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AGENDA ITEM MEMO

BOARD MEETING DATE: August 6, 2026

TO: Board Members

THROUGH: Bryan McMath, Executive Administrator
Ashley Harden, General Counsel
Jessica Peña, Deputy Executive Administrator, Water Supply & Infrastructure
Marvin Cole-Chaney, Assistant Executive Administrator, Water Supply & Infrastructure

FROM: Jesse Milonovich, Interim Director, Program Administration & Reporting
Patrick Kading, Manager, Federal Program Administration

SUBJECT: State Fiscal Year 2026 Drinking Water State Revolving Fund Emerging Contaminants Intended Use Plan

ACTION REQUESTED

Consider approving the State Fiscal Year 2026 Drinking Water State Revolving Fund Emerging Contaminants Intended Use Plan.

BACKGROUND

The Infrastructure Investment and Jobs Act of 2021 appropriated capitalization grant funds for Federal Fiscal Years (FFY) 2022 to 2026 to reduce exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants. This State Fiscal Year (SFY) 2026 Intended Use Plan (IUP) covers the Drinking Water State Revolving Fund (DWSRF) capitalization grant funds allocated to Texas from FFY 2025 appropriations in the amount of \$60,914,000.

For a project or activity to be eligible under this special appropriation, it must be otherwise DWSRF eligible and the primary purpose must be to address emerging contaminants. The focus will be on projects addressing PFAS; however, the program may fund lower priority projects for any contaminant in any of the U.S. Environmental Protection Agency's (EPA) Contaminant Candidate Lists or as the EPA otherwise deems eligible for DWSRF Emerging Contaminant program.

Funding projects is dependent on the ranking and prioritization of Project Information Forms (PIFs) received and the outcome of the TWDB's review of the project details in submitted financial assistance applications.

Our Mission	:	Board Members
Leading the state's efforts	:	L'Oreal Stepney, P.E., Chairwoman W. Brady Franks, Board Member Ashley Morgan, Board Member
in ensuring a secure	:	
water future for Texas	:	Bryan McMath, Executive Administrator

The appropriations require the entire amount allocated to project funding to be provided as additional subsidization, which will be in the form of principal forgiveness. Therefore, the total amount of \$55,628,040 is available for projects under this IUP as principal forgiveness.

PUBLIC REVIEW, HEARING, AND COMMENTS

An opportunity was provided for public comment on the draft amended IUP, with the project priority lists included, from June 24, 2026 to July 24, 2026. A public hearing was conducted in person on June 26, 2026, at 11:00 A.M. in Austin. Comments were also accepted through email and an internet form. Eight public comments were received during the public comment period.

The public comments received during the public comment period and the TWDB's response are shown in Attachment 1. Based on the public comments the following changes were made to the SFY 2026 DWSRF-EC IUP: (1) additional points given to Sandbranch Development and Water Supply Corporation for rural designation; (2) system population data added to the Project Priority Lists; (3) explanation regarding the change of the closing deadline, and (4) reference to guidance regarding closing requirements was provided.

KEY ISSUES

The TWDB received 21 project proposals for the SFY 2026 DWSRF-EC solicitation. Based on the prioritization criteria and funding availability, the TWDB will initially extend invitations to the top three projects. The TWDB is poised to move forward expeditiously with the beneficial work of reducing exposures to PFAS and other emerging contaminants throughout Texas.

Following Board approval of the IUP, the TWDB will submit the final IUP to the EPA, followed by invitations to entities with highest prioritization on the IUP's Project Priority List to submit a full financial assistance application for review and consideration.

RECOMMENDATION

The Executive Administrator recommends approval of the SFY 2026 DWSRF Emerging Contaminants Intended Use Plan with the ability to make non-substantive changes if necessary.

Attachments:

1. Response to public comments on the draft SFY 2026 DWSRF Emerging Contaminants IUP.
2. Recommended Final SFY 2026 DWSRF Emerging Contaminants IUP.

Texas Water Development Board

Response to Comments on the State Fiscal Year 2026 Drinking Water State Revolving (DWSRF) Fund Emerging Contaminants Draft Intended Use Plan (IUP)

The following provides a summary of the public comments received during the public comment period from June 24, 2026, to July 24, 2026, the Texas Water Development Board (TWDB) responses, and any changes to the recommended final SFY 2026 DWSRF Emerging Contaminants IUP.

General Comments

Comment submitted by: Lia Clark, Clifford Freeney, Nic Kirk of Water Finance Exchange

Comment Date: May 13, 2025

Comment:

The application for Sandbranch Development and Water Supply Corporation should have additional consideration given for Criteria 3 and Criteria 5. Under Criteria 3, this project will provide a regionalization solution for the Sandbranch Development and Water Supply Corporation to move to centralized treatment from Dallas Water Utilities. Additionally under Criteria 5, Sandbranch Development and Water Supply Corporation serves a rural unincorporated part of Dallas County and fits the definition of rural political subdivision within Chapter 15 of the Texas Water Code.

Response:

Criteria 3 provides points for consolidation or centralized treatment. The Intended Use Plan (IUP) defines consolidation of one or more water systems into another water system and centralized treatment as one water system removing emerging contaminants from the water source so subsequent water systems do not need to remove emerging contaminants. Sandbranch Development and Water Supply Corporation currently consists of individual homeowner wells and is seeking funding to create a new water system with water purchased from Dallas Water Utilities. This does not meet the definition of consolidation. Centralized treatment points would be available for the system providing treatment of the emerging contaminants. The PIF submitted by Sandbranch Development and Water Supply Corporation notes that centralized treatment would be provided, but it appears that the centralized treatment described is part of the proposed water system as opposed to individual homeowners providing treatment. The intent of centralized treatment points is for multiple water systems to have a single point of treatment.

Criteria 5 provides points for rural political subdivisions. Under Chapter 15 of the Texas Water Code, "rural political subdivision" is defined four different ways. Paragraph (A) has that a nonprofit water supply corporation with no part of the service area located within an urban area with a population of 50,000 is rural. Upon further review, it appears that Sandbranch Development and Water Supply Corporation meets this definition, as it is outside of the city limits of Dallas or other cities within the county and is located within

the extraterritorial jurisdiction (ETJ) of the cities of Seagoville and Wilmer, according to the maps provided on the Dallas County website. The populations of Seagoville and Wilmer are less than 50,000.

After further review, it does appear that Sandbranch Development and Water Supply Corporation is considered a rural area in accordance with Chapter 15 of the Texas Water Code. The points were updated to include an additional 10 points for rural. This change moved Sandbranch Development and Water Supply Corporation from rank 17 up to rank 14, there is no change to the rankings within the initial invited list.

Change:

Additional 10 points given to Sandbranch Development and Water Supply Corporation for rural designation.

Comment Submitted by: Javier Ramirez, Consultant for City of Donna
Comment Date: July 14, 2026

Comment:

The City of Donna respectfully requests reconsideration of the centralized-treatment scoring assigned to PIF No. 17914. The City inadvertently answered “No” to the centralized-treatment question and believes the proposed project qualifies for the associated 25 points based on the actual service arrangement and project scope.

Donna owns and operates a single 4.5 MGD surface-water treatment plant. The proposed reverse-osmosis facility would treat the City’s entire potable-water supply for PFAS and lithium removal before the water enters the distribution system. Every gallon delivered by Donna would receive emerging-contaminant treatment through this centralized facility.

Importantly, Donna also provides potable-water service to customers located within North Alamo Water Supply Corporation’s certificated service area because North Alamo WSC is presently unable to serve those customers. Accordingly, the proposed RO facility would provide centralized emerging-contaminant treatment not only for customers within Donna’s CCN, but also for customers located within another public water system’s certificated service area who would otherwise require service or treatment from that system.

The PIF asks whether the project will facilitate centralized treatment “within one or more water systems.” Donna’s proposed project will provide centralized PFAS and lithium treatment benefiting customers located within the service areas of Donna and North Alamo WSC and will avoid the need for separate emerging-contaminant treatment for those customers.

Donna therefore respectfully requests that TWDB correct the City’s response to “Yes,” award the 25 points available under the centralized-treatment criterion, and revise Donna’s total score from 230 to 255 points. Because this correction would materially affect Donna’s ranking and invitation status, the City further requests reconsideration for inclusion on the invited project list.

Response:

The TWDB appreciates receiving the comments for the 2026 DWSRF Emerging Contaminants IUP. The submitted project information form (PIF) does not include any information regarding centralized treatment and does not state that Donna is a wholesale water provider. New project information submitted during the public comment period cannot be utilized for scoring purposes – all PIF information must be submitted in full by the March 6, 2026, deadline.

Change:

None.

Comment Submitted by: Hollis Moore

Comment Date: July 20, 2026

Comment:

Keep Data Centers from using public water and water aquifers. New bacteria(s) are showing up in other states.

Response:

The TWDB appreciates receiving the comments for the 2026 DWSRF Emerging Contaminants IUP.

Change:

None.

Comment Submitted by: Kassi Jones, Financial Analyst (Special Projects) / North Texas Municipal Water District; Jennafer P. Covington, Aliza Caraballo – North Texas Municipal Water District

Comment Date: July 23, 2026

Comment:

After reviewing the Project Rating Details for the NTMWD Tawakoni WTP PFAS Improvements project, we respectfully submit two requests for the Board's consideration prior to adoption of the final Drinking Water State Revolving Fund Emerging Contaminants SFY 2026 Intended Use Plan.

Request 1 – Reconsideration of the Criteria 1 Rating from 175 to 200 Points

- The Tawakoni WTP PFAS Improvements project is currently rated at 175 points under Criterion 1(b): PFAS exceeding at least one MCL of the National Primary Drinking Water Regulation. We request that the project be re-rated at 200 points under Appendix C, Criterion 1(a) because PFOS have been detected in the District's water supply and their concentration exceeds at least two maximum contaminant levels of the National Primary Drinking Water Regulation value for PFOS within one analytical sample.
- The most recent sampling data, from June 2026 (attached), shows that PFOS were detected in the District's drinking water at a concentration of 9.4 ng/L, which is over two times the National Primary Drinking Water Regulation's MCL for PFOS (4 ng/L). Please see the attached sampling report for reference. These results demonstrate a sustained, multi-year exceedance of the PFOS MCL and would change our rating to 1(a) if accepted.

Request 2 – Lower the Initial Funding Line to Include the Tawakoni WTP PFAS Project in the IIPL

- Since the Tawakoni WTP PFAS Improvements project is just one below the current invitation level, we respectfully request TWDB lower the initial funding line to include our project, which will centralize PFAS treatment for the cities of Elmo, Grays Prairie, Post Oak Bend City, Rosser, Travis Ranch, Forney, Terrell, Oak Ridge, Crandall, Kaufman, McLendon-Chisholm, Scurry, and Cottonwood. We would like to utilize any amount of EC grant funding available to us as we approach the EPA compliance deadline of April 2029 for the PFAS NPDWR.

Thank you for your consideration.

Response:

Comment No. 1: Reconsideration of the Criteria 1 Rating from 175 to 200 Points.

Response: Data submitted within the PIF showed consistent exceedance of PFOS against the EPA's maximum contaminant level (MCL) of the National Primary Drinking Water Regulation (NPDWR). While there were detections of other emerging contaminants, none of the other emerging contaminants exceeded the MCLs. As noted

in Appendix C of the Intended Use Plan, points for 1.a are given if at least two MCLs are exceeded within one sample. Therefore, Tawakoni WTP, with one MCL exceedance (for PFOS) received points under 1.b.

New project information submitted during the public comment period cannot be utilized for scoring purposes – all PIF information must be submitted in full by the March 6, 2026, deadline. The submitted laboratory report is dated after the original PIF deadline and cannot be accepted.

Comment No. 2: Lower the Initial Funding Line to include the Tawakoni WTP PFAS Project in the IIPL.

Response: Available funding for projects is \$55,628,040, as noted in Appendix B of the Intended Use Plan. The Initial Invited Project List (IIPL) in Appendix L includes three projects that add to \$74,759,958.90, which exceeds the total available funding (meaning that the last ranked project on the IIPL will not be fully funded using DWSRF-EC funds). As noted within the IUP, funds from the Emerging Contaminants for Small or Disadvantaged Communities (EC-SDC) Grant Program may be awarded to projects listed within the IUP. Eligible projects not invited for the first round are still eligible for subsequent rounds of invitations.

Change:

None.

Comment Submitted by: Danielle Goshen, Senior Policy Analyst, Water Infrastructure Environmental Policy Innovation Center (EPIC)

Comment Date: July 24, 2026

Comment:

On behalf of the Environmental Policy Innovation Center (EPIC), I am grateful for the opportunity to submit comments on the state’s Draft Drinking Water State Revolving Fund SFY 2026 Intended Use Plan for Emerging Contaminants. EPIC is a nonprofit organization whose mission is to build policies that deliver spectacular improvements in the speed and scale of environmental progress. We deliver data-driven policy analysis, innovation, and technical assistance to eliminate disparities across water systems and ensure more residents across the country have access to safe and affordable drinking water. We thank the TWDB for its continued efforts to strengthen Texas’ SRF programs.

To fully understand Texas’ drinking water challenges, it is essential to consider how different water system characteristics affect access to safe, affordable service—including the complex ways these characteristics interact to compound impacts on communities. While significant data exist regarding water systems and community conditions, these data are often fragmented across multiple platforms (government agencies, nonprofits, private entities) and rarely organized by utility service area boundaries—limiting accessibility for both decision-makers and advocates.

EPIC aims to close this gap through our ongoing DWSRF Funding Tracker analysis of DWSRF Intended Use Plans (IUPs). [EPIC’s Funding Tracker](#) provides systematic analysis of [Texas’ DWSRF IUPs for State Fiscal Years 2022–2026](#). Federal law requires states to submit an IUP as a condition of receiving a DWSRF capitalization grant, and mandates that each IUP include both (1) a *fundable list* of projects expected to receive assistance in the current year, and (2) a *comprehensive list* of projects that may be considered for funding in the current or future cycles. In Texas, the Fundable List is reflected in the Initial Invited Project List, while the alphabetical and ranked lists serve as the Comprehensive Lists. EPIC interprets the fundable list as projects that have cleared the first hurdle toward an SRF award, and the comprehensive list as the full universe of applicants expressing interest in SRF funding.

Our DWSRF Funding Tracker work provides powerful insights into how funds are distributed and where gaps remain. Building from this evidence base, we offer the following recommendations to help ensure Texas’ DWSRF emerging contaminants program achieves its full potential for equitable and impactful investment.

SFY26 Recommendations to Improve Texas’ DWSRF EC Program

1. Clarify additional rating criteria points for small systems

Under Section IV of the Draft EC IUP, the TWDB states that it has updated the prioritization scoring criteria to “provide additional points for small systems.” However,

the proposed rating criteria appear to award only 15 points to small systems, compared to 30 points under the previous IUP. While small systems that qualify as disadvantaged communities (DACs) may receive up to 45 points under the proposed criteria, small systems that do not qualify as DACs would receive 15 fewer points than they did under the previous scoring system. **We encourage the TWDB to maintain the minimum allocation of 30 points for all small systems to ensure they are not de-prioritized under the revised prioritization framework.**

2. Adopt an integrated approach that allows high-ranking projects submitted under the LSLR or EC IUPs to be considered under the General Activities program

Currently, SRF applicants must apply separately under each IUP (General Activities, LSLR, or EC) even if they rank highly across multiple IUPs. This creates unnecessary administrative burdens, especially for small and under-resourced systems. These applicants often lack the capacity to prepare multiple applications for the same project, and, where a project is eligible to be funded under multiple programs (e.g., the state's General program as well as its EC program), applicants should not have to guess which one is most likely to meet its needs. Failure to automatically consider an applicant's eligibility across multiple programs also risks leaving available funds unspent if strong, shovel-ready projects are confined to narrower funding streams that may not have sufficient capacity to support them in a given year.

By allowing projects that have already undergone a full eligibility and ranking review in the EC or LSLR IUPs to "transfer" into the Base/General Supplemental program without a duplicate application, the state could: (1) reduce administrative burden on small and disadvantaged communities; and (2) Improve fund utilization by ensuring that high-priority projects are not left unfunded simply because they fall outside of the amount of funding restricted to a certain project type.

This is particularly pertinent this year, as there are over \$2.5 billion in costs associated with projects on the EC comprehensive list, yet only \$55.6 million available for projects. See **Image 1**.

