



Water Supply and Infrastructure Grants

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The period of public review and comment on the plan began January 5, 2026, and ends February 4, 2026. A public meeting was held via webinar on January 20, 2026. Below are frequently asked questions and responses to date. Please note that the Water Supply and Infrastructure Grant (WSIG) eligibilities and requirements are subject to change.

We intend to expand this list as we receive and review questions. Updates will be added to this document in sections marked with the date added. To find a specific topic, use the find feature (Ctrl + f) to search by keyword.

What types of expenses are allowed under the grant?

Grant administration, Project Management, Engineering Services, and any other traditional capital construction project-related expenses are eligible.

Can the grant be used for residential and commercial projects?

A grant from the WSIG may be used to complete a project that serves both residential and commercial retail customers. A grant from the WSIG may not be used on private property for those residences or commercial properties (i.e., residential hookups).

Are replacing service lines eligible for WSIG funding?

Partially, yes. Replacing service lines on the privately-owned side of the line is ineligible while replacing the publicly owned side of the line is eligible.

Are there any funding limitations related to developing wells for brackish groundwater?

No, unlike the Texas Water Fund, funding for groundwater wells is not limited by the total dissolved solids levels of the source water.

Are indoor plumbing, upgrades, or retrofits eligible?

No, this project type or component is not eligible for the WSIG.

Will there be any matching funds or repayment required?

No, this funding will be provided as 100% grant with no local match required.

What types of additional supply projects are eligible?

- Purchase capacity from/of another system?
- Providing first-time service to unserved, existing residents?
- Purchase of water rights?
- Source water protection through land acquisition and conservation?
- A new storage tank?
- Rehabilitation of a storage tank?
- A water boost system?
- New water wells within an existing wellfield?

Yes, these types of projects generally should be eligible depending on the exact details so long as the project is consistent with the State Water Plan. First-time service to unserved, existing residents could not include work on those residences' private property (i.e., residential hookups).

If multiple entities get together to complete a regional project, could each apply for their pro rata share of the capital cost of the project? Even if they are of various different legal authority types (for example, city, county, special district)?

Yes, this is considered an eligible project under the WSIG if each entity is an eligible entity, and the project is an eligible project.

Are reuse projects (both direct or indirect) eligible?

Would the wastewater treatment components be eligible?

Yes, a reuse project is eligible so long as the project is consistent with the State Water Plan. Only the tertiary treatment portion of the wastewater treatment process is eligible. Reclaimed wastewater effluent and water reuse infrastructure and distribution systems (a.k.a. “purple pipe”) where such infrastructure mitigates the need for additional potable supply would be eligible. For example, a reclaimed water pump station and pipeline to deliver reclaimed water to customers reducing the system's potable water demand.

Would repairs to infrastructure qualify for grant funding?

Yes, so long as repairing the infrastructure addresses water loss or a project which is primarily to resolve a TCEQ violation or create additional water supplies.

Can an applicant use these funds to replace fire hydrants?

Yes, but only if it is ancillary and associated with a project primarily to address water loss, create additional water supplies, or resolve a TCEQ violation.

Can funds be used to address wastewater system violations?

No, the WSIG may not be used for a wastewater project.

Would a non-profit with its own wastewater facility be eligible (for example, churches)?

No, non-profit entity applicants are not eligible, nor are wastewater projects eligible.

Would distribution system improvements qualify for grant funding?

Yes, so long as repairing the infrastructure addresses water loss or a project which is primarily to resolve a TCEQ violation or create additional water supplies.

Are Groundwater Conservation Districts eligible?

Yes, Groundwater Conservation Districts are eligible.

How were the per project caps determined?

The per project caps were determined using the median estimated project costs of a Drinking Water State Revolving Fund project. These are listed as eligible Project Information Forms, or PIFs, within the State Fiscal Year 2026 Intended Use Plan.

How did you come up with the target amounts for each population category?

The target amounts were based on historical project information received through the Drinking Water State Revolving Fund program.

Will the WSIG be able to cover planning and design costs for systems serving populations greater than 150,000?

No, the WSIG may not be used for the planning and design costs for projects of applicants with population served greater than 150,000.

Would WSIG funds be released upon project commitment?

No, WSIG funds for projects will be released to an escrow account at closing. The TWDB will authorize the release of funds based on project milestone completion like our WDF and SWIFT programs.

Can a project address lead and copper main lines?

Yes, water main replacement is considered an eligible project for the WSIG. However, replacement of privately owned service lines and supply pipes from the water mains are not eligible. Information regarding our Lead Service Line Replacement program is available at <https://www.twdb.texas.gov/financial/programs/Lead-SLR/index.asp>.

Does the environmental affidavit, plans and specifications, and TCEQ approval need to be complete at the time of application, or can they be completed by the time of closing?

For projects claiming to be "Ready To Proceed", the environmental affidavit, plans and specifications, and TCEQ approval letter must be completed and submitted with the application.

Can WSIG funds be used to repay or refinance an existing loan?

No, refinancing or repaying an existing loan with WSIG funds is not an eligible expense.

Are draft audits acceptable with the financial application submission?

No, they will not be accepted, and the application will be withdrawn. Only audited financial statements will be accepted.

Is eligibility based on the population served by the applicant, rather than the city or county population, including for applicants serving populations over 1,000,000?

Yes, eligibility is based on the population served by the applicant, not solely on city population. Applicants serving populations over 1,000,000 may receive up to 40M each, within the 400M set-aside.

Can multiple small communities apply together under one local government association?

The local government association must be organized and formed as a governmental entity to be eligible.

Are all public water systems eligible for the WSIG?

No, only political subdivisions, namely local governments, are eligible. Water Supply Corporations and Investor-Owned Utilities are not eligible entities

Are there any specific procurement requirements for professional services and contractors? Can currently contracted services be utilized?

None required by the TWDB. You must follow your local procurement laws and requirements. Any currently contracted service professional services may be used and reimbursed for a WSIG grant if those costs were incurred on or after June 22, 2025.

Where can I submit general questions regarding WSIG?

You may send questions to WSI_grants@twdb.texas.gov.