



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 inadequate to meet state standards. Program funding is dependent upon legislative appropriations. Appropriations sufficient to provide up to an estimated \$100 million in financial assistance was received for the 2024–2025 biennium.

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.
- EDAP funds are only eligible for residential water and/or wastewater service.

Benefits and Terms

- Projects with documented public health nuisance determination from the TWDB or Texas Department of State Health Services are eligible for grants up to 70 percent; projects without a public health nuisance determination are eligible for grants up to 50 percent.
- Portion not paid for by a grant must be provided as an EDAP loan.
- Long-term fixed interest rates based on the TWDB's cost of funds.

Program Requirements

- Prioritization, detailed program requirements, and application process must be established in an Intended Use Plan.
- Water supply projects must be consistent with the current state water plan.
- Service area median household income can be no greater than 75 percent 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.
- Entities receiving assistance over \$500,000 must adopt water conservation and drought contingency plans.
- Meet U.S. Iron and Steel requirements.
- Review of legislative requirements regarding water loss threshold limits.

For specific questions about the program, please contact Financial_Assistance@twdb.texas.gov.

Detailed information is also available at www.twdb.texas.gov/financial/programs/EDAP.