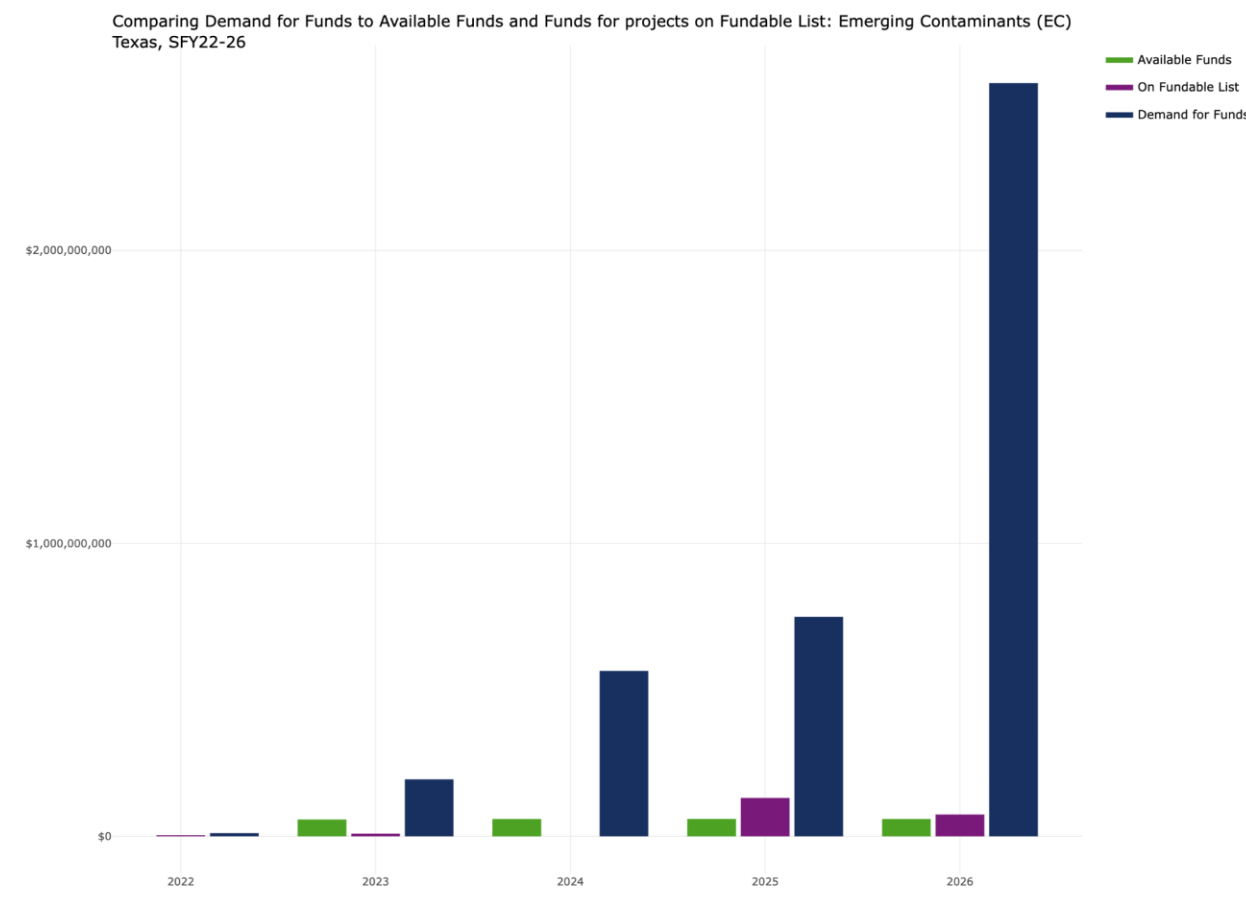


Image 1: Comparing demand to available funds and projects on the fundable list for the EC program – [click here](#) for an interactive version

One way Texas could implement this approach is that the state could establish a streamlined cross-referencing mechanism, whereby projects that meet all eligibility criteria in EC or LSLR and achieve a ranking score above a certain threshold are automatically reviewed for Base/General Supplemental funding.

3. Consider reducing set-asides from the EC program

As shown above there are significant EC program demands (see **Image 1**, above). There is also no evidence of carryover funds in the EC program, or a lack of program interest. We typically encourage states to utilize other set-asides before utilizing EC set-asides, as the EC program contains only principal forgiveness funding—unless there’s evidence of significant issues with securing a robust project pipeline, getting funds out the door, or evidence of small systems or DACs struggling to advance through the process—none of which we see here. However, Texas is not only utilizing set-aside from its EC program, but proposing increasing it during this funding cycle. Therefore, **we encourage the state to reconsider if set-asides, particularly from the Base or General Supplemental fed cap grants could instead be utilized to help support EC projects.**

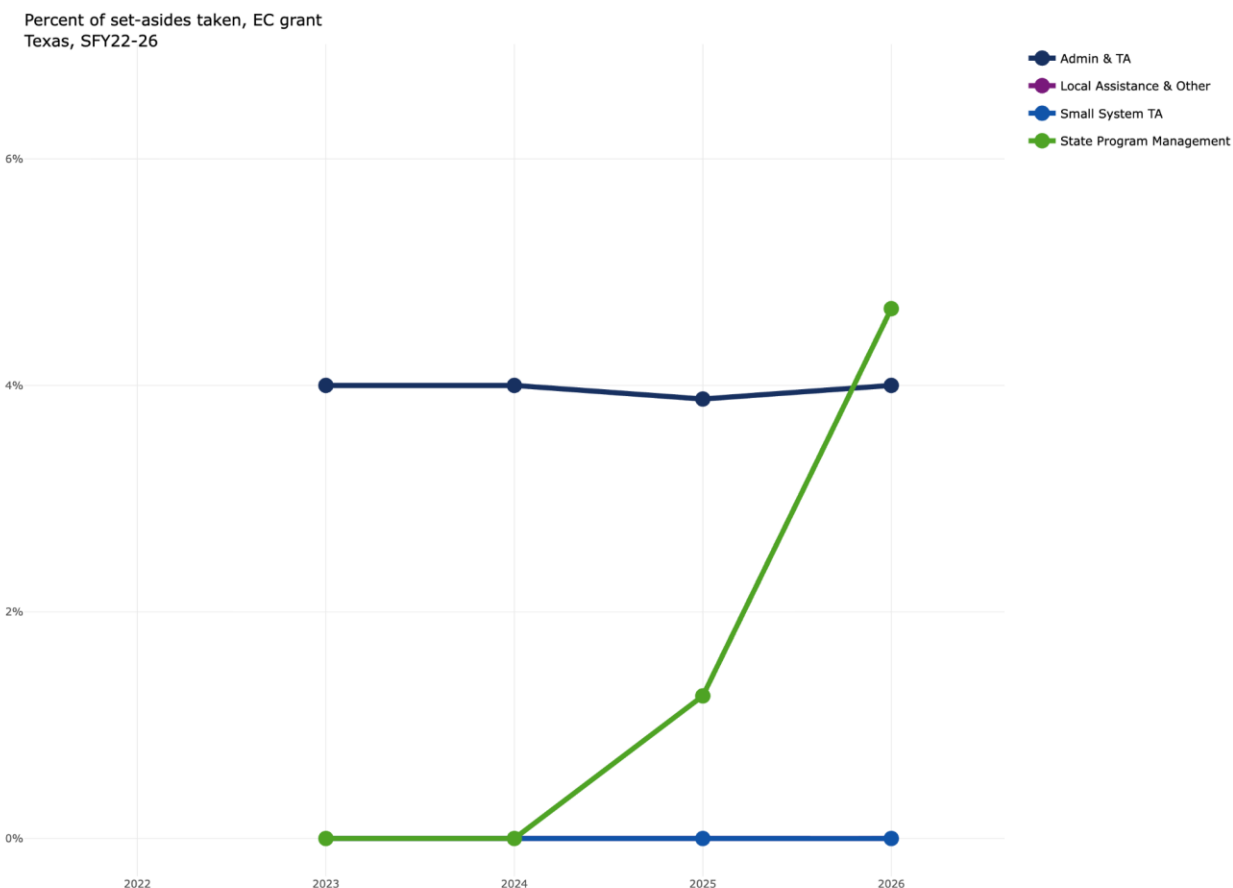


Image 2: EC program set-aside usage – [click here](#) for an interactive version

4. Improve program transparency by providing clear information on SRF policy decisions discussed in the IUP

Some policy decisions discussed in Texas' IUPs are unclear. This makes it hard to analyze which communities are benefitting from Texas' DWSRF and propose opportunities for improvement. **We encourage Texas to increase program transparency by clearly communicating funding decisions.** This includes, but is not limited to:

- **Provide accessible information on EC-SDC funding being available through the EC-DWSRF program**
 - We encourage the state to provide information in the sources and uses of funds table on the amount of funding available from the EC-SDC funds, as it is not clear how much funding is available for projects from this funding cycle from EC-SDC funds. Similarly, we
- **Clarify funds carried over versus funds available for projects**
 - It is unclear if Texas has consistently allocated all EC funds during each funding cycle. We encourage the state to provide information regarding

carryover funds if all funds were not committed from previous funding cycles.

- **Provide population information on the project lists**
 - We encourage the state to include population information on its EC project lists. Providing this information will allow us to analyze how small systems are advancing from the comprehensive lists to the fundable lists.
- **Provide expected funding amount in addition to total project cost on the fundable (invited) project list**
 - We encourage the state to add information regarding expected or anticipated funding amounts on its fundable lists. This is important because not all total project costs may be eligible or may meet the state's project caps.

Thank you for the opportunity to submit these comments. Please do not hesitate to reach out with any questions or comments, and we look forward to working with the TWDB in any way to help improve the state's water infrastructure programs.

Sincerely,

Danielle Goshen
Senior Policy Analyst, Water Infrastructure
Environmental Policy Innovation Center (EPIC)

Response:

Comment No. 1. Clarify additional rating criteria points for small systems.

Response: A change to the SFY26 DWSRF Emerging Contaminants IUP included separating out points for Disadvantaged Communities and Small Systems. Prior to the SFY26 IUP, disadvantaged communities and small systems received 30 points total. With the SFY26 IUP, communities meeting the disadvantaged criteria receive 30 points and small systems receive an additional 15 points.

Comment No. 2. Adopt an integrated approach that allows high-ranking projects submitted under the LSLR or EC IUPs to be considered under the General Activities program.

Response: The TWDB appreciates this comment regarding streamlining of project information forms (PIFs). TWDB encourages entities to submit to any and all programs in which their projects may be eligible for funding. Due to the narrow eligibilities of the EC programs, the TWDB encourages entities to submit to both the general program and the EC program. The DWSRF Emerging Contaminants PIFs and scoring criteria are slightly different than the DWSRF PIFs. Additionally, PIFs for the DWSRF must be received through the TWDB's Online Loan Application (OLA). The entity must complete the application process for any and all programs in order to be considered for the IUP.

Comment No. 3. Consider reducing set-asides from the EC program.

Response: The DWSRF Emerging Contaminant IUP uses the four percent set-aside to support TWDB administration activities. As noted within Section IX of the DWSRF Emerging Contaminant IUP, there is additional set aside for the Texas Department of State Health Services for laboratory improvements to support drinking water lab capacity for the PFAS sample analysis for Public Water Systems around Texas.

Comment No. 4. Improve program transparency by providing clear information on SRF policy decisions discussed in the IUP.

Response: Allocations from the EPA for the Emerging Contaminants for Small or Disadvantaged Communities (EC-SDC) were not included in the DWSRF Emerging Contaminants IUP sources and uses table but totals awarded were included in Section VI, Subsection B.

Funds are generally not carried over from previous years DWSRF Emerging Contaminants IUPs. Eligible projects not invited for the first round of funding under the submitted IUP are still eligible for subsequent rounds of invitations under the IUP. Previous DWSRF Emerging Contaminant IUPs all have initial invited lists that exceed the total available funding, indicating that funds have generally not been carried over.

Population information will be provided on the project lists.

Due to the limited eligibilities of the emerging contaminants program, the total project costs are often not completely eligible. However, an accurate eligible amount is not available at the IUP stage based on the limited information in the Project Information Form (PIF). During the application process, the TWDB receives more information regarding the project and can provide clarity to the entity on the exact amount of eligible funding available under the DWSRF Emerging Contaminants program.

Change:

Added system population totals on the project priority lists.

Comment Submitted by: Alison Hanson, Senior Project Coordinator / Dallas Water Utilities

Comment Date: July 24, 2026

Comment:

Section related to DWSRF Section VIII, Subsection E.

1. There is some ambiguity in the concept of a “project being ready to proceed to construction”. Would there be enough time between receiving funds and construction start to include procurement of required supplies and any pilot testing? Would there be a phased approach for large, complex projects?
2. BABA requirements should be respected. Is there a list of pre approved PFAS treatment technologies with known BABA compliance statuses? If so, could a link be included? The Texas Water Development Board Build America, Buy America Act Guidance does not include the specific materials such as GAC or ion exchange resins?

Section related to DWSRF Section VIII, Subsection F:

1. The sentence “Entities are required to participate in a pre-application meeting to discuss the application process and project requirements prior to submitting an application,” does not address what other items belong in an application. Could the application components be listed? 14 days seems like a quick turnaround, unless the application is almost entirely submitted before the Board approves the IUP. More communities may be encouraged to apply in the next cycle if the application process is clarified a little. Could you please clarify what “administratively complete” means? Does this mean contract in place, design package ready to award, or something else?
2. Project Information Forms are available on the TWDB website, could a link be added?

Section related to DWSRF Section VIII, Subsection G:

1. Does TWDB have an ideal amount in mind for the portion of the financial assistance relegated to Water Loss Mitigation? (i.e. 5% of the project funds must be spent on Water Loss Mitigation?)
2. Does TWDB have a specific criterion for “satisfactorily addressing the utility’s system water loss”?
3. Is there a section in the application which requests information on how the entity will spend the water loss mitigation funds.

Section related to DWSRF Section VIII, Subsection K:

1. “The TWDB may limit the amount of total funding available to an individual entity or project based on a proportionate share of total funds available.” Is there a specific formula for proportionate share? Is there a separate funding cap category for

regional or large system PFAS projects? Will there be consideration of population served when allocating principal forgiveness, and if so, how will it be considered?

Section related to DWSRF Appendix C. Ranking Criteria:

1. Could you include a description to indicate whether criteria 1.a—1.f are mutually exclusive? Or are they able to compound on each other?
2. Both criteria 1.a and 1.b describe PFAS exceeding MCL within one analytical sample. The language is ambiguous, because it only requires “one analytical sample, and does not account for how frequently the PFAS exceeds its MCL. Should there be a threshold for how often the exceedances occur to be eligible for funding?
4. Can the sample come from blended water, entry point water, or finished water?
5. Could a link to the PFAS maximum contaminant levels (MCLs) of the National Primary Drinking Water Regulation be added?
6. Regarding criterion 1.f, if pilot testing can be completed without construction costs and instead only costs related to materials and labor, how would the project be scored? Would there be an ability to receive planning/design funding while pilot testing continues?
7. Regarding applicant entity size, the large metropolitan systems are not included, though there is an implication that they receive no points. It seems like the scoring matrix is designed to address disadvantaged/rural communities, even though there are multiple funding options listed in section VI. Funding Options and Terms. PFAS contamination in large urban systems affects far more people, yet the scoring system does not reflect population level public health impact.

Response:

Comments for Section related to DWSRF Section VIII, Subsection E.

Response: The question relates to the Phases for Invited Projects. Procurement of equipment is generally considered part of the construction phase of the project. Pilot testing is generally considered part of the planning or design phase of the project. The TWDB strives to meet the goals of committing and closing funds in a timely and expeditious manner for projects. The Intended Use Plan’s description of “ready to proceed to construction” generally refers to construction-only projects that have met all planning and design requirements for the funding source.

The TWDB is not aware of any list of pre-approved Build America, Buy America (BABA) Act equipment.

Comments for Section VIII, Subsection F.

Response: The DWSRF program is a two-part application process: first, a project information form (PIF) is submitted for a project for review and ranking, then a complete application is submitted for approval by the TWDB. Only applicants invited to apply can submit a full application for the program. Applications are available for review on the TWDB’s website, under Program Guidance and Manuals

(<https://www.twdb.texas.gov/financial/instructions/index.asp>), the Financial Assistance Applications are forms TWDB-0148 (public entities) and TWDB-0150 (private entities). Entities are encouraged to begin the application process soon after receiving an invitation, prior to the pre-application meeting if possible, to allow time to prepare the application and ask questions. “Administratively complete” means that the application includes all required information, as noted in the forms (TWDB-0148 or TWDB-0150). After a project is deemed “administratively complete,” the technical review process begins. Please refer to the DWSRF Guidance document (TWDB-0115) for an overview of this process.

The Project Information Form (PIF) for the DWSRF Emerging Contaminants IUP is included on the website, but changes annually with each solicitation. In order to be included in the IUP, a PIF must have been submitted. The TWDB does not plan to include a link for the PIF within the IUP.

Comments for Section VIII, Subsection G.

