

## Texas Water and Wastewater Funding Sources

Compiled by the Environmental Finance Center Network, June 2018

Organization	Program (key words)	Repayment / Finance Charges
<b>Texas Water Development Board (TWDB)</b>	Clean Water State Revolving Fund (CWSRF) (water, sewer, stormwater)	For loans, the interest rate subsidy is 120 to 130 basis points off the entity's underlying credit rating (estimated rates available at <a href="http://www.twdb.texas.gov/financial/interest.asp">http://www.twdb.texas.gov/financial/interest.asp</a> ). There is a 1.75% loan origination fee. Principal forgiveness is available for qualifying disadvantaged and green projects. There is up to 30-year repayment period.
	Economically Distressed Areas Program (EDAP) (water, sewer)	Grant funding is available as determined by a grant-to-loan calculation reflecting the entity's ability to repay. Projects with documented nuisance conditions are eligible for grants greater than 50%. Repayment period is up to 20 years.
	Drinking Water State Revolving Fund (DWSRF) (water)	For loans, the interest rate is 135 basis points off an entity's underlying credit rating. There is an up to 30-year term (estimated rates available at <a href="http://www.twdb.texas.gov/financial/interest.asp">http://www.twdb.texas.gov/financial/interest.asp</a> ). The loan origination fee is 2.15%. Loan forgiveness: <ul style="list-style-type: none"> <li>• Disadvantaged project (up to 70%): dependent on MHI/HH cost factor for project area</li> <li>• Very Small Systems (up to 100%): population of &lt;1,000; \$300,000 maximum per project</li> <li>• Urgent Need (up to 100%): \$800,000 maximum</li> <li>• Green Projects (up to 15%): green project components must total 30% of project total cost</li> </ul>
	Texas Water Development Fund (water, sewer, stormwater)	Long-term fixed interest rates based on TWDB's cost of funds sold with the State's General Obligation AAA rating. Typical 20- to 30-year repayment terms (up to 50 years allowed).
	State Water Implementation Fund for Texas (SWIFT) (water)	Base interest rates reflect the TWDB's low cost of funds (additional subsidies may apply and are set by the Board for each funding cycle). Repayment period up to 30-years. The flexible financing structures include low-interest loans and deferred loans. Principal and interest can be deferred up to eight years or until end of construction (for planning and design phase costs), whichever is sooner.
	State Participation (SP) Program (water)	TWDB may acquire ownership interest in the water rights or a co-ownership interest of the property and treatment works. The loan repayments that would have been required, if the assistance had been from a loan, are deferred (estimated rates available at <a href="http://www.twdb.texas.gov/financial/interest.asp">http://www.twdb.texas.gov/financial/interest.asp</a> ). Administrative cost recovery fee of 0.77%.



## Texas Water and Wastewater Funding Sources

Compiled by the Environmental Finance Center Network, June 2018

Organization	Program (key words)	Repayment / Finance Charges
<b>Texas Water Development Board (TWDB)</b>	Rural Water Assistance Fund (RWAFF) (water, wastewater)	Maximum 40-year maturity on loans (consistent with the useful life of the project). Estimated interest rates available at <a href="http://www.twdb.texas.gov/financial/interest.asp">http://www.twdb.texas.gov/financial/interest.asp</a> .
	Agricultural Water Conservation Loan (AG) (water)	The length of loans are up to 10-years. The interest rate to the political subdivision shall be equal to the asking yield for a U.S. Treasury Note with a 12-month maturity on the date rates are set.
	Groundwater Conservation District Loan Program (GDLP) (water)	The loan may be made for a period not to exceed three years as mandated by 31 Tex. Admin. Code §363.802. Interest rates are established by maturity for each installment closed approximately 45 days prior to closing (estimated rates available at <a href="http://www.twdb.texas.gov/financial/interest.asp">http://www.twdb.texas.gov/financial/interest.asp</a> ).
<b>USDA Rural Development</b>	Water and Waste Disposal Loans and Grants (water, sewer)	Up to 40-year payback period, based on the useful life of the facilities financed with a fixed interest rate. The interest rate is based on the need for the project and the median household income of the area to be served.
	Water and Waste Disposal Guaranteed Loan (water, sewer)	Interest rates may be fixed or variable as negotiated between the lender and borrower and is subject to USDA approval. Up to 40-year payback period, based on the useful life of the facilities financed.
	Water and Waste Disposal Predevelopment Planning Grants (water, wastewater)	Grant maximum of \$30,000 or 75% of the predevelopment planning costs; at least 25% of the project cost must come from the applicant or third party sources. In-kind contributions do not count toward this minimum.
	Emergency Community Water Assistance Grants (water)	Eligible areas are rural areas and towns with 10,000 or fewer people and Tribal Lands in rural areas. Water transmission line grants up to \$150,000 for construction of waterline extensions, repairs to breaks or leaks in existing water distribution lines, and related maintenance necessary to replenish water supply. Water Source grants up to \$500,000 for construction of a new water source, intake and/or treatment facility.



