

Texas Water Supply Corporation Grants Opportunity - Introduction

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Welcome to this introduction to the Texas Water Supply Corporation Grants opportunity, or TWSCG, administered by the Texas Water Development Board.

Before we begin, please note that closed captions are available for this recording. If you would like to use captions, you can enable them using the controls in your video player.

This is a new, one-time grant opportunity created specifically for eligible Water Supply Corporations in Texas.

If your organization is considering improvements to its water system, this presentation will help you understand the basics of the opportunity before you begin the application process.

We'll look at who may be eligible, the types of projects that may receive funding, how much funding is available, several important grant opportunity requirements, and the major dates and next steps you should know.

This presentation is intended as a high-level overview.

Applicants should always refer to the current TWDB website, Implementation Plan, and application materials for complete requirements.

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We know that a grant opportunity can include a lot of information, and it can be difficult to know where to begin.

So, instead of covering every rule and requirement in this introduction, we're going to focus on four practical questions.

First, who can apply?

Second, what types of projects can the grant support? Third, how much funding is available? And finally, what should your organization do next if this opportunity appears to be a good fit?

More detailed guidance on completing the application will be provided separately. For now, the goal is to give you a clear picture of how this grant opportunity works and where to find additional information.

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Let's begin with the big picture.

The Texas Water Development Board is allocating up to 50 million dollars for this one-time grant opportunity.

Funding will be provided as 100 percent grants for eligible water infrastructure projects. This means the financial assistance offered through this particular opportunity is grant funding rather than a loan.

The funding is intended to support projects that strengthen water supply, advance water conservation strategies, and reduce water loss.

Because the total amount of funding is limited and this is a one-time opportunity, interested Water Supply Corporations should review the grant opportunity requirements carefully and begin preparing early.

Later in the presentation, we'll also discuss the maximum amount that may be requested for an individual project.

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Water Supply Corporations provide drinking water service to communities across Texas, and their systems face many of the same infrastructure challenges as other water providers.

Those needs can include aging infrastructure, water loss, system capacity, water conservation, water quality concerns, and the need for additional or more reliable water supplies.

This grant opportunity focuses specifically on eligible Water Supply Corporations and eligible water infrastructure and supply projects.

The grant opportunity is funded through the Texas Water Fund and is intended to help qualifying Water Supply Corporations invest in improvements that support their existing residential customers.

Depending on applicant eligibility and project type, funding may be provided through either the Rural Water Assistance Fund or RWAF or the Water Loan Assistance Fund or WLAF. Applicants should also be aware that the requirements associated with those funding programs may apply.

Throughout this presentation, we'll keep the focus on what applicants need to know. There are additional legal and administrative details behind how the grant opportunity is funded, but those details are available in the Implementation Plan and do not need to be the focus of this introductory recording.

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So, who is this opportunity intended for?

The first requirement is straightforward: this grant opportunity is specifically for nonprofit Water Supply Corporations created and operating under Chapter 67 of the Texas Water Code.

The current grant opportunity materials also require the Water Supply Corporation to serve existing residential customers. An organization whose primary service is to commercial or industrial customers is not eligible under this opportunity. The current Implementation Plan provides additional requirements for eligible Water Supply Corporations, including requirements connected to how the corporation is established and operated, as well as requirements that apply to the proposed project. So, meeting the basic definition shown on this slide does not automatically mean that an organization or project will qualify for funding. Think of this as the first screening question: Are you a nonprofit Chapter 67 Water Supply Corporation serving existing residential customers? If the answer is yes, the next question is whether the project you want to fund is an eligible project. That's where we'll go next.