Response: Water loss mitigation information is included on the application form (TWDB-0148 or TWDB-0150) and is required in accordance with §358.6 of Title 31, Part 10, Texas Administrative Code. Note that DWSRF-EC program funds cannot be used to address water loss mitigation unless it directly relates to emerging contaminants.

Comments for Section VIII, Subsection K.

Response: The DWSRF Emerging Contaminants IUP does not include any project or entity caps on funding. Funding is limited by the total amount of funding available from the capitalization grant.

Comments for Appendix C, Ranking Criteria.

Response: The criteria 1.a-f are mutually exclusive, as noted by the “or” after each description. The difference between criteria 1.a and 1.b is the number of exceedances within a singular sample; under Criteria 1.a., 25 more points are given if more than one PFAS compound exceeds the maximum contaminant levels (MCLs).

Laboratory sampling for emerging contaminants can be expensive and is generally not an eligible activity for reimbursement under DWSRF Emerging Contaminants program, therefore, TWDB does not require a certain number of samples or exceedances to be eligible for funding. Suggestions related to rating criteria will be considered, while taking into account the resources required to acquire the information that is required on applications, as not to create a burden on the applying systems that would harm their ability to submit an application for funding.

The TWDB does not clarify, or distinguish, the sample location within the SFY 2026 DWSRF Emerging Contaminants IUP. This will be considered for future IUPs.

Pilot testing can be included in either the planning/design phase (such as testing different treatment alternatives) or the construction phase (such as meeting requirements for final permitting or site-specific operational requirements). The scoring

under Criteria 1 presents various alternatives for projects addressing emerging contaminants; TWDB reviewed the project information form and awarded the most points based on the project description and provided information.

The DWSRF Emerging Contaminants program is 100% principal forgiveness. The TWDB scoring prioritizes disadvantaged, small, and rural communities for this limited funding. While larger communities also face challenges for addressing PFAS, they are typically more likely to have capacity for receiving financial assistance in the form of a loan or bond.

Change:

None.

Comment submitted by: Tom Entsminger, Policy Director / NWF Texas Coast & Water Program; Jacob Hupp Galveston Bay Foundation; Usman Mahmood Bayou City Waterkeeper

Comment Date: July 24, 2026

Comment:

Over the past five years, funds made available through the Infrastructure Investment and Jobs and (IIJA) have provided an important source of funding to protect public health and safety by addressing emerging contaminants and the replacement of lead service lines. SFY '26 marks the final year of IIJA appropriations, and while we appreciate that these activities remain eligible under the base SRF programs, we are concerned that a decline in SRF appropriations and state allotments will result in a diminished capacity to support the wide range of important activities eligible under these programs - particularly for disadvantaged communities. We encourage TWDB to communicate proactively with the state legislature and EPA regarding this funding cliff and to explore mechanisms, such as leveraging or additional subsidization within the base SRF program, to sustain support for emerging contaminant projects going forward.

The following comments include recommended improvements to the draft SFY '26 IUP's, but some are also applicable to the base SRF programs and should be items for consideration if targeted EC funding is made available again in the future.

Provide Clarity on Deadlines and Documentation Requirements for Closing on Assistance After completing an application process that typically involves a significant amount of administrative work in order to obtain a funding commitment from the Board, many applicants are caught off guard by the additional documentation required for closing. Although the need for closing deadlines may be supported by capitalization grant requirements and TWDB's workflow management needs, they can be perceived as overly strict from the applicant's perspective. The shortened 4 month closing timeline likely has a logical justification such as EPA requirements at the end of IIJA appropriations, but this is unclear based on the language in the IUP and additional context at this stage would allow prospective applicants to plan ahead more effectively. We recommend:

- Providing a brief explanation of the reason for a shorter closing deadline under Section IV: Significant Program Changes;
- Providing a brief explanation of the general need for closing deadlines under Section VIII (I): Closing Deadlines; and
- Including the full checklist of documentation required for closing as an Appendix.

Revise Disadvantaged Community (DAC) Thresholds

The current DAC definition (AMHI below 150% of state AMHI plus unemployment above 50% of state rate or declining population or small system status) creates an overly broad definition that may not effectively target communities most in need of assistance. Lowering the income threshold would help direct assistance toward communities that are more likely to struggle with project costs. We recommend:

- Lowering the AMHI threshold to 100% of the state AMHI ; and

- Adding consideration of additional socioeconomic factors such as:
 - Poverty rate;
 - Social Vulnerability Index; and
 - Percentage of household income spent on water services.

If not introduced as elements of the DAC criteria for EC funds, this data could be utilized for project prioritization to ensure valuable grant funds are directed to areas where they are needed.

Broaden Prioritization to Address Contaminants Other Than PFAS

While PFAS contamination is a critical concern and EPA's Maximum Contaminant Levels provide convenient thresholds for evaluation, EC funding is intended to address concerns related to a wider range of contaminants. A narrow focus on PFAS may indirectly exclude projects addressing other significant emerging contaminants identified in EPA's Contaminant Candidate Lists. We recommend a more balanced approach that better fulfills the program's intended purpose of addressing the full spectrum of emerging contaminants.

Allow Uninvited EC Projects to “Roll Forward” Into the Next General Activities IUP

Since EC projects are eligible for SRF General Activities funding, un-funded EC projects should be offered the opportunity to roll forward for consideration under the upcoming General Activities IUP's. The regular SRF programs are an important funding opportunity for Disadvantaged communities in particular, and re-submitting recent PIF information may present an unnecessary burden for important projects that have already been deemed eligible. We recommend including EC projects that did not receive an invitation to apply in the project rankings for the next General Activities IUP, and that TWDB clarify how project rankings and scoring will be preserved or adjusted for projects that roll forward, so that applicants understand whether updated cost estimates or other PIF materials must be resubmitted.

Optimize Utilization of Set-Asides

Given that EC funding is relatively limited but provides 100% principal forgiveness, it is important to dedicate as much of the available funding as possible for projects and technical assistance. We recommend:

- Using set-aside funds from the base SRF program to pay for administrative costs to maximize the amount of EC funding available to applicants; and
- Maximizing the use of funds available for technical assistance.

Thank You for Helpful Additions to the Project Priority List!

In our comments on the SFY '25 EC IUP, we suggested adding PIF numbers and identified contaminants to the Project Priority List. We deeply appreciate the inclusion of this information in the SFY '26 IUP's because it facilitates more accurate tracking of funding outcomes.

We appreciate the opportunity to comment on these IUP's and the work performed by TWDB staff in administering IJA funds over the past five years.

Sincerely,

Tom Entsminger National Wildlife Federation

Jacob Hupp Galveston Bay Foundation

Usman Mahmood Bayou City Waterkeeper

Response:

Comment No. 1. Provide Clarity on Deadlines and Documentation Requirements for Closing on Assistance.

Response: Closing requirement information and deadlines are located within the TWDB's guidance documents for the overall programs. This includes TWDB-0100 (Clean Water State Revolving Fund [CWSRF] Loan Program Guidance) and TWDB-0115 (Drinking Water State Revolving Fund [DWSRF] Loan Program Guidance). Reference to the guidance documents will be provided in the IUP.

Comment No. 2. Revise Disadvantaged Community (DAC) Threshold.

Response: When planning for future funding rounds for each program, the TWDB evaluates all rating criteria to ensure its effectiveness of meeting the goals of the program and the needs of Texas water systems. Suggestions related to rating criteria will be considered, while taking into account the resources required to acquire the information that is required on applications, as not to create a burden on the applying systems that would harm their ability to submit an application for funding.

Comment No. 3. Broaden Prioritization to Address Contaminants Other than PFAS.

Response: The EPA has indicated that PFAS are a priority emerging contaminant, and the points towards addressing PFAS, particularly the PFAS that exceed the maximum contaminant levels (MCLs), reflect overall goals for the program.

Comment No. 4. Allow Uninvited EC Projects to "Roll Forward" Into the Next General Activities IUP.

Response: TWDB encourages entities to submit to any and all programs in which their projects may be eligible for funding. Due to the narrow eligibilities of the EC programs, the TWDB encourages entities to submit to both the general program and the EC program. The DWSRF Emerging Contaminant Project Information Forms (PIFs) and scoring criteria are slightly different than the DWSRF PIFs. Additionally, PIFs for the DWSRF must be received through TWDB's Online Loan Application (OLA). While entities can apply to both programs, the PIF must be completed for both programs in order to be considered for the IUP.

Comment No. 5. Optimize Utilization of Set-Asides.

Response: Both Emerging Contaminant IUPs use the four percent set-aside to support TWDB administration activities. As noted within Section IX of the DWSRF Emerging Contaminant IUP, there is additional set aside for the Texas Department of State Health Services for laboratory improvements to support drinking water lab capacity for the PFAS sample analysis for Public Water Systems around Texas.

Change:

1. Added explanation as to the change towards a shorter closing deadline under Section IV: Significant Program Changes.
2. Added reference to guidance document under Section VIII, Subsection I Closing Deadlines.

Comment Submitted by: Ashley Boullioun

Comment Date: July 24, 2026

Comment:

The Brownsville Public Utilities Board Project Information Form identifies both PFAS and lithium as contaminants to be addressed by the proposed reverse osmosis treatment facility. Lithium is an emerging contaminant separate from PFAS, and the proposed project will remove lithium from finished drinking water in addition to PFAS.

Therefore, I respectfully request that TWDB award the 125 points available under Criterion 1d for projects that remove emerging contaminants other than PFAS from finished drinking water and revise the total project score accordingly.

Response:

The criteria 1.a-f are mutually exclusive, as noted by the “or” after each description in Appendix C. Therefore, Brownsville Public Utilities Board was given the higher points for addressing PFAS (criteria 1.a, 200 points) as opposed to only addressing lithium (criteria 1.d, 125 points).

Change:

None.



Drinking Water State Revolving Fund
Intended Use Plan
Emerging Contaminants Funding
SFY 2026
(FFY 2025 Allotment)

Draft June 2026

Table of Contents

Table of Contents.....	2
Acronyms	5
I. Overview.....	6
II. Background.....	6
III. Projects to Fund	7
A. Eligible Applicants.....	7
B. Eligible and Ineligible Use of Funds	7
IV. Significant Program Changes.....	8
V. Amount Available	9
A. Allocations / Amount Available	9
B. Allocation of Grant Funds, including Additional Subsidization:	9
VI. Funding Options and Terms	10
A. Funding Options Available:	10
B. Emerging Contaminants for Small or Disadvantaged Systems (EC-SDC).....	10
C. Federal Requirements on Available Funds	11
VII. Goals	11
A. Short-Term Goals	11
B. Long-Term Goals.....	11
VIII. Participating in the DWSRF Program	12
A. Solicitation of Project Information.....	12
B. Evaluation of the Project Information Received and Priority Rating System	13
C. Ranking and Creation of the Project Priority List	13
D. Bypassing Projects	13
E. Phases for Invited Projects	14
F. Invitations and Application Submissions	14
G. Addressing Any Water Loss Mitigation within the Application.....	15
H. Additional Coordination and Planning Requirements for Water Supply Conveyance Projects	16
I. Self-Certification for Certain Systems Serving 500 or Fewer Persons	16
J. Closing Deadlines	16
K. Limits	16
L. Funds from Prior Years.....	17
M. Updates to the Intended Use Plan	17

IX. Set-Asides	17
A. Texas Water Development Board Administration and Technical Assistance Activities	17
B. Texas Commission on Environmental Quality Activities	18
C. Coordination of Activities with the Texas Commission on Environmental Quality	18
D. Other Set-Aside Funds	18
X. Financial Status	18
A. State Match.....	18
B. Binding Commitment Requirement	18
C. Leveraging.....	19
D. Cross-collateralization.....	19
E. Method of Cash Draw	20
F. Long-Term Financial Health of the Fund.....	20
G. Fees	20
H. EPA Program Evaluation Report and Audit.....	20
XI. Navigating the Lists.....	21
Appendix A. Public Review and Comment.....	22
Appendix B. Projected Sources and Uses of Funds	23
Appendix C. Rating Criteria.....	24
Appendix D. Criteria to Determine Disadvantaged Community Eligibility	26
Appendix E. Federal Requirements and Assurances	28
A. Build America, Buy America Act, 2021	28
B. Davis-Bacon Wage Rate Requirements.....	28
C. American Iron and Steel (AIS)	28
D. Environmental Reviews	29
E. Generally Accepted Accounting Principles.....	29
F. Compliance with Cross-cutting Authorities	29
G. Financial, Managerial, and Technical (FMT) Capacity.....	29
H. Competency Statements.....	30
I. Compliance with Capacity Development Authority, Capacity Development Strategy and Operator Certification Program	30
J. Signage	31
K. Assurances.....	31
Appendix F. EC-SDC Requirements	32
A. Build America, Buy America Act, 2021	32
B. Davis-Bacon Water Rate Requirements.....	32

C. Environmental Reviews	32
D. Generally Accepted Accounting Principles	33
E. Compliance with Cross-cutting Authorities	33
F. Signage	33
G. Procurement	33
H. Assurances	33
Appendix G. Bypass Procedures	34
Appendix H. Project Priority List – Alphabetical	35
Appendix I. Alphabetical List of Ineligible Projects	41
Appendix J. Alphabetical List of Projects Ineligible as Disadvantaged Communities	42
Appendix K. Project Priority List – Rank	43
Appendix L. Project Priority List – Invited	44

Texas Water Development Board rules governing the Drinking Water State Revolving Fund program (Texas Administrative Code, Title 31, Part 10, Chapter 371) may be accessed online at https://texas-sos.appianportalsgov.com/rules-and-meetings?chapter=371&interface=VIEW_TAC&part=10&title=31

Acronyms

ACS	American Community Survey
AIS	American Iron & Steel
AMHI	Annual Median Household Income
BABA	Build America, Buy America Act, 2021
CCL	Contaminant Candidate List
CWSRF	Clean Water State Revolving Fund
DWSRF	Drinking Water State Revolving Fund
EC	Emerging Contaminants
EC-SDC	Emerging Contaminants in Small or Disadvantaged Communities
EPA	Environmental Protection Agency
FFY	Federal Fiscal Year
FMT	Financial, Managerial, and Technical
IJA	Infrastructure Investment and Jobs Act, 2021
IUP	Intended Use Plan
NEPA	National Environmental Policy Act
NPDWR	National Primary Drinking Water Regulation
PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
PIF	Project Information Form
PPL	Project Priority List
PWS	Public Water System
SDWA	Safe Drinking Water Act
SFY	State Fiscal Year
SRF	State Revolving Fund
TCEQ	Texas Commission on Environmental Quality
TWDB	Texas Water Development Board
TxDHS	Texas Department of State Health Services

I. Overview

The Infrastructure Investment and Jobs Act, 2021, Pub. L. 117-58 (IIJA) appropriated capitalization grant funds for Federal Fiscal Years (FFY) 2022 to 2026 to reduce exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants (EC) through drinking water and to help address discharges through wastewater and, potentially, nonpoint sources.

This Intended Use Plan (IUP) covers the DWSRF capitalization grant funds allocated to Texas from FFY 2024 appropriations in the amount of \$60,914,000. The appropriations require the entire amount allocated to project funding be provided as additional subsidization, which will be in the form of principal forgiveness. A total of \$55,628,040 is available for projects under this IUP as principal forgiveness. Per the IIJA, not less than 25 percent of the project funds must be provided to disadvantaged communities or public water systems serving fewer than 25,000 people.

For a project or activity to be eligible for funding under this appropriation, it must be otherwise DWSRF eligible and **the primary purpose must be to address emerging contaminants in drinking water**. The focus will be on projects addressing PFAS, however, the program may fund as a lower priority projects for any contaminant in any of the U.S. Environmental Protection Agency's (EPA) Contaminant Candidate Lists (CCL).

If EPA has promulgated a National Primary Drinking Water Regulation (NPDWR) for a contaminant, then a project whose primary purpose is to address that contaminant is not eligible for funding under this appropriation, with the exception of PFAS. For example, a project for which the primary purpose is to address arsenic or nitrate in drinking water is not eligible because arsenic and nitrate are regulated under the NPDWRs. (Note: A project to address arsenic or nitrate is eligible and prioritized under the Texas Water Development Board's (TWDB) regular DWSRF program.)

EPA established a NPDWR for six PFAS on April 10, 2024. PFAS-focused projects are still eligible for funding under this appropriation and are prioritized.

This DWSRF-EC IUP supports the EPA's initiative Pillar 1: Clean Air, Land, and Water for Every American. By working with entities to address emerging contaminants in water and provide safe water supplies, the program supports the EPA's mission on protecting human health and the environment.

II. Background

In 1996 Congress passed federal amendments to the SDWA that established the DWSRF program. The TWDB is authorized by state law to administer this program for Texas.