## Texas Water and Wastewater Funding Sources

Compiled by the Environmental Finance Center Network, June 2018

Organization	Program (key words)	Repayment / Finance Charges
USDA Rural Development	Individual Water and Wastewater Grants ( <i>water, sewer</i> )	Program provides funds to households in an area recognized as a Colonia before October 1, 1989. Maximum grant to any individual for WATER service lines, connections, and/or construction of a bathroom is \$3,500. Maximum grant to any individual for SEWER service lines, connections, and/or construction of a bathroom is \$4,000. Lifetime assistance to any individual for initial or subsequent grants may not exceed a cumulative total of \$5,000.
	Special Evaluation Assistance for Rural Communities and Households (SEARCH) ( <i>water, wastewater</i> )	Eligible areas are rural areas not in a city or town and with populations of 2,500 or less. Median household income below the poverty line/less than 80% of the statewide non-metropolitan median household income based on latest Census data.
Texas Department of Agriculture (TDA)	Community Development Block Grant (TxCDBG) ( <i>water, wastewater</i> )	The maximum and minimum award amount is \$50,000 and \$500,000.
	Colonia Fund - Planning ( <i>water, wastewater</i> )	For the Colonia Area Planning and Comprehensive Planning funds, the maximum contract amount is \$100,000 each.
	Colonia Fund - Construction (CFC) ( <i>water, wastewater</i> )	Awards are made on a biennial basis through a competitive process among eligible counties. Awards range from a minimum of \$75,000 to a maximum of \$500,000.
	Colonia Economically Distressed Areas Program (CEDAP) Fund ( <i>water, wastewater</i> )	Awards are made on an as-needed basis with priority given to applications on a "first-come, first serve" basis. Maximum award is \$1,000,000.
	Planning and Capacity Building Fund (PCB) ( <i>water, wastewater</i> )	Awards are made on an annual basis through a statewide competition. Maximum grant award is \$55,000.



## Texas Water and Wastewater Funding Sources

Compiled by the Environmental Finance Center Network, June 2018

Organization	Program (key words)	Repayment / Finance Charges
<b>Texas Department of Agriculture (TDA)</b>	Disaster Relief Fund and Urgent Relief (DR/UN) Fund (water, wastewater)	DR Awards range from a minimum of \$50,000 to a maximum of \$350,000. UN Awards range from a minimum of \$25,000 to a maximum of \$250,000
	Small Towns Environment Program (STEP) (water, wastewater)	Maximum grant award is \$350,000. Awarded on a first-come, first-serve basis.
	Texas Capital Fund Infrastructure / Real Estate Programs (INFRA/RE) (water, wastewater)	The award amounts to applicants are \$100,000/\$1,000,000 minimum/maximum. The Infrastructure/Real Estate Programs will be available monthly, on a competitive basis, to eligible applicants statewide. Scoring is based on: Unemployment rate; Job Impact; Proportion of Jobs Created; Wage Impact; Preferred Job Categories; Cost per Job; and Return on Investment.
	Small and Microenterprise Revolving Loan Fund (SMRF) (water, wastewater)	SMRF fixed award amount is \$100,000. There is a minimum 10% cash or in-kind administrative match. No single loan may exceed \$50,000. Contracts are for a standard of two years to complete job creation/retention activities
<b>Border Environment Cooperation Commission (BECC)</b>	North American Development Bank (NADB) Loan (water, wastewater)	Interest rates for particular loans are established at loan closing, and payments may be made on a monthly, quarterly or semi-annual basis. NADB generally charges an interest rate that is composed of a base rate plus an administrative margin and a risk exposure spread. The base rate is related to the yield on U.S. Treasury securities or to the LIBOR Swap rate, TIE rate, or any other U.S. dollar or Mexican peso rate related to the interest rate on borrowings by the Bank. The administrative margin is based on 125-150 points. The risk exposure spread is 0-400 basis points, depending on the borrower's creditworthiness and project risk.
	Border Environment Infrastructure Fund (BEIF) (water, wastewater)	The cost of any project shall not exceed US \$30 million. Project sponsors are generally expected to finance part of the project with a debt component and must be able to confirm the commitment of other funding sources to complement the BEIF grant prior to certification.



## Texas Water and Wastewater Funding Sources

Compiled by the Environmental Finance Center Network, June 2018

Organization	Program (key words)	Repayment / Finance Charges
<b>Border Environment Cooperation Commission (BECC)</b>	Community Assistance Program (CAP) (water, wastewater)	The project sponsor must contribute at least 10% of the total project cost in the form of cash. On a case-by-case basis, in-kind contributions such as land, equipment, or other tangible assets or cost components of a project may be considered towards fulfilling this contribution. Projects may receive a CAP grant for up to \$500,000.
<b>Communities Unlimited</b>	Water/Wastewater Loans (water, wastewater)	Terms can be up to 15 years. Loans are made to nonprofit corporations or local governments who serve a significant number of low-income customers; are in qualifying rural communities; can repay the loan with system revenues; and can provide evidence of permanent take-out financing.
<b>National Rural Water Association</b>	NRWA Revolving Loan Fund (water, wastewater)	<ul style="list-style-type: none"> <li>• Reasonable, below market interest rate (currently 3%) and a maximum repayment period of 10 years</li> <li>• Straightforward application process and quick turnaround time (just a few days if documents are in order)</li> <li>• Loan amounts may not exceed \$100,000 or 75% of the total project cost, whichever is less</li> <li>• Emergency loans are 90-day no interest, with immediate turn around on applications</li> <li>• NRWA charges no administrative or processing fees</li> </ul>
<b>US Department of the Interior - Bureau of Reclamation</b>	Drought Response Program: Drought Resiliency Projects (water, drought)	Applicants may request up to \$200,000 in Federal funding to plan or update a contingency plan and \$300,000 for a drought resiliency project. For both types of funding, a 50% non-Federal cost share contribution is required (including non-Federal funds, donations, contributions, and/or in-kind services). In limited cases, a cost-share reduction or waiver may be granted.