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If your organization appears to meet the basic applicant requirements, the next question is whether your proposed project is eligible. The TWSCG opportunity is focused on water infrastructure and water supply projects. Eligible projects may include work that addresses real or apparent water loss, improves water conservation, corrects water-system deficiencies, upgrades or replaces water infrastructure, helps provide additional or more reliable water supply, or addresses Texas Commission on Environmental Quality violations. Certain direct and indirect potable reuse projects may also be eligible. For reuse projects, the current Implementation Plan limits eligible funding to the tertiary treatment of wastewater effluent and the components needed after that point to convey the water for potable use. The important point is that this opportunity is centered on water supply and water infrastructure. If your project fits within that purpose, the next step is to review the detailed eligibility requirements in the Implementation Plan and application materials.

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It is also important to understand what this grant does not fund. The current Implementation Plan states that drainage, flood control, and wastewater projects are not eligible under this opportunity. That distinction matters because some Water Supply Corporations may have responsibilities beyond drinking water. For TWSCG, the focus is on eligible water infrastructure and water supply projects. If your organization is considering a project that includes several different components, review the Implementation Plan carefully to make sure the portion you intend to fund falls within the eligible project categories.

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Now let's look at the funding limits. The current Implementation Plan proposes a maximum of 5 million dollars per project. The total statewide funding target is 50 million dollars. That means an applicant should identify and prioritize the project needs that are most important for its system. The Implementation Plan also limits applicants to one application per entity, which is intended to help streamline the review process and encourage applicants to focus on their highest-priority needs. The 5-million-dollar cap is a maximum. The actual amount awarded to any project will depend on the application, project eligibility, available funding, and the final requirements.

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Another important feature of this opportunity is that funding is not limited only to construction. Under the current Implementation Plan, an eligible applicant may request funding for planning, acquisition, design, or construction. This gives Water Supply Corporations flexibility depending on where their project is in the development process. For example, one system may still need planning and design work before construction can begin, while another system may already have those steps completed and be ready to move directly into construction. Applicants should identify the project phase, or phases, that best match their current needs and clearly describe those needs in the application. However, there is an additional requirement for applicants seeking construction-only funding, which we'll explain next.

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If your application is requesting construction funding only, the project must be ready to proceed. In practical terms, that means the work that normally has to happen before construction should already be complete. The current Implementation Plan identifies several key items. Environmental coordination must be complete. If land acquisition is part of the project, applicable conveyance coordination requirements must also be completed. Required water rights, land, and easements must be acquired. The design must be complete, including plans, specifications, and the design report. And the required permitting must also be complete.

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Before you begin an application, it is important to look beyond the project itself and make sure your organization is also prepared. The current Implementation Plan identifies several requirements that applicants should review early. Applicants must be current with their required financial reporting information. TWSCG applicants may submit either an independent financial audit or IRS Form 990 documentation to satisfy financial reporting requirements. Applicants must also make sure that applicable Water Use Surveys, Water Loss Audits, Water Conservation Plans, and related reports have been submitted as required. Links to additional information and resources for these requirements are provided on this slide for those who would like more detailed guidance. Proposed projects must also be consistent with the 2027 State Water Plan and applicable 2026 Regional Water Plans. These requirements are important because some of them cannot be completed at the last minute. So, even before the application period begins, this is a good time to review your organization's records, confirm what has already been submitted, and identify anything that may still need attention. The detailed application materials will explain exactly what documentation must be included with the application.

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Because this is a competitive funding opportunity and the amount available statewide is limited, eligible projects may need to be prioritized. The current Implementation Plan proposes a simplified scoring approach. For retail water providers, one factor is the annual median household income of the service area. For wholesale water providers, the calculation instead considers the population served by the retail water providers that purchase water from the applicant. Projects that are considered ready to proceed may also receive additional points. And if two projects receive the same score, the current plan gives preference to the applicant that has never received TWDB financial assistance, or that has gone the longest period of time since receiving that assistance. We are intentionally not showing the detailed formulas here. Applicants should use the current Implementation Plan when they are ready to review the scoring calculations in detail.