The TWDB is the financing agency for the DWSRF and has a contractual relationship with the state's primacy agency, the Texas Commission on Environmental Quality (TCEQ), to perform DWSRF activities. TCEQ performs DWSRF activities that include state program management, small systems technical assistance, assessments for ground water sources, source water technical assistance, sanitary surveys, complaint investigations, enforcement

activities, disaster assistance, and implementation of the State of Texas approved Capacity Development Strategy.

The IIJA appropriated supplemental capitalization grant funds for Federal Fiscal Years (FFY) 2022 to 2026 for general activities, lead service line replacement, and emerging contaminants.

The IIJA also included funds for the Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) grant program, which focuses on addressing emerging contaminants, including PFAS, in drinking water served by public water systems in small communities (population less than 10,000 and unable to incur debt sufficient to finance the project) or disadvantaged communities. The EC-SDC program is intended to complement the DWSRF-EC program funding. The definition of disadvantaged communities is the same for both DWSRF-EC and EC-SDC, as noted in Appendix D.

On April 10, 2024, the EPA issued drinking water standards for PFAS. This rule sets limits for five individual PFAS: PFOA, PFOS, PFNA, PFHxS, and HFPO-DA (also known as “GenX Chemicals”). The rule also sets a limit for mixtures of any two or more of four PFAS: PFNA, PFHxS, PFBS, and “GenX chemicals.” Projects focused on addressing PFAS are eligible for this funding.

III. Projects to Fund

A. Eligible Applicants

Applicants eligible to apply for assistance are:

- Existing community Public Water Systems (PWSs) including political subdivisions, nonprofit water supply corporations and privately-owned community water systems
- New community PWSs, created to address unsafe drinking water provided by individual (i.e. privately-owned) wells
- Non-profit, non-community public water systems
- State agencies

B. Eligible and Ineligible Use of Funds

The primary purpose must be to address emerging contaminants in drinking water with a focus on PFAS. Projects that address any contaminant listed on any of EPA’s CCL are eligible. See EPA webpage for details on the drinking water contaminants on the CCL - <https://www.epa.gov/ccl>

1. Examples of **eligible** project costs include planning, acquisition, design, and construction of projects for:
 - Emerging contaminants costs associated with the construction of a new treatment facility or upgrade to an existing treatment facility that addresses emerging contaminants. This will be limited to only those costs directly related to treatment or removal of emerging contaminants. If a new treatment facility is proposed, processes not directly related to emerging contaminants could be deemed ineligible for funding or only partially funded under this program.

Partial funding is calculated at a percentage equal to the eligible costs divided by the total proposed project cost.

- Development of a new source (i.e., new/replacement well or intake for a public water system) that addresses an emerging contaminant issue.
- Consolidation with another water system that does not have emerging contaminants present or has removal capability.
- Costs for planning and design and associated pre-project costs.
- Infrastructure related to pilot testing for treatment alternatives.
- Creation of a new community water system to address unsafe drinking water provided by individual (i.e., privately-owned) wells or surface water sources.

All projects funded through the DWSRF must be consistent with the most recently adopted TWDB State Water Plan.

2. Examples of **ineligible** project costs include:
 - If the primary purpose is not to address emerging contaminants in drinking water.
 - Related costs in an emerging contaminant project that do not directly address treatment or removal of the contaminant. This includes parts of the project involving other treatment processes, collection and distribution, or other activities.
 - If the primary purpose is to address a contaminant that is regulated under EPA's National Primary Drinking Water Regulation (NPDWR), with the exception of PFAS.
 - Routine or compliance water monitoring.
 - Identifying sources of emerging contaminants.

IV. Significant Program Changes

Significant program changes from the previous year's IUP are highlighted below.

1. The project prioritization scoring criteria has been updated to (1) establish as a strategy category projects proposing change in water supply, (2) provide additional points for small systems, and (3) align the definition of "rural" with the Texas Water Code.
2. All commitments must close within four months to align with the closing date on the DWSRF Intended Use Plan and to help the program meet timely and expeditious commitment of funds.
3. Funds that may become available through unobligated previous grant funds, or deobligation or closure of previous commitments will be available for eligible projects under this IUP.
4. Additional coordination and planning requirements apply for water supply conveyance in accordance with the Texas Water Code.

V. Amount Available

A. Allocations / Amount Available

A total of \$55,628,040 is available for projects under this IUP, all in the form of principal forgiveness. No origination fees will be assessed.

B. Allocation of Grant Funds, including Additional Subsidization:

	Emerging Contaminants	% of Grant
DWSRF IIJA FFY 2026 Allotment	\$60,914,000	
Less TWDB Administrative Set-Aside	\$2,436,560	4%
Less TCEQ State Management Program Set-Aside	\$2,849,400	4.7%
Total Set-Aside Amount	\$5,285,960	8.7%
Total Principal Forgiveness Allocated to Projects	\$55,628,040	91.3%

Note: Funding from the Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) EPA Grant Program may be awarded to projects from this IUP. Activity related to funding from that grant program will be made available in the Annual Report.

VI. Funding Options and Terms

Equivalency projects (Federal Requirements) - All projects invited under DWSRF-EC will be considered equivalency projects, which must follow all federal requirements commonly known as “cross-cutters.” More information on the federal cross-cutters may be found in Appendix E.

A. Funding Options Available:

Entities listed on the Project Priority Lists (PPLs) may be invited to apply for one or more of the following funding options. All funding options offer 100 percent principal forgiveness for eligible activities.

1. Disadvantaged Community or Small Systems Funding

An entity is considered an eligible disadvantaged community if it:

- 1) may have emerging contaminants,
- 2) 51 percent or more of the proposed project beneficiary area based on household connections has an Annual Median Household Income (AMHI) level that does not exceed 150 percent of the state’s AMHI level. The state AMHI from the U.S. Census 2020-2024 American Community Survey (ACS) 5-year estimate is \$78,476; therefore, the AMHI of the proposed project beneficiary area must not exceed \$117,714, and
- 3) the unemployment rate for the project beneficiaries is greater than 50 percent of the state unemployment rate (state employment rate of 5.27 percent), or the population has declined, or the utility is a small system with 25,000 or fewer connections for the applicable utility service.

Small Systems are defined as public water systems serving fewer than 25,000 people.

2. Other emerging contaminant project funding

This funding is available to any eligible recipient.

B. Emerging Contaminants for Small or Disadvantaged Systems (EC-SDC)

The IIJA included the Emerging Contaminants for Small or Disadvantaged Systems (EC-SDC) grant program, which focuses on addressing EC’s, including PFAS, in drinking water served by PWS in small communities (population less than 10,000) or disadvantaged communities. The EPA awarded TWDB federal EC-SDC grant funds of \$110 million in FFY2022 and FFY2023 and \$59 million for FFY2024. The EC-SDC program is intended to complement the DWSRF-EC funding to support projects addressing emerging contaminants in drinking water for small or disadvantaged communities. Disadvantaged communities is defined in Appendix D. Funding is through a separate grant under the EC-SDC program (and not principal forgiveness). Generally, all cross-cutting requirements and Build America, Buy America (BABA) apply to the EC-SDC program, see Appendix F.

C. Federal Requirements on Available Funds

All funds are subject to federal requirements such as Davis-Bacon Act prevailing wages ([DB-0156](#)) and Build America, Buy America ([TWDB-0559](#)). These DWSRF-funded projects must follow all federal “cross-cutter” requirements and EPA’s signage requirements. These requirements are outlined in Appendix E.

VII. Goals

The primary goal of the Texas DWSRF program is to improve public health protection. In addition, the overall goals of the Texas DWSRF program are to identify and provide funding for maintaining and/or bringing Texas’ PWSs into compliance with the SDWA; to support affordable drinking water and sustainability; and to maintain the long-term financial health of the DWSRF program fund. Goals specific to the emerging contaminants funding in this IUP are listed below.

A. Short-Term Goals

1. Fund eligible project proposals to address emerging contaminants as identified on the EPA’s CCL and include PFAS, up to the amount of funding available.
2. Prioritize proposals that have identified and will address PFAS.
3. Prioritize project proposals that request construction funding.
4. Provide outreach to systems within Texas on the availability of this funding to address emerging contaminants.

B. Long-Term Goals

1. Use the emerging contaminant grant funds provided to Texas to fund project proposals to address identified emerging contaminants projects eligible for assistance with an ongoing priority for addressing PFAS.
2. To the extent eligible project proposals are received, use all the emerging contaminant funds allotted to Texas to improve public health and enhance the objectives of SDWA.
3. The TWDB and the TCEQ will collaborate on the deployment of these funds in a manner that will provide the most benefit to public health and ensure compliance with the requirements of SDWA.

VIII. Participating in the DWSRF Program

A. Solicitation of Project Information

Project information was solicited from eligible entities across the state using direct emails, notices posted on the TWDB website, and financial assistance workshops held throughout the State. Potential applicants submitted PIFs by the response deadline in Appendix A.

The required information submitted on a PIF consisted of:

- A detailed description of the proposed project.
- A list of the emerging contaminants that the project will address (if emerging contaminants have been identified, applicant needed to provide documentation of the presence).
- A map(s) showing the location of the service area.
- An estimated total project cost that is certified by a registered professional engineer from the state of Texas for project costs greater than \$100,000.
- A checklist and schedule of milestones to determine a project's readiness to proceed to construction.
- Information necessary to rank the project:
 - (a) Whether there are identified perfluoroalkyl and polyfluoroalkyl substances (PFAS) that will be addressed by the proposed project
 - (b) Whether there are other identified emerging contaminants on any of EPA's Contaminant Candidate Lists (CCLs) that will be addressed by the proposed project.
 - (c) Whether there is any proposed monitoring for the specific purpose of project development (planning, design, and construction). Note regular operations & maintenance monitoring is ineligible.
 - (d) Whether the proposed project requests funds for the construction phase.
 - (e) Whether the project will provide first-time service to connections currently un-served by a public water system that have found emerging contaminants in their current source of water.
 - (f) Whether the project will facilitate consolidation of one or more water systems that have identified a presence of emerging contaminants into another water system that does not have emerging contaminants or has removal capability.
 - (g) Whether the project provides centralized treatment within one or more water systems that have identified a presence of emerging contaminants.
 - (h) Project beneficiary area's Annual Median Household Income (and if seeking disadvantaged community status, all the required information).
 - (i) Project beneficiary area's unemployment rate.
 - (j) Project beneficiary area's population change percentage.
 - (k) System size – number of connections and people served.
- Signature of the applicant's authorized representative.
- Additional information detailed within the solicitation for projects as needed to establish the priority rating.

Any survey being used for income determination must be completed within five years of the date the TWDB receives the PIF. Refer to the TWDB's guidance document Socioeconomic Survey Guidelines (WRD-285) for further information.

B. Evaluation of the Project Information Received and Priority Rating System

All PIFs are evaluated by TWDB staff and projects eligible for funding are scored and ranked according to the established rating criteria provided in Appendix C. The scores are based on information received by any established PIF deadline. Throughout the evaluation process, entities are contacted by staff if additional information is needed.

C. Ranking and Creation of the Project Priority List

Each project submitted by the initial deadline and determined to be eligible is ranked from highest to lowest by the combined rating factors and included on the PPL. In the event of ties in the rating, priority is given to the project serving the fewest connections.

Project information submitted after the PIF deadline is not considered for rating purposes prior to adoption of the initial PPL; PIFs received after the deadline will be added to the bottom of the PPL in the order received after the initial approval of the IUP.

Following approval of the IUP, changes to a ranked project that result in a project no longer addressing the issues for which it was rated will require the project to be re-rated and re-ranked. Changes in the project that do not trigger re-rating and re-ranking are:

1. The applicant for a proposed project changes but the project does not change;
2. The number of participants in a consolidation project changes and the change does not result in a change to the combined rating factor; or
3. The fundable amount of the proposed project does not increase by more than 10 percent of the amount listed in the approved IUP. The Executive Administrator may waive the 10 percent limit to incorporate additional elements to the project.

Based on a review of readiness to proceed to construction, the TWDB determined which phases would be eligible to receive funding. The phases indicated on the TWDB invitation represent the phases deemed eligible based on that review. In general, if the complete project is not funded solely by the DWSRF-EC Program, it is recommended that funds from this program cover the initial phases of the project (e.g., planning and design).

D. Bypassing Projects

The TWDB's Executive Administrator may decide to bypass, or skip, higher ranked projects in favor of lower ranked projects to ensure that funds available are utilized in a timely manner and that statutory and capitalization grant requirements are met, including the 25 percent requirement for disadvantaged communities or small systems. In addition, if an entity is offered funding for any project that has an

interrelated project ranked lower on the list, the Executive Administrator has discretion to also offer funding for the interrelated project. If an entity has multiple projects, projects may be bypassed to allocate funds to more than one entity. Reasons for bypassing projects are discussed in Appendix F.

E. Phases for Invited Projects

1. Pre-Design Funding Option (or Planning, Acquisition, Design and Construction Funding)

The pre-design funding option allows an applicant to receive a single commitment for all phases of a project. The construction portion of the project must be deemed ready to proceed before funds for the construction phase will be released. Acquisition costs could be eligible in proportion to the eligible project costs.

2. Construction Funding Only

Projects that were determined to be ready to proceed to construction based on the current status of their planning, acquisition, and design activities.

3. Planning, Acquisition, and Design

A project that was not deemed ready to proceed with construction may receive an invitation to fund only the Planning Acquisition, and/or Design portion of the project. Acquisition costs could be eligible in proportion to the eligible project costs.

4. Viability and Feasibility of Projects

A project must demonstrate to the TWDB that it is viable, feasible, and sustainable prior to being invited to submit an application and prior to receiving a commitment for any funding option, including additional subsidization/principal forgiveness, for the acquisition, design or construction phases of the project. A project may receive funds for the planning phase to assess the viability and feasibility of a project.

F. Invitations and Application Submissions

The TWDB will invite certain entities on the PPL to submit an application for the project phases shown on the list using the available funding options. An entity on the list may not submit an application until it receives an invitation from TWDB. The TWDB will consider the need to meet the minimum federal additional subsidization requirements when deciding whether it needs to bypass projects on the PPL.

Intent to Apply

As part of the invitation process the TWDB may require the applicant to submit an intent to apply form or information by a specified deadline showing the applicant's intent to request up to the eligible amount of funding in the IUP. **Failure to submit the requested intent to apply information by the established deadline will result in the TWDB bypassing the project on the IUP list.** Bypassed projects are not considered for funding during the remainder of the funding cycle unless funds remain after inviting other eligible projects from the IUP list.

Applicants that submit an accepted Intent to Apply are invited to a pre-application meeting. Entities are required to participate in a pre-application meeting to discuss the application process and project requirements prior to submitting an application. Invited applications from projects on the PPL that are received during the initial invitation round after Board approval of the IUP will be allotted available funds based on rank order. All projects must be determined administratively complete as submitted or within 14 days from the date the applicant receives a notice to correct deficiencies or the project will be bypassed.

Each application received by the TWDB will be reviewed to ensure that the required milestones have been met to allow funding of the phase(s) being requested. If the application review determines that a project is not ready to proceed for funding for the phase(s) being requested, the project may be bypassed for any additional subsidy amounts or receive limited phases of funding.

Projects may be bypassed if an applicant fails to submit a complete application or additional requested information within a timely manner.

Deadline for Receipt of Invitation

The TWDB will establish a deadline for receipt of the application. If the application is not received by the established deadline, the project will be bypassed.

Subsequent Invitations

TWDB may invite additional projects to submit if any funds remain unallocated after an initial invitation. Applicants may submit a PIF at any time for a project to be considered for inclusion on the amended PPL. The new projects will be considered after those on the original PPL list have been invited. Amendments to the project lists will undergo a 14-day public review period that will be advertised on the agency website. The TWDB may invite projects that did not receive funding from previous board approved IUPs to submit a financial assistance application for this IUP, if the capacity of this IUP exceeds the requested amount of funding for PIFs submitted.

G. Addressing Any Water Loss Mitigation within the Application

If an applicant that is a retail public utility providing potable water has a water loss that meets or exceeds the threshold for that utility in accordance with §358.6 of Title 31, Part 10, Texas Administrative Code, the retail public utility must use a portion of any financial assistance received from the DWSRF, or any additional financial assistance provided by the TWDB, to mitigate the utility's water loss. Due to the limited eligibility of the project activity expenses that can be reimbursed through the DWSRF-EC program, and at the request of a retail public utility, the TWDB may waive this requirement if the TWDB finds that the utility is satisfactorily addressing the utility's system water loss. Mitigation, if necessary, will be determined by the retail public utility and the TWDB's Executive Administrator in conjunction with the project proposed by the utility and funded by the TWDB. Note that DWSRF-EC program funds cannot be used to address water loss mitigation unless it directly relates to emerging contaminants.

