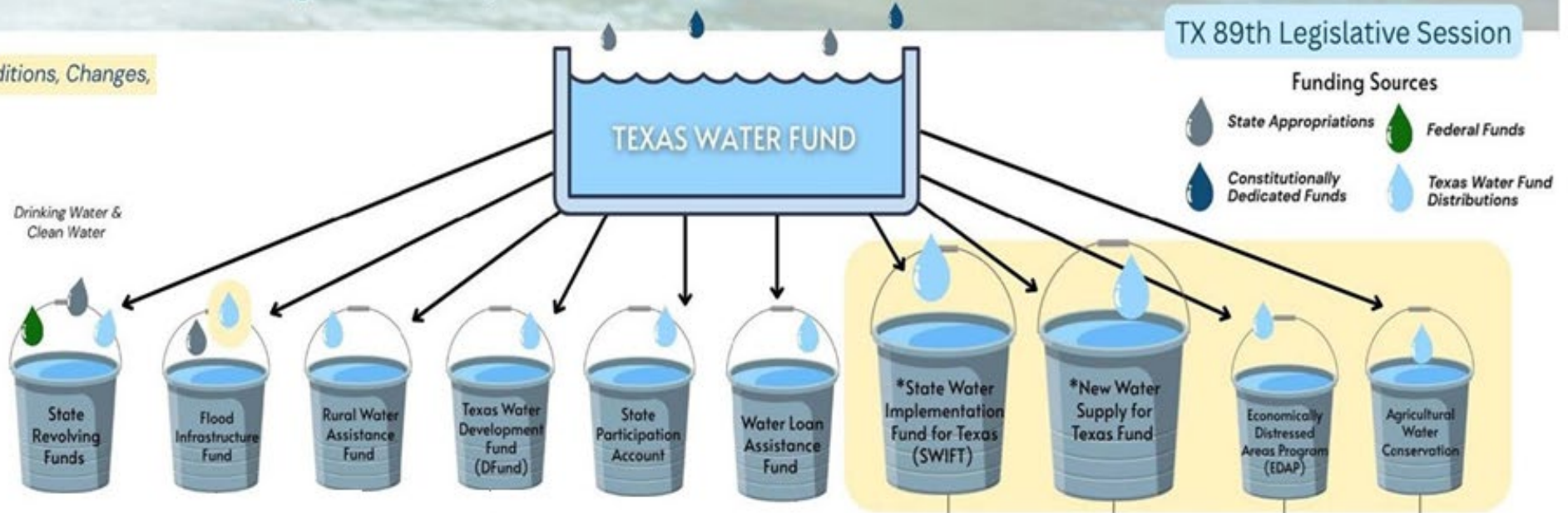
- **reservoir projects for which**
  - **the required land has already been acquired;**
  - **a Clean Water Act Section 404 permit for the discharge of dredged or fill material has been issued by the United States Secretary of the Army;**
  - **a permit for the storage, taking, or diversion of state water has been issued by the Texas Commission on Environmental Quality; and**
- **the development of infrastructure to transport water or integrate water into a water supply system, other than groundwater produced from a well in this state that is not part of a project described by this subdivision.**

# Texas Water Fund

Texas Water Fund September 1, 2025

New Additions, Changes,

TX 89th Legislative Session



# House Bill 500 - Water Supply and Infrastructure Grants

- \$1.038 billion from General Revenue to TWDB for water infrastructure and supply projects.
- Political subdivisions are eligible. Water Supply Corporations (WSC) and investor-owned utilities are ineligible.
- *Tentative application solicitation period March 2026 – July 2026.*
- Water Supply and Infrastructure Grants more info:  
<https://www.twdb.texas.gov/financial/programs/WSIG/index.asp>

# Eligible Applicants

Those that are eligible:

- Cities
- Districts
- Counties
- River authorities
- Other political subdivisions

Those that are ineligible:

- Water supply corporations
- Investor-owned utilities
- Private entities

# Project Requirements

- Must address water loss, a TCEQ violation, or provide additional water supply.
- Must be consistent with 2027 State Water Plan.
- Must have a current financial audit.
- Must be ready-to-proceed with construction if applicant's pop. served is > 150,000.

# Canal Projects & the NADBank

\$100M for canal lining or pipeline conversion for matching with NADBank funds.



# Fund Allocation

Population Range	Funding Cap	Total Target
<10,000	\$5M	\$71M
10,001-150,000	\$15M	\$142M
150,001-1,000,000	\$25M	\$181M
>1,000,000	\$40M	\$400M

**\*\*Only one application is allowed per applicant.\*\***

# Implementation Timeline

Dec. 17, 2025:	Work session
Jan. 5, 2026:	Public comment opens
Jan. 20, 2026:	Public webinar
Feb. 4, 2026:	Comment closes
Mar. 2026:	Application solicitation opens
Jul. 2026:	Applications due
Fall 2026:	Commitments
Winter '26-Summer '27:	Closings

# Next Steps

- Public comment closes February 4.
- Board member briefing and review of comments in February.
- Continued development of abbreviated financial application, fund disbursement process, and other programmatic requirements.
- External Stakeholder Webinar to take place on January 20.

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

- 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
- **\$59M** - maximum financing per project. **\$10M** - maximum principal forgiveness
- Project Information Form (PIF) due March 6, 2026.

# Asset Management Program for Small Systems (AMPSS)

- Water & Wastewater Professional Services for up to \$100,000 worth of data collection, system analysis, and planning activities.
- Eligible Systems: ≤ 5,000 metered connections or 10,000 people.
- The final products of the program include:
  - Asset management plan
  - System operations and maintenance manual
  - 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
  - **Due Date** - Water or Wastewater System PIF – September 8, 2025.

# Water Utility Technical Assistance Program

- Water & Wastewater Professional Services for up to \$150,000 worth of services.
  - All water and wastewater systems in Texas are eligible for this program, if they desire to seek funding from TWDB in the future.
  
- Final products of the program include:
  - Approvable Water Conservation Plans
  - Successful submission of PIFs/Abridged Applications
  - Successful submission of Financial Assistance Applications for invited entities
  - Summary reports with recommendations for financial management controls and operating processes
  - Completed rate study
  - Training regarding State Revolving Fund Procurement requirements including submission of documentation for federal reporting purposes.
  
- Contactor Statements of Qualifications due December 9, 2025.
  
- Eligible entities may submit applications at any time.

# Applicant Helpful Tips

## ➤ Financial

- 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 rates, 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

## \***Prop 4 FAQ Voter Approval November 4, 2025**

[https://www.twdb.texas.gov/financial/programs/TWF/doc/Proposition\\_4\\_FAQ.pdf](https://www.twdb.texas.gov/financial/programs/TWF/doc/Proposition_4_FAQ.pdf)

## \***House Bill 500 - Water Supply and Infrastructure Grants**

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

## \***Financial Assistance Workshop Schedule**

<https://www.twdb.texas.gov/home/tabs/doc/hot/Regional-Financial-Assistance-Workshop.pdf?d=79594.29999999702>

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