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There is one application requirement that deserves special attention. Your submission needs to be complete. The current Implementation Plan states that applications must be complete at the time of submission and that all required information must be submitted as part of the application process. Failure to submit any required information will disqualify an application from the selection process. That is why we recommend treating completeness as more than a final administrative check. Before submitting, review every required section, confirm that all supporting documents are included, and make sure the information is accurate and current. The later application-form recording will walk through these requirements in much more detail. For this introduction, the main point is simple: Do not wait until the deadline to discover that something is missing.

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Timing is another important part of this opportunity. The Texas Water Development Board approved the updated Implementation Plan at its September 10 Board Meeting, marking an important milestone for the Texas Water Supply Corporation Grants opportunity. Following that approval, the application period opens on September 15, 2026. Applicants should carefully review the application materials and begin preparing as early as possible rather than waiting until the deadline approaches.

The application deadline is January 13, 2027. Because preparing a complete application may require coordination among Water Supply Corporation staff, governing-body members, consulting engineers, financial staff, and others, applicants are encouraged to allow plenty of time to gather documentation and address any questions.

After applications are reviewed and selected, the process will move into commitments for approved projects, which are anticipated to begin in late summer to fall 2027. Funding agreements, also known as closings, are anticipated to occur in winter 2027.

Throughout the application period, applicants should continue checking the TWSCG webpage for the latest program information, materials, and updates.

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So, what can your organization do now?

First, visit the Texas Water Supply Corporation Grants webpage and become familiar with the grant opportunity. The webpage should be your primary source for current program updates and provides access to the TWDB Online Application, or OLA, system, through which applications will be submitted.

Second, review the current Implementation Plan. It contains the detailed framework for eligibility, project types, funding, prioritization, and administrative requirements.

And third, begin talking with the people who may need to participate in your application.

For many Water Supply Corporations, that may include system management, operators, board members, financial staff, and a consulting engineer.

You can also begin by gathering information about your proposed project and reviewing the organizational requirements we discussed earlier.

Starting now does not mean that you need to submit immediately. It simply gives your organization time to understand the opportunity and prepare for the application process.

And remember: the TWSCG webpage should be your primary source for the latest updates.

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This introduction is only the first part of the outreach planned for the Texas Water Supply Corporation Grants opportunity.

You are currently viewing the TWSCG Introduction, which provides a high-level overview of the opportunity, including available funding, eligible applicants and projects, major requirements, important dates, and additional resources available to applicants.

Additional applicant outreach is planned for October 6, 2026, and October 27, 2026. These outreach efforts will focus on topics such as the application process, required supporting documentation, program requirements, common application issues, final reminders, and additional applicant guidance.

Live question-and-answer opportunities are also planned on October 6, 2026, and October 27, 2026, to provide applicants with an opportunity to ask questions and receive additional information about the grant opportunity.

Additional information regarding available resources, outreach activities, and applicant support opportunities will be shared through the TWSCG webpage.

The goal is to provide information in stages, allowing applicants to focus on the information most relevant to each step of the application process rather than trying to absorb every detail at one time.

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To learn more, visit the Texas Water Supply Corporation Grants page on the Texas Water Development Board website.

The TWSCG webpage should be your primary source for current program information, including the Implementation Plan, application materials, important dates, and future updates.

Before submitting an application, make sure you review the current requirements carefully and use the latest materials posted by TWDB. The webpage also includes program resources, application information, and current contact details to assist applicants throughout the application process.

We encourage you to review these materials carefully and continue checking the TWSCG webpage for updates throughout the application period.

If you still have questions, the next slide provides information on how to submit them directly to TWDB staff.

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Before we conclude, we encourage applicants to submit any questions they may have about the Texas Water Supply Corporation Grants opportunity.

You can use the QR code shown on this slide or visit the online question-submission form using the web address provided.

Questions may be submitted throughout the application period. TWDB staff will review submitted questions and respond as soon as possible.

Thank you for your interest in the Texas Water Supply Corporation Grant opportunity. We look forward to supporting you throughout the application process and seeing you at a future TWSCG outreach event.