H. Additional Coordination and Planning Requirements for Water Supply Conveyance Projects

In accordance with the passing of Senate Bill 7 during the 89th Texas Legislature, which amended Chapter 6, Subchapter H of the Texas Water Code, projects involving the development of infrastructure to transport water that is made available, considerations must be included in the project planning phase to reduce the necessity of exercising the power of eminent domain to obtain interest in real property by using existing transportation and utility easements.

I. Self-Certification for Certain Systems Serving 500 or Fewer Persons

The Water Infrastructure Improvements for the Nation Act (Public Law 114-322) requires DWSRF assistance recipients serving 500 or fewer persons to consider publicly-owned wells (individual, shared or community) as an option for their drinking water supply. Any applicable project involving the construction, replacement or rehabilitation of a drinking water system which is not already using a publicly-owned well for the source are required to self-certify. If the community already uses a publicly-owned well (including a privately-owned well for a public water system) and the project does not involve a new water source, then the self-certification is not needed. The self-certification is only for projects which do not involve a publicly-owned well source to ensure that this was one of the water supply options considered but not selected as the best alternative.

J. Closing Deadlines

All commitments must close within four months from the date of the commitment. Please refer to the Drinking Water State Revolving Fund Program Guidance (TWDB-0115) for information about the closing process and required documents. In extenuating circumstances, the Board may grant extensions of time to close if an applicant demonstrates sufficient reason for a delay. The TWDB may extend these closing deadlines if necessary to conform to the closing schedule for concurrent financing for the project from another TWDB financing program.

Type of Financial Assistance	Closing Deadline
All commitments	4 months

K. Limits

1. Proportionate Share/Capacity

The TWDB may limit the amount of total funding available to an individual entity or project based on a proportionate share of total funds available.

2. Additional Project Funding Before Closing

The total project costs may be increased if the entity shows that additional funds are necessary to implement the project and such funds are available.

3. Transfer of Funds

Similar to the regular/base grants, the TWDB may transfer IIJA funds between the DWSRF emerging contaminants account and the Clean Water State Revolving Fund (CWSRF) emerging contaminants account, or vice versa, in an amount up to thirty-three percent (33 percent) of the DWSRF IIJA emerging contaminants Grant Amount, or \$20,101,620. The TWDB is not proposing any transfer any funds between the CWSRF emerging contaminant program and the DWSRF emerging contaminants program in this IUP; However, the TWDB reserves the authority for transferring funds in the future.

L. Funds from Prior Years

Additional funds that may become available through unobligated previous grant funds, or deobligation or closure of previous commitments will be available for eligible projects under this IUP.

M. Updates to the Intended Use Plan

Substantive changes to the IUP may be made through an amendment after a 14-day public review and comment period. Non-substantive changes may be made by the TWDB without public notification.

IX. Set-Asides

Federal regulations allow states to set aside up to 31 percent of the capitalization grant funds for purposes other than financing construction projects for water systems. The set asides for the FFY 2025 capitalization grant for emerging contaminants will be allocated as shown below.

A. Texas Water Development Board Administration and Technical Assistance Activities

The SDWA allows a state to set aside funds to cover the reasonable costs of administering the DWSRF and to provide technical assistance to public water systems. The amount that may be taken for these purposes is the amount of any fees collected by the State, regardless of the source; and the greatest of (1) \$400,000, (2) one-fifth of one percent of the current valuation of the DWSRF (both loan and set-asides), and (3) an amount equal to four percent of all grant awards to the DWSRF for the particular fiscal year.

The TWDB will draw administrative and technical assistance set-asides from the FFY 2025 Capitalization Grant in the amount of \$2,436,560. This amount is based on the option of using four percent of the original FFY 2025 DWSRF capitalization grant allotment. These funds will be used for allowable expenses such as reporting activities, payment processing, application assistance, project development and monitoring, and technical assistance to public water systems.

Federal regulations governing the DWSRF program permit a state to reserve its authority to take an amount equal to 4 percent of the current year's grants from a

future grant to defray the cost of administering the program. The TWDB, as it has done since SFY 1998, is reserving that authority.

B. Texas Commission on Environmental Quality Activities

Funds from the FFY 2025 IIJA Emerging Contaminants Appropriations may be used for TCEQ Set-Aside activities. The TCEQ has elected to use \$1,849,400 to support a Texas Department of State Health Services (TxDSHS) project to renovate existing laboratory space and purchase essential instruments and infrastructure necessary to operate those instruments to support drinking water lab capacity for Per- and Polyfluoroalkyl Substances (PFAS) sample analysis for Public Water Systems (PWS) across the State of Texas on behalf of TCEQ's Public Water System Supervision Program (PWSSP). Additionally, the TCEQ has elected to use \$1,000,000 to support state program management activities related to emerging contaminants. These activities included, but are not limited to, performing data aggregation and risk assessment of PWS, conducting the sampling and analysis of emerging contaminants at PWS, providing education and technical guidance to PWS regarding emerging contaminants, and reviewing plans and specifications of facilities and treatment associated with emerging contaminants. IIJA Emerging Contaminant grant funds from the 10 percent State Program Management Set Aside may be used in SFY 2026. A detailed description of the SFY 2026 activities may be found in the TCEQ's DWSRF-EC Set Aside Work Plan.

C. Coordination of Activities with the Texas Commission on Environmental Quality

The TWDB and the TCEQ regularly communicate to discuss projects in need of financial assistance through the DWSRF program. The two agencies hold periodic DWSRF coordination meeting and TCEQ staff attend many of TWDB's pre-application meetings and financial assistance workshops.

D. Other Set-Aside Funds

All other set-aside authority from the grants is reserved.

X. Financial Status

The TWDB will comply with the requirements associated with the FFY 2025 allotments under this SFY 2026 IUP.

A. State Match

No state match is required for the emerging contaminant grant funds.

B. Binding Commitment Requirement

The TWDB will enter into binding commitments with entities during SFY 2026 that total the amount of a FFY 2025 grant payment allocated to projects within one year

after the receipt of the grant payment. A binding commitment occurs when the TWDB's Board adopts a resolution to commit funds to a project.

C. Leveraging

The DWSRF program will be leveraged as necessary to provide funds to meet the needs of public water systems in the state. The TWDB does not anticipate leveraging the emerging contaminant grant funds at this time.

D. Cross-collateralization

On March 1, 2018, the TWDB has cross-collateralized the CWSRF and the DWSRF as a source of revenue and security for the payment of the principal and interest on bonds for the DWSRF and CWSRF programs. State authority is provided under Section 15.6042 of the Texas Water Code. The TWDB has received a certification from the state Attorney General that state law permits the TWDB to cross-collateralize the assets of the CWSRF and the DWSRF. Cross-collateralization of the CWSRF and DWSRF will enhance the ability of the DWSRF to leverage its funds and increase its lending capacity without detriment to either of the SRF programs.

1. Summary of the cross-collateralization structure:
 - a. The type of moneys which will be used as security – Pledged Political Subdivision Bonds and certain other funds included in the Master Resolution (program account, portfolio account, and revenue account) will secure the bonds.
 - b. How moneys will be used in the event of a default - In the cross-collateralized scenario, Political Subdivision Bonds from the non-defaulting program will be used to cover the debt service delinquency on the defaulting program. If, for any reason, insufficient Political Subdivision Bonds exist in both programs, then program equity will be utilized.
 - c. Whether or not moneys used for a default in the other program will be repaid; and, if it will not be repaid, what will be the cumulative impact on the funds. While a decision to repay or not repay would be made at the time of default, the TWDB would either require repayment when funds are available or transfer repayment funds.
2. Proportionality – The proceeds generated by the issuance of bonds will be allocated to the purposes of the CWSRF and the DWSRF in the same proportion as the assets from the two funds that are used as security for the bonds.
3. State Match – In accordance with Texas Water Code §§ 17.853(c)(1) and 17.859, the TWDB intends to provide state match through the issuance of one or more revenue bonds in a program series that will fund the two SRF programs. Supplemental bond resolutions for the issuance of each series will provide detail on what specific money is pledged as security for each program (CWSRF or DWSRF) within the series. As required, the CWSRF and DWSRF will continue to

be operated separately. The cash flows for the DWSRF program and the CWSRF program will be accounted for separately. Repayments on loans in the CWSRF program will be paid to the CWSRF and repayments on loans made in the DWSRF program will be paid to the DWSRF.

Similar to other states' financing methods where state match is not provided by appropriation and is instead generated through debt issuance, the TWDB cross-collateralization structure allows the TWDB to retire bonds for the State Match with interest earnings payments only, not principal, earned from each SRF in accordance with 40 CFR § 35.3550(g)(3).

E. Method of Cash Draw

There is no state match, and the EPA has revised its cash draw policy as described in "Class Exception from the Clean Water and Drinking Water State Revolving Fund Cash Draw Rules", dated November 18, 2022. Therefore, TWDB will draw federal funds using acceptable evidence of expenditures.

F. Long-Term Financial Health of the Fund

The long-term financial health of the DWSRF is monitored through ongoing cash flow and capacity modeling. The TWDB lending rate policy has been established to preserve the corpus of the capitalization grants and state match funds, excluding the amount of additional subsidization, set-aside amounts from each grant, and net transfers. The TWDB will continue to manage the DWSRF to ensure funds will be available in perpetuity for activities under the SDWA.

G. Fees

No origination fee will be assessed on project financing.

H. EPA Program Evaluation Report and Audit

The EPA has conducted an annual program review of the DWSRF program for SFY 2024 in April 2025. The final EPA Program Evaluation Report related to the DWSRF program in SFY 2024 is not yet available. The TWDB will provide status updates within the SFY 2025 Annual Report for any recommendations or action items following the receipt of a final EPA Program Evaluation Report. The annual program review report from the EPA for SFY 2023 was delivered to the TWDB in January 2025. The EPA made the following recommendations: (1) utilize funds in the DWSRF and CWSRF fee accounts at a faster pace; (2) perform annual program-specific financial audits for the DWSRF program; (3) ensure compliance with Executive Order 13690 regarding the National Floodplain Risk Management Standard; (4) meet the minimum additional subsidization requirements; and (5) meet the binding commitments requirements following receipt of capitalization grants. The TWDB continues to implement strategies to address these recommendations and has provided status updates within the SFY 2025 Annual Report.

The Texas State Auditor's Office published the results of the SFY 2025 Single Audit of the DWSRF on February 20, 2026 (Report 26-318). There were no findings as a result of the review.

XI. Navigating the Lists

Appendices H – L are a series of lists that detail the proposed project information of each project based upon the PIFs received.

- **Appendix H** - The alphabetical list is the PPL sorted alphabetically. It contains the project information; the name of the applying entity, their total number of points and associated priority order rank, the system's PWS ID number, the total population based on TCEQ data, a detailed description of the proposed project, all project phases requested by the entity, and total project cost. A grand total for all of the projects is listed on the last page of the appendix.
- **Appendix I** – Projects that were deemed ineligible to receive DWSRF-EC funding with a brief description as to why they were deemed ineligible.
- **Appendix J** – Projects that were deemed ineligible to receive disadvantaged funding with a brief description as to why they were deemed ineligible. The project may still be eligible to receive other funding options.
- **Appendix K** – Lists projects in order of highest priority to receive funding. The content is the same as the alphabetical list in Appendix G.
- **Appendix L** – Lists the invited projects. The content in this list is similar to the alphabetical and priority order lists.

Appendix A. Public Review and Comment

Public Participation in the Development of the Intended Use Plan

Public participation is an important and required component of the IUP development process. The TWDB takes seriously its responsibility in administering these funds and considers public input necessary and beneficial.

A. Notice

To seek public comment, the draft IUP including the Project Priority List was made available until July 24, 2026. The draft FFY 2025/SFY 2026 DWSRF Emerging Contaminants IUP was announced as follows:

- Public notification of the draft IUP and the public comment period was posted on the TWDB website at www.twdb.texas.gov.
- A copy of the draft IUP was sent to the EPA after being published for public comment.

B. Comment

Comments were accepted via the following options from June 24, 2026, until midnight on July 24, 2026.

1. Attending a public hearing on June 25, 2026, at 11:00 A.M. at the Stephen F. Austin State Office Building, Room 172, in Austin, Texas.
2. Completing a Public Comment Microsoft Form online.

C. Effective Date

The FFY 2025/SFY 2026 DWSRF Emerging Contaminants IUP is considered final on the effective date.

D. Documentation

The final entire IUP, including project lists, was formally submitted to the EPA and posted on the TWDB website.

Appendix B. Projected Sources and Uses of Funds

(As of May 1, 2026)

SOURCES:

FFY 2025 Federal IIJA Capitalization Grant Allocation	\$60,914,000
TOTAL SOURCES:	\$60,914,000

USES:

<u>Set-Asides from FFY 2025 Grant</u>	
TWDB Administrative Set-Aside	\$2,436,560
Total TWDB Set-Aside:	\$2,436,560
TCEQ Small Systems Technical Assistance Program Set-Aside	\$0
TCEQ Texas State Management Program Set-Aside	\$2,849,400
TCEQ Local Assistance and Other State Programs Set-Aside	\$0
Total TCEQ Set-Asides	\$2,849,400

Projects to be Funded:

SFY 2026 IUP Commitments – Principal Forgiveness	\$55,628,040
Total Projects To Be Funded - SFY 2025:	\$55,628,040

TOTAL USES: **\$60,914,000**

NET SOURCES (USES): **\$0**

Appendix C. Rating Criteria

1.a. Identified perfluoroalkyl and polyfluoroalkyl substances (PFAS) (Highest priority) where PFAS exceed at least two (2) maximum contaminant levels (MCLs) of the National Primary Drinking Water Regulation (NPDWR) within one analytical sample, and requested construction costs for treatment and removal of PFAS in finished water (e.g., reverse osmosis membranes, GAC, ion-exchange, or other approved methods) – 200 points (Highest priority), OR

1.b. Identified perfluoroalkyl and polyfluoroalkyl substances (PFAS) (Highest priority) where PFAS exceed at least one MCL of the NPDWR within one analytical sample, and requested construction costs for treatment and removal of PFAS in finished water (e.g., reverse osmosis membranes, GAC, ion-exchange, or other approved methods)– 175 points, OR

1.c. Identified perfluoroalkyl and polyfluoroalkyl substances (PFAS) (Highest priority) where PFAS do not exceed MCLs of the NPDWR and requested construction costs for treatment and removal of PFAS in finished water (e.g., reverse osmosis membranes, GAC, ion-exchange, or other approved methods)– 150 points, OR

1.d. Identified other emerging contaminants (other than PFAS) and requested construction costs for treatment and removal of the emerging contaminants in finished water (e.g., reverse osmosis membranes, GAC, ion-exchange, or other approved methods), - 125 points, OR

1.e. Identified emerging contaminants (PFAS or others) and project does not provide treatment or removal of contaminants, project proposes to change the water supply, - 100 points, OR

1.f. Proposals requesting only planning and design and associated pre-project costs, including pilot testing, for any eligible purpose, without requesting the associated construction costs – 50 points

Plus the following:

2. Proposal will provide first-time service to connections currently unserved by a public water system that have found emerging contaminants in their current water source – 20 points

3. Consolidation or centralized treatment (one of the following) - 25 points

- a. Proposal will facilitate consolidation of one or more water systems into another water system that does not have emerging contaminants present or has removal capability.
- b. Proposal provides centralized treatment, removing emerging contaminants from water source prior to providing water to another water system. Centralized treatment means subsequent water systems would not need to have emerging contaminants treatment.

4. Disadvantaged Community or Small System

- a. Disadvantaged community is defined in Appendix D. – 30 points

- b. A small system for the purpose of this IUP is a public water system serving fewer than 25,000 people - 15 points

5. A rural project is one that fits the definition of “rural political subdivision” within Chapter 15 of the Texas Water Code as any of the following – 10 points:

- (A) *A nonprofit water supply or sewer service corporation created and operating under Chapter [67](#) of this code or a district or authority created under Section [52](#), Article III, or Section [59](#), Article XVI, Texas Constitution, no part of the service area of which is located in an urban area with a population of more than 50,000;*
- (B) *a municipality:*
 - (i) *with a population of 10,000 or less no part of the service area of which is located in an urban area with a population of 50,000 or more; or*
 - (ii) *located wholly in a county in which no urban area has a population of more than 50,000;*
- (C) *a county in which no urban area has a population of more than 50,000; or*
- (D) *an entity that:*
 - (i) *is a nonprofit water supply or sewer service corporation created and operating under Chapter [67](#) of this code, a district or authority created under Section [52](#), Article III, or Section [59](#), Article XVI, Texas Constitution, municipality, county, or other political subdivision of the state, or an interstate compact commission to which the state is a party; and*
 - (ii) *demonstrates in a manner satisfactory to the board that the entity is rural or the area to be served by the project is a wholly rural area despite not otherwise qualifying under Paragraph (A), (B), or (C).*

6. System size

Applicant entity serves under 1,000 connections – 15 points

Applicant entity serves between 1,000 and 10,000 connections – 10 points

Applicant entity serves between 10,000 and 25,000 connections – 5 points

Applicant entity serves over 25,000 connections but fewer than 50,000 connections – 2 points

Tie Breaker

Rating factors will be ranked in descending order with priority given to the entity serving the fewest connections first.

