



Economically Distressed Areas Program (EDAP)

The EDAP provides financial assistance in the form of grants and loans for water and wastewater projects in economically distressed areas where service is unavailable or is inadequate to meet state standards. Projects must be located in counties that are enforcing adopted Model Subdivision Rules. Through fiscal year 2021, the program has committed approximately \$839 million for projects across Texas.

In 2019, the 86th Texas Legislature passed Senate Bill 2452 and Texas voters approved Proposition 2, authorizing the TWDB to issue additional general

obligation bonds for EDAP projects. In 2021, the 87th Texas Legislature appropriated funds allowing the TWDB to issue up to \$100 million in total funding for EDAP projects over the biennium.

The TWDB has also been working to implement other changes to the EDAP program resulting from the 86th Legislative Session and is now accepting abridged applications for financial assistance through May 13, 2022. Please visit www.twdb.texas.gov/financial/programs/EDAP/index.asp for more information and instructions on how to apply.

Eligible Applicants

- Political subdivisions, including cities, counties, and water districts
- Nonprofit water supply corporations

Eligible Projects

- Planning, land acquisition, design, and construction for
 - First-time water and wastewater service
 - Water supply and/or treatment system improvements
 - Wastewater collection system and/or treatment works improvements

Benefits and Terms

- Projects with documented public health nuisance determination from the TWDB or DSHS are eligible for grants up to 70%; without a public health nuisance determination eligible for grants up to 50%
- Portion not paid for by a grant must be provided as an EDAP loan
- Loans with low-interest rates based on the TWDB's cost of funds
- Legislation passed in 2019 will require a formal prioritization process to determine funding for eligible projects, including criteria that address public health and safety and projects in areas under enforcement actions
- The TWDB is allowed to use EDAP bond proceeds to support public-private partnerships

Program Requirements

- State-level environmental review
- Water supply projects must be consistent with the current state water plan
- Service area median household income can be no greater than 75% of statewide median household income
- Clear documentation of system inadequacies
- Residential subdivision served by the project must have been established prior to June 1, 2005
- County and/or city has adopted and is enforcing Model Subdivision Rules
- Application and maintenance of authorized agent designation for regulating onsite waste disposal facilities
- Application or possession of Certificate of Convenience and Necessity (if required by Chapter 13 of the Water Code)
- Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)
- U.S. Iron and Steel requirements
- Review of legislative requirements regarding water loss threshold limits

For specific questions on the program, please contact Financial_Assistance@twdb.texas.gov. Detailed information on the program is also available at www.twdb.texas.gov/financial/programs/EDAP/index.asp.