Appendix D. Criteria to Determine Disadvantaged Community Eligibility

An entity is considered an eligible disadvantaged community if it:

- 1) may have emerging contaminants,
- 2) 51 percent or more of the proposed project beneficiary area based on household connections has an Annual Median Household Income (AMHI) level that does not exceed 150 percent of the state's AMHI level. The state AMHI from the U.S. Census 2024 American Community Survey (ACS) 5-year estimate is \$76,292; therefore the AMHI of the proposed project beneficiary area must not exceed \$114,438, and
- 3) the unemployment rate for the project beneficiaries is greater than 50 percent of the state unemployment rate or the population has declined, or the utility is a small system with 25,000 or fewer connections for the applicable utility service.

Acceptable Source of Socioeconomic Data for SFY 2026

For this IUP, the TWDB will utilize:

- (1) U.S. Census 2024 ACS 5-year estimates. An Excel spreadsheet containing this data is located here:

<https://www.twdb.texas.gov/financial/instructions/doc/ACS-data-for-SFY2027.xlsx>

Entities may also access their U.S. Census 2024 ACS 5-year estimate data directly from the U.S. Census webpage. Census Data Search guidance (WRD-284) is available on the TWDB website at: <http://www.twdb.texas.gov/financial/instructions/doc/WRD-284.docx>

OR

- (2) Data from a socioeconomic survey approved by the Executive Administrator of a statistically acceptable sampling of customers in the service area completed in accordance with the most current Socioeconomic Surveys Guidelines (WRD-285) posted on the TWDB website. Any survey being used for income determination must be conducted within five years prior to the date the TWDB receives the PIF. An entity must submit documentation that substantiates the inadequate or absent Census data that led to the need to conduct a survey. **All entities must obtain prior approval to use survey data instead of the most recently available ACS data.**

In instances where the ACS data does not adequately reflect an entity's service area (e.g. an entity serves a community outside of its Certificate of Convenience and Necessity, an entity serves another system, the entity is a system without a Census Bureau defined boundary, etc.), a prorated analysis of ACS block group data will be performed to calculate the AMHI. Systems owned and operated by a public school or school district will be evaluated for their annual median household income for their school district boundary.

If recent reliable data is unavailable for the school district to determine the AMHI, the TWDB will use information from the Texas Education Agency's Title I, Part A program to determine income eligibility. If more than 50 percent of the school districts campuses are eligible for the program, the district's AMHI will be assumed to be eligible.

Methodology - Disadvantaged Community Eligibility Calculation

City/Place, Census Tract and Block Group geographical U.S. Census geographical areas or an eligible income survey may be used for the AMHI, unemployment rate and population change calculations.

The methods below should be used to find the AMHI for the project beneficiary area. When finding the AMHI for the census geographic areas, applicants should also make note of the unemployment percentages and population change, as the same method and data source used for the AMHI calculation method below will be used for the unemployment rate and change in population. If an income survey is used, TWDB will use the most appropriate geographical area that represents the proposed project beneficiaries for determining the unemployment rate and change in population.

First method, easiest method to employ:

To lessen the burden on applicants who can meet the requirement without considering the 51 percent level, the TWDB will make the presumption that the average (mean) of the AMHI of all U.S. Census Bureau Cities/Places, Block Groups and/or Census Tracts containing any portion of the project service area is the AMHI for the project. Applicants must provide a list of all of the Cities/Places, Block Groups and/or Census Tracts containing any portion of the project service area, the AMHI for each City/Place, Block Group and/or Census Tract, and a detailed map of the proposed service area to be considered for using the presumptive approach in establishing the project's AMHI. TWDB will use the project area map to verify the associated Cities/Places, Block Groups and/or Census Tracts submitted. The Executive Administrator will then determine whether this option is a reasonable estimate of the AMHI for the project service area and may be used for the AMHI threshold calculation.

Second method, if first method does not meet the 150 percent threshold:

Any applicant that does not meet the 150 percent threshold by using the average (mean) of the U.S. Census Bureau Block Groups and/or Census Tracts containing any portion of the project service area may submit the actual number of household connections in each Block Group and/Census Tract and calculate the weighted average AMHI for the project service area.

Third method, if necessary to meet the 150 percent threshold:

Finally, if the AMHI of the applicant's project service area does not fall within 150 percent of the state AMHI threshold without consideration of the 51 percent calculation, the applicant would need to provide the number of household connections in each U.S. Census Bureau's geographical area that is used in the calculation.

Alternatively, as with general program activities, the entity may conduct an income survey for determining the applicable AMHI. Any survey being used for income determination must be completed within five years of prior to the date the TWDB receives the PIF.

Appendix E. Federal Requirements and Assurances

A. Federal Requirements

A. Build America, Buy America Act, 2021

The requirements of the Build America, Buy America Act, 2021 (P.L. 117-58), known as BABA, will apply to all projects funded for emerging contaminants. Additional information on BABA is available on the TWDB website at:

<http://www.twdb.texas.gov/financial/programs/BABA/index.asp>

TWDB Guidance (TWDB-0559) is available at

<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0559.pdf>. An additional source of information on BABA is Information on EPA's [website](#).

B. Davis-Bacon Wage Rate Requirements

A subrecipient must comply with the requirements of section 1452(a)(5) of the Safe Drinking Water Act (42 U.S.C. 300j-12(a)(5)) in all procurement contracts and must require contractors to include compliance with section 1452(a)(5) of the Safe Drinking Water Act in all subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction project must contain in full in any contract in excess of \$2,000 the wage rate requirements contract clauses prescribed by TWDB. Section 1452(a)(5) requires compliance with 40 U.S. Code Sections 3141 to 3144, 3146, and 3147 covering wage rate requirements. TWDB guidance is available at

<http://www.twdb.texas.gov/financial/instructions/doc/DB-0156.pdf>.

C. American Iron and Steel (AIS)

The TWDB and all DWSRF financial assistance recipients will comply with the American Iron and Steel (AIS) requirement in applicable federal law, including federal appropriation acts. Federal law requires DWSRF assistance recipients to use iron and steel products that are produced in the United States for projects for the construction, alteration, maintenance, or repair of a public water system or treatment works.

The term "iron and steel products" means the following products made primarily of iron or steel:

- lined or unlined pipes and fittings
- manhole covers and other municipal castings
- hydrants
- tanks
- flanges, pipe clamps and restraints
- valves
- structural steel
- reinforced precast concrete
- construction materials

The EPA may waive the AIS requirement under certain circumstances.

Furthermore, if the original financial assistance agreement for the planning and/or design of a project closed prior to January 17, 2014, then the AIS provision would not apply to the construction phase of the same project. TWDB guidance (TWDB-1106) is available at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1106.pdf>.

D. Environmental Reviews

The National Environmental Policy Act (NEPA)-like environmental review requirements are specified in Texas Administrative Code, Title 31, Part 10, Chapter 371. The NEPA-like environmental review applies to all DWSRF emerging contaminant projects.

E. Generally Accepted Accounting Principles

Assistance recipients must maintain project accounts according to Generally Accepted Accounting Principles as issued by the Governmental Accounting Standards Board, including standards relating to the reporting of infrastructure assets.

F. Compliance with Cross-cutting Authorities

There are a number of federal laws, executive orders, and federal policies that apply to projects and activities receiving federal financial assistance, regardless of whether the federal laws authorizing the assistance make them applicable. These federal authorities are referred to as cross-cutting authorities or cross-cutters. All cross-cutters apply to Equivalency projects, and all emerging contaminant projects are equivalency projects.

The cross-cutters can be divided into three groups: environmental; social policies; and, economic and miscellaneous authorities.

- Environmental cross-cutters include federal laws and executive orders that relate to preservation of historical and archaeological sites, endangered species, wetlands, agricultural land, etc. This cross-cutter requirement includes a National Environmental Policy Act (NEPA) compliant environmental review. When conducting the NEPA-like review the TWDB will inform the EPA when consultation or coordination by the EPA with other federal agencies is necessary to resolve issues regarding compliance with applicable federal authorities.
- Social policy cross-cutters include requirements such as nondiscrimination laws.
- Economic cross-cutters directly regulate the expenditure of federal funds such as the prohibition against entering into contracts with debarred or suspended firms.

The Equivalency projects that are considered federal are those entered into the Federal Funding Accountability and Transparency Act Subaward Reporting System.

G. Financial, Managerial, and Technical (FMT) Capacity

Prior to receiving or closing a commitment, the TCEQ will conduct a review of each applicant's FMT capacity. All applicants must receive FMT approval before closing on financial assistance funding.

H. Competency Statements

The following competency statements are provided to satisfy the EPA's policy entitled "Policy to Assure Competency of Organizations Generating Environmental Measurement Data under Agency Funded Assistance Agreements."

A. TCEQ Competency Statement

The TCEQ ascertains that competency can be demonstrated by the following:

1. EPA approval of the "Quality Assurance Project Plan for the Public Water Supply Supervision Program Relating to the Safe Drinking Water Act of the Texas Commission on Environmental Quality", Revision 15, (QTRAK #26-198), approved by the EPA on April 15, 2026, which is approved through April 13, 2029.
2. The "TCEQ Quality Management Plan, Revision 29 (2024)" (QTRAK# 24-064) approved on December 19, 2025 by EPA Region 6 which demonstrates competency by providing a description of the quality policies including all requirements described in currently approved version of the EPA Quality Management Plan Standard, CIO 2105-S-01.

I. Compliance with Capacity Development Authority, Capacity Development Strategy and Operator Certification Program

1. **Capacity development authority.** The State of Texas, through the TCEQ, has the legal authority to ensure that all new community water systems, and new nontransient, noncommunity water systems that commence operations have demonstrated FMT capacity with respect to national primary drinking water regulations. If DWSRF financial assistance is being provided to the new system, the TCEQ conducts and provides to the TWDB results of its FMT assessment prior to closing on the financial assistance.
2. **Capacity development strategy.** The State of Texas, through the use of DWSRF set-asides provided to the TCEQ, implements a strategy to assist public water systems in acquiring and maintaining financial, managerial, and technical capacity. The TWDB has set aside funds from the regular/base program FFY 2023 grant for the TCEQ to implement a capacity development strategy. The TCEQ will use funds from the State Program Management, Small Systems Technical Assistance, and Local Assistance and Other State Programs set-asides to conduct the capacity development activities. The TCEQ demonstrates compliance with the Capacity Development Strategy requirement of the SDWA by annually submitting the Capacity Development Report to EPA. The most recent report was provided to the EPA on November 27, 2024. The TCEQ submitted the TCEQ Triennial Progress Report to the Governor on the Public Water Supply Capacity Development Program on September 29, 2023, as required by SDWA Section 1420(c)(3).
3. **Operator certification program.** The State of Texas, through the TCEQ, has a program for certifying operators of community and nontransient, noncommunity public water systems. The TCEQ demonstrates compliance with the Operator Certification Program Provisions by annually submitting an Operator Certifications Program Report to the EPA. The most recent report was provided to the EPA on September 9, 2024.

J. Signage

DWSRF emerging contaminants projects must comply with applicable SRF Project Public Awareness, [TWDB-1109](#).

K. Assurances

Entry into the Federal Reporting Systems

The TWDB will enter information into the EPA's DWSRF Reporting System, the DWSRF National Information Management System, and the Federal Funding Accountability and Transparency Act Sub-Award Reporting System as required.

Appendix F. EC-SDC Requirements

Projects receiving EC-SDC funds are subject to the EPA's grant implementation document ([EC-SDC Implementation Document for FY 2024 Funding](#)), the regulations of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 Code of Federal Regulations (CFR) Part 200 and EPA's specific regulations at 2 CFR Part 1500 (together referred to as the Uniform Grant Guidance), and any other applicable rules. Refer to the [EPA's Subaward Requirements](#) (April 2025) or the [EPA's Uniform Grant Requirements website](#) for additional information.

EC-SDC funding is similar to DWSRF-EC funding in many ways, however, there are a few key differences:

- EC-SDC funding is limited to small and/or disadvantaged communities. DWSRF-EC funding is not.
- EC-SDC funding is a grant, subject to the federal Uniform Grant Guidance. DWSRF-EC funding is provided as principal forgiveness under the state revolving fund program.
- EC-SDC funding is time sensitive. Deadlines for the use of the funding will be within the agreement.

A. Build America, Buy America Act, 2021

The requirements of the Build America, Buy America Act, 2021 (P.L. 117-58), known as BABA, will apply to all projects funded for emerging contaminants. Additional information on BABA is available on the TWDB website at:

<http://www.twdb.texas.gov/financial/programs/BABA/index.asp>

TWDB Guidance (TWDB-0559) is available at

<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0559.pdf>. An additional source of information on BABA is Information on EPA's [website](#).

B. Davis-Bacon Water Rate Requirements

Projects receiving only EC-SDC grant funds do not need to satisfy the Davis-Bacon requirements.

C. Environmental Reviews

The National Environmental Policy Act (NEPA)-like environmental review requirements are specified in Texas Administrative Code, Title 31, Part 10, Chapter 371. The NEPA-like environmental review applies to all DWSRF emerging contaminant projects and EC-SDC projects.

D. Generally Accepted Accounting Principles

Assistance recipients must maintain project accounts according to Generally Accepted Accounting Principles as issued by the Governmental Accounting Standards Board, including standards relating to the reporting of infrastructure assets.

E. Compliance with Cross-cutting Authorities

There are a number of federal laws, executive orders, and federal policies that apply to projects and activities receiving federal financial assistance, regardless of whether the federal laws authorizing the assistance make them applicable. These federal authorities are referred to as cross-cutting authorities or cross-cutters. All cross-cutters apply to EC-SDC projects. The cross-cutters can be divided into three groups: environmental; social policies; and economic and miscellaneous authorities.

- Environmental cross-cutters include federal laws and executive orders that relate to preservation of historical and archaeological sites, endangered species, wetlands, agricultural land, etc. This cross-cutter requirement includes a NEPA compliant environmental review. When conducting the NEPA-like review the TWDB will inform the EPA when consultation or coordination by the EPA with other federal agencies is necessary to resolve issues regarding compliance with applicable federal authorities.
- Social policy cross-cutters include requirements such as nondiscrimination laws.
- Economic cross-cutters directly regulate the expenditure of federal funds such as the prohibition against entering into contracts with debarred or suspended firms.

The EPA has provided a list of cross-cutter requirements for grant subawards: <https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>.

F. Signage

Projects receiving only EC-SDC grant funds do not have requirements for SRF Project Public Awareness.

G. Procurement

Projects receiving Federal grant funds should follow the procurement standards as listed in [2 CFR 200.317](#) through [2 CFR 200.327](#).

H. Assurances

Entry into the Federal Reporting Systems

The TWDB will enter information into the Federal Funding Accountability and Transparency Act Sub-Award Reporting System as required.

Appendix G. Bypass Procedures

The Executive Administrator may decide to bypass, or skip, higher ranked projects in favor of lower ranked projects to ensure that funds available are utilized in a timely manner and that statutory and capitalization grant requirements are met. If an entity is offered funding for any project that has an interrelated project ranked lower on the list, the TWDB Executive Administrator will have discretion to also offer funding for the interrelated project. The TWDB may limit the amount of total funding available to an individual entity or project based on a proportionate share of total funds available.

Reasons for bypassing projects are listed below, but are not limited to:

- 1. Fulfill the Minimum Additional Subsidization Requirement**

A project on the PPL may be bypassed to fulfill the federal minimum additional subsidization requirement or to make commitments of the amount of funds that remain unallocated.

- 2. Intent to Apply and Application Submission Deadlines**

A project may be bypassed if the applicant did not submit any intent to apply form or information by a specified deadline or the application is not received by the TWDB-established submission deadline and it is not administratively complete by the established deadline.

- 3. Disadvantaged Community or Small Systems**

In the event that there are not enough projects with completed applications eligible to receive Disadvantaged Community or Small Systems funding to meet required 25 percent requirement, the Executive Administrator may bypass other projects to invite additional projects that are eligible for additional subsidization.

- 4. Readiness to Proceed**

The Executive Administrator may bypass projects to include those deemed ready to proceed to construction.

- 5. Past Project Performance**

If the applicant has failed to close a commitment or complete a project in a timely manner under a prior IUP, and it is determined that such failure to perform could jeopardize the timely use of funds for a project under this IUP, the Executive Administrator may bypass the project.

- 6. Financial Capacity**

A project may be bypassed if the Executive Administrator determines that the applicant will be unable to repay the SRF financial assistance for the project or does not have acceptable financial records or audits.

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix H. Project Priority List - Alphabetical

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
17	182.00	Acton Municipal Utility District	17907	TX1110007	117,497	AMDU/SWATS Improvements	The surface water treatment facility operated by AMUD treats water via a combination of UF, RO and conventional treatment systems. The proposed project would include upgrades to the UF and RO systems, including bringing a currently un-used RO train on-line, as well as the inclusion of a granulated activated carbon (GAC) filter system to treat blend water treated by conventional methods for PFAS contamination. AMUD not only serves customers within their MUD, but also as water wholesalers to several SUDs and WSCs.	PFAS	DC	\$35,318,000.00
20	85.00	Agua Special Utility District	17908	TX1080022	64,633	Agua SUD Emerging Contaminants Project	This project will provide planning and feasibility study for laboratory testing, and preliminary engineering planning design services to address the PFAS identified in water produced by existing treatment plants. This work will include review of existing treatment processes and water quality data, laboratory testing to evaluate applicable PFAS monitoring, removal technologies and development of a preliminary design to retrofit the recommended treatment components into the existing facilities.	Lithium, PFBA, PFHxA, PFPeA	P	\$1,400,000.00
12	205.00	Arlington	17909	TX2200001	405,420	City of Arlington Pierce-Burch Water Treatment Plant PFAS Treatment	The project for Arlington Water Utilities (AWU) entails the design and construction of PFAS removal technologies based on previously identified PFAS concentrations. All of the improvements to address PFAS will be implemented at the Pierce-Burch Water Treatment Plant. Final improvements will be determined by the findings from bench and pilot scale testing various PFAS removal technologies. The bench and pilot scale testing is currently ongoing and includes additional sampling for specific PFAS compounds as well as conceptually evaluating the feasibility of PFAS removal technologies before, with, or downstream of the existing biological active filters.	PFAS	DC	\$173,000,000.00
10	207.00	Baytown Area Water Authority	17910	TX1011742	123,351	BAWA Surface Water Treatment Plants PFAS Removal System	The Baytown Area Water Authority (BAWA) operates two surface water treatment plants: the BAWA Fritz Lanham SWTP and the BAWA East Surface Water Treatment Plant. BAWA conducted multiple sampling and testing events throughout 2023-2026. The results confirmed the presence of regulated PFAS compounds, including PFOA, PFOS, PFHxS, PFNA, and PFBS, in the finished water. BAWA is preparing to design, construct, and commission a treatment system to ensure regulatory compliance for PFAS removal before enforcement begins. To achieve this, BAWA plans to explore a Granular Activated Carbon (GAC) system at both the BAWA Fritz Lanham SWTP and BAWA East SWTP to effectively adsorb and remove PFAS chemicals from the finished water. However, part of the design will be researching different treatment options with both capital and life cycle costs evaluations.	PFAS	PDC	\$117,582,661.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix H. Project Priority List - Alphabetical

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
7	230.00	Brownsville Public Utilities Board	17911	TX0310001	191,967	WTP #1 and WTP #2 PFAS Improvements	Brownsville Public Utilities Board owns and operates both the Water Treatment Plant #1 and Water Treatment Plant #2. Each plant is currently rated at 20 million gallons per day (MGD) diverted from the Rio Grande River for a total of 40 MGD. UCMR 5 sampling uncovered the presence of several per-fluoroalkyl substances (PFAS) such as PFBS, PFBA, PFOA, PFHxA, PFHxS, PFOS, PFPeA, and lithium, of which PFOS and PFOA were found to be above the proposed maximum contaminant limit. To mitigate these PFAS levels within the source water, Brownsville Public Utilities Board proposes an reverse osmosis (RO) system at each plant that will reduce the concentration of these emerging contaminants in the water to below detectable limits.	PFAS, Lithium	DC	\$487,735,300.00
13	200.00	Brushy Creek MUD	17924	TX2460061	18,392	Water System Remediation	Design and construction of the following: (1) New building at the water treatment plant to house GAC treatment units or other technology selected during the design process capable of treating 8 MGD. (2) New storage tanks to receive water treated from the existing membrane units and additional pumps to pump from the new storage tanks through the GAC units (or other technology selected during the design process) into the existing clearwell. Additional on-site piping, adjustments to chemical feed systems and piping and adjustments and additions to SCADA and other control systems as required to accommodate the new treatment units.	PFAS	PDC	\$14,537,000.00
15	190.00	City of Colorado City	17912	TX1680001	3,991	Lithium Removal	The City of Colorado City has identified lithium levels above 0.010 mg/L in their drinking water supply. The City is proposing a new reverse osmosis water treatment plant installation that will be used to reduce lithium level prior to water entering distribution.	Lithium	PDC	\$15,900,000.00
8	230.00	City of Fort Worth	17916	TX2200012	1,033,932	Holly Water Treatment Plant PFAS Treatment Construction	This project will construct a per- and polyfluoroalkyl substance (PFAS) treatment at the City's South Holly municipal water treatment facility. This treatment will reduce the PFAS levels below the Maximum contaminant Level in the potable water supply. The City will use Granular Activated Carbon (GAC) adsorption to reduce the PFAS levels. GAC adsorption is recognized as the best available technology to reduce the PFAS levels in potable water.	PFAS	C	\$177,312,632.00
19	115.00	City of Goldthwaite	17917	TX1670001	1,733	Emerging Contaminants Planning	The City of Goldthwaite has performed test its drinking water sources. Results have shown evidence of several different PFAS substances. The City is requesting planning funding which will be used to study the PFAS substances present and determine the best course of action towards treating these substances in the drinking water supply.	PFAS	P	\$75,000.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix H. Project Priority List - Alphabetical

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
1	245.00	City of Idalou	17918	TX1520001	2,151	PFAS Water Treatment Improvements	The City of Idalou discovered PFAS/PFOA contamination in their drinking water supply. The City currently operates four (4) active groundwater wells that function as separate entry points to the distribution system. The proposed project will include the pipe for all the waterline connections necessary to consolidate the entry points and acquiring easements as needed. It also includes the installation of PFAS specific media treatment equipment designed to effectively remove PFAS compounds from the City's well water supply. In conjunction with the PFAS treatment improvements, the City will expand and upgrade its aeration equipment, treatment building, new piping and appurtenances, electrical system upgrades, instrumentation, and control system enhancements to integrate the new treatment components into the City's existing SCADA and operational framework. Additionally, the City will expand its head tank capacity. The City of Idalou previously completed a USDA-funded water system improvement project to address 1,1-dichloroethylene (1,1-DCE) contamination, the City is requesting refinancing of the remaining USDA-related debt.	PFAS	PADC	\$8,600,000.00
9	230.00	Dallas Water Utilities	17913	TX0570004	2,615,725	Bachman Water Treatment Plant PFAS Assessment	The City of Dallas' (DWU) Bachman Water Treatment Plant (WTP) is a critical water treatment facility accounting for 17% (150 million gallons per day (mgd)) of the City's drinking water treatment rated capacity (900 MGD). Regular sampling of the primary source water supply (Elm Fork of the Trinity River) and at the WTP has measured concentrations of seven PFAS compounds approaching or above the EPAs established maximum contaminant levels (MCL). Specifically, PFOA and PFOS have been measured above MCLs. The proposed project includes preliminary engineering, design, and construction of the identified PFAS treatment strategy and plant improvements required to integrate new technology within the existing treatment process.	PFAS	PDC	\$440,000,000.00
6	230.00	Donna	17914	TX1080002	18,720	Donna Water Treatment Plant PFAS Improvements	City of Donna owns and operates the Southwest Surface Water Treatment Plant (SWSWTP). SWSWTP is currently rated at 4.5 million gallons per day (MGD) diverted from the Rio Grande River. UCMR 5 sampling uncovered the presence of several per-fluoroalkyl substances (PFAS) such as PFBS, PFBA, PFHxA, PFHxS, PFOS, PFPeA, and lithium, of which PFOS was found to be above the proposed maximum contaminant limit. To mitigate these PFAS levels within the source water, the City of Donna proposes a reverse osmosis (RO) system that will reduce the concentration of these emerging contaminants in water.	PFAS, lithium	PDC	\$129,743,900.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix H. Project Priority List - Alphabetical

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
4	240.00	East Rio Hondo WSC	17915	TX0310096	34,767	Martha Ann Simpson WTP Treatment Improvements	The proposed project requests planning, design, and construction costs for treatment and removal of PFAS (perfluorooctanesulfonic acid [PFOS]) and lithium in finished water. East Rio Hondo Water Supply Corporation (ERHWSC) owns and operates the Martha Ann Simpson Water Treatment Plant (MASWTP), which serves the rural community of extreme South Texas in the Rio Grande Valley. The intent of this project is to equip the MASWTP with additional treatment capabilities to remove the currently identified regulated emerging contaminants as well as those that may be present in the future. The current conceptual design utilizes brackish groundwater for blending to achieve downstream concentration goals. Additional improvements include pretreatment filtration and post-treatment systems, clean-in-place system, electrical, mechanical, and piping improvements, an injection well for concentrate disposal, two brackish groundwater wells, backup generators, and new building.	PFAS, Lithium	PDC	\$57,416,458.90
16	185.00	Johnson County SUD	17919	TX1260018	65,517	JCSUD Emerging Contaminants Reduction Improvements	The proposed project includes the use of reverse osmosis (RO) and granular activated carbon (GAC) technologies to reduce emerging contaminants from its source water. JCSUD is proposing a new Reverse Osmosis Water Treatment Plant (RO WTP). JCSUD has historically relied on a combination of groundwater and surface water supplies. However, with the rapidly declining capacity and quality of local shallow, freshwater groundwater aquifers due to overdevelopment of the groundwater supply by residential and commercial developers over the past 30 years, current and future water demands will need to rely on surface water supplies and/or deeper, brackish groundwater supplies. Additionally, the area is seeing rapid growth and needs additional drinking water. An asset management plan will also be included as part of the project.	PFAS	PADC	\$396,827,000.00
3	240.00	MacBee Special Utility District	17920	TX2340012	8,700	PFOS Pilot Study and Installation of a PFOS Treatment Plant	The proposed project consists of the temporary deployment of a pilot-scale treatment system to evaluate technologies capable of removing and destroying per- and polyfluoroalkyl substances (PFAS) from the District's existing surface water supply. Upon successful completion of pilot testing and regulatory review, the project will include full-scale installation of a permanent PFAS treatment system designed to achieve compliance with current and anticipated EPA drinking water standards. The permanent system will provide both removal and on-site destruction of PFAS, eliminating the generation of long-term residual waste streams and ensuring protection of public health for the District's 8,700 residents served.	PFOS (PFAS)	PDC	\$8,753,500.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix H. Project Priority List - Alphabetical

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
18	132.00	Manville WSC	17921	TX2270033	87,615	Edwards Aquifer Wells Project, Phase 2	As part of the State Fiscal Year 2025 (SFY25) Drinking Water State Revolving Fund Emerging Contaminants (DWSRF-EC) Program, Manville WSC submitted an application for a centralized treatment project, including a transmission main, to mitigate PFAS levels in the Springbrook Pressure Zone. For SFY26, this proposed project scope includes the planning, design, and construction of an offsite ground storage tank (GST) and booster pump station to allow additional Edwards Aquifer wells with elevated lithium and PFAS to be shut down. Manville WSC intends to pursue land acquisition with local funds to acquire land near the edge of the Springbrook Pressure Zone for the proposed project. The proposed scope includes decommissioning the remaining seven (7) untreated Edwards Aquifer Wells that are affected by Emerging Contaminants. In lieu of this contaminated supply, the GST would receive water from a different pressure zone in Manville WSC's system which does not have any known PFAS exceedances or lithium concerns.	PFAS, Lithium	PADC	\$25,700,000.00
5	232.00	North Texas MWD Tawakoni WTP	17922	TX1290052	128,691	Tawakoni WTP PFAS Improvements	The proposed project includes the design and construction of a granular activated carbon (GAC) treatment facility with a new pump station to treat raw water supplied from Lake Tawakoni for per and polyfluoroalkyl substances (PFAS). Project components include a new influent pump station, new GAC contactor vessels, associated piping, valves, instrumentation and controls, electrical system, and site improvements necessary to reliably integrate PFAS treatment into the existing water treatment infrastructure.	PFOS, PFAS	DC	\$59,000,000.00
2	240.00	Parker County SUD	17923	TX1840079	6,300	PCSUD SWTP No. 2	The proposed project consists of constructing a new emerging contaminants reduction facility to address PFAS detected in the District's source water. Major improvements include a new raw water transfer pump station with variable frequency drives, new chlorine dioxide pretreatment, and a chloramine feed system to minimize biofouling. The project also provides a new UF/RO splitter structure, two new UF trains, two new RO trains, two new GAC contactor trains, permeate storage and flushing systems, and new UF and RO CIP systems. A new RO permeate degasification system will be installed to stabilize permeate prior to blending. Additional components include new HVAC systems, new chlorinator and chemical feed systems, a new finished-water clearwell, a new high-service pump station with VFDs, and a backup generator compliant with the District's Emergency Preparedness Plan. The project also includes a new waste holding tank and disposal system, on-site irrigation and ancillary equipment, and construction of new control, treatment, and maintenance buildings. A new SCADA system will be provided to support and integrate the facility with the District's existing SCADA network.	PFAS	DC	\$96,463,350.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix H. Project Priority List - Alphabetical

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
14	190.00	Sandbranch Development and Water Supply Corporation	17925	none	240	New Water Supply in Sandbranch to Avoid Contaminated Wells	The Sandbranch Development and Water Supply Corporation has been operating since 2016 and have been in the planning stages for a project to install a pump station with storage, pumps, and disinfection facilities. The Sandbranch Development & WSC would enter into a wholesale water purchase agreement with Dallas Water Utilities (DWU). Securing funding will allow them to continue with their design efforts to propose an interconnect, negotiate the agreement with DWU, receive TCEQ approval for plans and specs, obtain a CCN to serve the area, and deliver first-time service to the deserving folks in Sandbranch.	Naphthalene, PFOS	PADC	\$10,015,800.00
11	205.00	Trinity River Authority of Texas	17926	TX2200199	285,933	Tarrant County Water Supply Project PFAS Treatment Project	The proposed project will include design and construction of 87 million gallons per day (MGD) of granular activated carbon (GAC) installed in deep-bed gravity contactors at Tarrant County Water Supply Project (TCWSP) Treatment Plant to treat PFAS, specifically perfluorooctanesulfonic acid (PFOS). The use of granular activated carbon will physically remove PFOS from the water bringing TCWSP to compliance with the USEPA MCL for PFOS.	PFOS	DC	\$310,000,000.00
		20								\$2,565,380,601.90

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix I. Alphabetical List of Ineligible Projects

None

Texas Water Development Board
 SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
 Intended Use Plan
 Appendix J. Alphabetical List of Projects Ineligible as Disadvantaged Communities

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
13	200.00	Brushy Creek MUD	17924	TX2460061	18,392	Water System Remediation	Design and construction of the following: (1) New building at the water treatment plant to house GAC treatment units or other technology selected during the design process capable of treating 8 MGD. (2) New storage tanks to receive water treated from the existing membrane units and additional pumps to pump from the new storage tanks through the GAC units (or other technology selected during the design process) into the existing clearwell. Additional on-site piping, adjustments to chemical feed systems and piping and adjustments and additions to SCADA and other control systems as required to accommodate the new treatment units.	PFAS	PDC	\$14,537,000.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix K. Project Priority List - Rank

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
1	245.00	City of Idalou	17918	TX1520001	2,151	PFAS Water Treatment Improvements	The City of Idalou discovered PFAS/PFOA contamination in their drinking water supply. The City currently operates four (4) active groundwater wells that function as separate entry points to the distribution system. The proposed project will include the pipe for all the waterline connections necessary to consolidate the entry points and acquiring easements as needed. It also includes the installation of PFAS specific media treatment equipment designed to effectively remove PFAS compounds from the City's well water supply. In conjunction with the PFAS treatment improvements, the City will expand and upgrade its aeration equipment, treatment building, new piping and appurtenances, electrical system upgrades, instrumentation, and control system enhancements to integrate the new treatment components into the City's existing SCADA and operational framework. Additionally, the City will expand its head tank capacity. The City of Idalou previously completed a USDA-funded water system improvement project to address 1,1-dichloroethylene (1,1-DCE) contamination, the City is requesting refinancing of the remaining USDA-related debt.	PFAS	PADC	\$8,600,000.00
2	240.00	Parker County SUD	17923	TX1840079	6,300	PCSUD SWTP No. 2	The proposed project consists of constructing a new emerging contaminants reduction facility to address PFAS detected in the District's source water. Major improvements include a new raw water transfer pump station with variable frequency drives, new chlorine dioxide pretreatment, and a chloramine feed system to minimize biofouling. The project also provides a new UF/RO splitter structure, two new UF trains, two new RO trains, two new GAC contactor trains, permeate storage and flushing systems, and new UF and RO CIP systems. A new RO permeate degasification system will be installed to stabilize permeate prior to blending. Additional components include new HVAC systems, new chlorinator and chemical feed systems, a new finished-water clearwell, a new high-service pump station with VFDs, and a backup generator compliant with the District's Emergency Preparedness Plan. The project also includes a new waste holding tank and disposal system, on-site irrigation and ancillary equipment, and construction of new control, treatment, and maintenance buildings. A new SCADA system will be provided to support and integrate the facility with the District's existing SCADA network.	PFAS	DC	\$96,463,350.00
3	240.00	MacBee Special Utility District	17920	TX2340012	8,700	PFOS Pilot Study and Installation of a PFOS Treatment Plant	The proposed project consists of the temporary deployment of a pilot-scale treatment system to evaluate technologies capable of removing and destroying per- and polyfluoroalkyl substances (PFAS) from the District's existing surface water supply. Upon successful completion of pilot testing and regulatory review, the project will include full-scale installation of a permanent PFAS treatment system designed to achieve compliance with current and anticipated EPA drinking water standards. The permanent system will provide both removal and on-site destruction of PFAS, eliminating the generation of long-term residual waste streams and ensuring protection of public health for the District's 8,700 residents served.	PFOS (PFAS)	PDC	\$8,753,500.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix K. Project Priority List - Rank

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
4	240.00	East Rio Hondo WSC	17915	TX0310096	34,767	Martha Ann Simpson WTP Treatment Improvements	The proposed project requests planning, design, and construction costs for treatment and removal of PFAS (perfluorooctanesulfonic acid [PFOS]) and lithium in finished water. East Rio Hondo Water Supply Corporation (ERHWSC) owns and operates the Martha Ann Simpson Water Treatment Plant (MASWTP), which serves the rural community of extreme South Texas in the Rio Grande Valley. The intent of this project is to equip the MASWTP with additional treatment capabilities to remove the currently identified regulated emerging contaminants as well as those that may be present in the future. The current conceptual design utilizes brackish groundwater for blending to achieve downstream concentration goals. Additional improvements include pretreatment filtration and post-treatment systems, clean-in-place system, electrical, mechanical, and piping improvements, an injection well for concentrate disposal, two brackish groundwater wells, backup generators, and new building.	PFAS, Lithium	PDC	\$57,416,458.90
5	232.00	North Texas MWD Tawakoni WTP	17922	TX1290052	128,691	Tawakoni WTP PFAS Improvements	The proposed project includes the design and construction of a granular activated carbon (GAC) treatment facility with a new pump station to treat raw water supplied from Lake Tawakoni for per and polyfluoroalkyl substances (PFAS). Project components include a new influent pump station, new GAC contactor vessels, associated piping, valves, instrumentation and controls, electrical system, and site improvements necessary to reliably integrate PFAS treatment into the existing water treatment infrastructure.	PFOS, PFAS	DC	\$59,000,000.00
6	230.00	Donna	17914	TX1080002	18,720	Donna Water Treatment Plant PFAS Improvements	City of Donna owns and operates the Southwest Surface Water Treatment Plant (SWSWTP). SWSWTP is currently rated at 4.5 million gallons per day (MGD) diverted from the Rio Grande River. UCMR 5 sampling uncovered the presence of several per-fluoroalkyl substances (PFAS) such as PFBS, PFBA, PFHxA, PFHxS, PFOS, PFPeA, and lithium, of which PFOS was found to be above the proposed maximum contaminant limit. To mitigate these PFAS levels within the source water, the City of Donna proposes a reverse osmosis (RO) system that will reduce the concentration of these emerging contaminants in water.	PFAS, lithium	PDC	\$129,743,900.00
7	230.00	Brownsville Public Utilities Board	17911	TX0310001	191,967	WTP #1 and WTP #2 PFAS Improvements	Brownsville Public Utilities Board owns and operates both the Water Treatment Plant #1 and Water Treatment Plant #2. Each plant is currently rated at 20 million gallons per day (MGD) diverted from the Rio Grande River for a total of 40 MGD. UCMR 5 sampling uncovered the presence of several per-fluoroalkyl substances (PFAS) such as PFBS, PFBA, PFOA, PFHxA, PFHxS, PFOS, PFPeA, and lithium, of which PFOS and PFOA were found to be above the proposed maximum contaminant limit. To mitigate these PFAS levels within the source water, Brownsville Public Utilities Board proposes an reverse osmosis (RO) system at each plant that will reduce the concentration of these emerging contaminants in the water to below detectable limits.	PFAS, Lithium	DC	\$487,735,300.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix K. Project Priority List - Rank

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
8	230.00	City of Fort Worth	17916	TX2200012	1,033,932	Holly Water Treatment Plant PFAS Treatment Construction	This project will construct a per- and polyfluoroalkyl substance (PFAS) treatment at the City's South Holly municipal water treatment facility. This treatment will reduce the PFAS levels below the Maximum contaminant Level in the potable water supply. The City will use Granular Activated Carbon (GAC) adsorption to reduce the PFAS levels. GAC adsorption is recognized as the best available technology to reduce the PFAS levels in potable water.	PFAS	C	\$177,312,632.00
9	230.00	Dallas Water Utilities	17913	TX0570004	2,615,725	Bachman Water Treatment Plant PFAS Assessment	The City of Dallas' (DWU) Bachman Water Treatment Plant (WTP) is a critical water treatment facility accounting for 17% (150 million gallons per day (mgd)) of the City's drinking water treatment rated capacity (900 MGD). Regular sampling of the primary source water supply (Elm Fork of the Trinity River) and at the WTP has measured concentrations of seven PFAS compounds approaching or above the EPAs established maximum contaminant levels (MCL). Specifically, PFOA and PFOS have been measured above MCLs. The proposed project includes preliminary engineering, design, and construction of the identified PFAS treatment strategy and plant improvements required to integrate new technology within the existing treatment process.	PFAS	PDC	\$440,000,000.00
10	207.00	Baytown Area Water Authority	17910	TX1011742	123,351	BAWA Surface Water Treatment Plants PFAS Removal System	The Baytown Area Water Authority (BAWA) operates two surface water treatment plants: the BAWA Fritz Lanham SWTP and the BAWA East Surface Water Treatment Plant. BAWA conducted multiple sampling and testing events throughout 2023-2026. The results confirmed the presence of regulated PFAS compounds, including PFOA, PFOS, PFHxS, PFNA, and PFBS, in the finished water. BAWA is preparing to design, construct, and commission a treatment system to ensure regulatory compliance for PFAS removal before enforcement begins. To achieve this, BAWA plans to explore a Granular Activated Carbon (GAC) system at both the BAWA Fritz Lanham SWTP and BAWA East SWTP to effectively adsorb and remove PFAS chemicals from the finished water. However, part of the design will be researching different treatment options with both capital and life cycle costs evaluations.	PFAS	PDC	\$117,582,661.00
11	205.00	Trinity River Authority of Texas	17926	TX2200199	285,933	Tarrant County Water Supply Project PFAS Treatment Project	The proposed project will include design and construction of 87 million gallons per day (MGD) of granular activated carbon (GAC) installed in deep-bed gravity contactors at Tarrant County Water Supply Project (TCWSP) Treatment Plant to treat PFAS, specifically perfluorooctanesulfonic acid (PFOS). The use of granular activated carbon will physically remove PFOS from the water bringing TCWSP to compliance with the USEPA MCL for PFOS.	PFOS	DC	\$310,000,000.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix K. Project Priority List - Rank

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
12	205.00	Arlington	17909	TX2200001	405,420	City of Arlington Pierce-Burch Water Treatment Plant PFAS Treatment	The project for Arlington Water Utilities (AWU) entails the design and construction of PFAS removal technologies based on previously identified PFAS concentrations. All of the improvements to address PFAS will be implemented at the Pierce-Burch Water Treatment Plant. Final improvements will be determined by the findings from bench and pilot scale testing various PFAS removal technologies. The bench and pilot scale testing is currently ongoing and includes additional sampling for specific PFAS compounds as well as conceptually evaluating the feasibility of PFAS removal technologies before, with, or downstream of the existing biological active filters.	PFAS	DC	\$173,000,000.00
13	200.00	Brushy Creek MUD	17924	TX2460061	18,392	Water System Remediation	Design and construction of the following: (1) New building at the water treatment plant to house GAC treatment units or other technology selected during the design process capable of treating 8 MGD. (2) New storage tanks to receive water treated from the existing membrane units and additional pumps to pump from the new storage tanks through the GAC units (or other technology selected during the design process) into the existing clearwell. Additional on-site piping, adjustments to chemical feed systems and piping and adjustments and additions to SCADA and other control systems as required to accommodate the new treatment units.	PFAS	PDC	\$14,537,000.00
14	190.00	Sandbranch Development and Water Supply Corporation	17925	none	240	New Water Supply in Sandbranch to Avoid Contaminated Wells	The Sandbranch Development and Water Supply Corporation has been operating since 2016 and have been in the planning stages for a project to install a pump station with storage, pumps, and disinfection facilities. The Sandbranch Development & WSC would enter into a wholesale water purchase agreement with Dallas Water Utilities (DWU). Securing funding will allow them to continue with their design efforts to propose an interconnect, negotiate the agreement with DWU, receive TCEQ approval for plans and specs, obtain a CCN to serve the area, and deliver first-time service to the deserving folks in Sandbranch.	Naphthalene, PFOS	PADC	\$10,015,800.00
15	190.00	City of Colorado City	17912	TX1680001	3,991	Lithium Removal	The City of Colorado City has identified lithium levels above 0.010 mg/L in their drinking water supply. The City is proposing a new reverse osmosis water treatment plant installation that will be used to reduce lithium level prior to water entering distribution.	Lithium	PDC	\$15,900,000.00

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix K. Project Priority List - Rank

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
16	185.00	Johnson County SUD	17919	TX1260018	65,517	JCSUD Emerging Contaminants Reduction Improvements	The proposed project includes the use of reverse osmosis (RO) and granular activated carbon (GAC) technologies to reduce emerging contaminants from its source water. JCSUD is proposing a new Reverse Osmosis Water Treatment Plant (RO WTP). JCSUD has historically relied on a combination of groundwater and surface water supplies. However, with the rapidly declining capacity and quality of local shallow, freshwater groundwater aquifers due to overdevelopment of the groundwater supply by residential and commercial developers over the past 30 years, current and future water demands will need to rely on surface water supplies and/or deeper, brackish groundwater supplies. Additionally, the area is seeing rapid growth and needs additional drinking water. An asset management plan will also be included as part of the project.	PFAS	PADC	\$396,827,000.00
17	182.00	Acton Municipal Utility District	17907	TX1110007	117,497	AMDU/SWATS Improvements	The surface water treatment facility operated by AMUD treats water via a combination of UF, RO and conventional treatment systems. The proposed project would include upgrades to the UF and RO systems, including bringing a currently un-used RO train on-line, as well as the inclusion of a granulated activated carbon (GAC) filter system to treat blend water treated by conventional methods for PFAS contamination. AMUD not only serves customers within their MUD, but also as water wholesalers to several SUDs and WSCs.	PFAS	DC	\$35,318,000.00
18	132.00	Manville WSC	17921	TX2270033	87,615	Edwards Aquifer Wells Project, Phase 2	As part of the State Fiscal Year 2025 (SFY25) Drinking Water State Revolving Fund Emerging Contaminants (DWSRF-EC) Program, Manville WSC submitted an application for a centralized treatment project, including a transmission main, to mitigate PFAS levels in the Springbrook Pressure Zone. For SFY26, this proposed project scope includes the planning, design, and construction of an offsite ground storage tank (GST) and booster pump station to allow additional Edwards Aquifer wells with elevated lithium and PFAS to be shut down. Manville WSC intends to pursue land acquisition with local funds to acquire land near the edge of the Springbrook Pressure Zone for the proposed project. The proposed scope includes decommissioning the remaining seven (7) untreated Edwards Aquifer Wells that are affected by Emerging Contaminants. In lieu of this contaminated supply, the GST would receive water from a different pressure zone in Manville WSC's system which does not have any known PFAS exceedances or lithium concerns.	PFAS, Lithium	PADC	\$25,700,000.00
19	115.00	City of Goldthwaite	17917	TX1670001	1,733	Emerging Contaminants Planning	The City of Goldthwaite has performed test its drinking water sources. Results have shown evidence of several different PFAS substances. The City is requesting planning funding which will be used to study the PFAS substances present and determine the best course of action towards treating these substances in the drinking water supply.	PFAS	P	\$75,000.00

Texas Water Development Board
 SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
 Intended Use Plan
 Appendix K. Project Priority List - Rank

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
20	85.00	Agua Special Utility District	17908	TX1080022	64,633	Agua SUD Emerging Contaminants Project	This project will provide planning and feasibility study for laboratory testing, and preliminary engineering planning design services to address the PFAS identified in water produced by existing treatment plants. This work will include review of existing treatment processes and water quality data, laboratory testing to evaluate applicable PFAS monitoring, removal technologies and development of a preliminary design to retrofit the recommended treatment components into the existing facilities.	Lithium, PFBA, PFHxA, PFPeA	P	\$1,400,000.00
		20								\$2,565,380,601.90

Texas Water Development Board
SFY 2026 Drinking Water State Revolving Fund - Emerging Contaminants
Intended Use Plan
Appendix L. Project Priority List - Invited

Rank	Points	Entity	PIF #	PWS ID	Population	Name of Project	Project Description	Emerging Contaminant(s)	Requested Phase(s)	Total Project Cost
1	245.00	City of Idalou	17918	TX1520001	2,151	PFAS Water Treatment Improvements	The City of Idalou discovered PFAS/PFOA contamination in their drinking water supply. The City currently operates four (4) active groundwater wells that function as separate entry points to the distribution system. The proposed project will include the pipe for all the waterline connections necessary to consolidate the entry points and acquiring easements as needed. It also includes the installation of PFAS specific media treatment equipment designed to effectively remove PFAS compounds from the City's well water supply. In conjunction with the PFAS treatment improvements, the City will expand and upgrade its aeration equipment, treatment building, new piping and appurtenances, electrical system upgrades, instrumentation, and control system enhancements to integrate the new treatment components into the City's existing SCADA and operational framework. Additionally, the City will expand its head tank capacity. The City of Idalou previously completed a USDA-funded water system improvement project to address 1,1-dichloroethylene (1,1-DCE) contamination, the City is requesting refinancing of the remaining USDA-related debt.	PFAS	PADC	\$8,600,000.00
3	240.00	MacBee Special Utility District	17920	TX2340012	8,700	PFOS Pilot Study and Installation of a PFOS Treatment Plant	The proposed project consists of the temporary deployment of a pilot-scale treatment system to evaluate technologies capable of removing and destroying per- and polyfluoroalkyl substances (PFAS) from the District's existing surface water supply. Upon successful completion of pilot testing and regulatory review, the project will include full-scale installation of a permanent PFAS treatment system designed to achieve compliance with current and anticipated EPA drinking water standards. The permanent system will provide both removal and on-site destruction of PFAS, eliminating the generation of long-term residual waste streams and ensuring protection of public health for the District's 8,700 residents served.	PFOS (PFAS)	PDC	\$8,753,500.00
4	240.00	East Rio Hondo WSC	17915	TX0310096	34,767	Martha Ann Simpson WTP Treatment Improvements	The proposed project requests planning, design, and construction costs for treatment and removal of PFAS (perfluorooctanesulfonic acid [PFOS]) and lithium in finished water. East Rio Hondo Water Supply Corporation (ERHWSC) owns and operates the Martha Ann Simpson Water Treatment Plant (MASWTP), which serves the rural community of extreme South Texas in the Rio Grande Valley. The intent of this project is to equip the MASWTP with additional treatment capabilities to remove the currently identified regulated emerging contaminants as well as those that may be present in the future. The current conceptual design utilizes brackish groundwater for blending to achieve downstream concentration goals. Additional improvements include pretreatment filtration and post-treatment systems, clean-in-place system, electrical, mechanical, and piping improvements, an injection well for concentrate disposal, two brackish groundwater wells, backup generators, and new building.	PFAS, Lithium	PDC	\$57,416,458.90