Drinking Water State Revolving Fund (DWSRF)

The DWSRF assists communities by providing low-cost financing for a wide range of water projects that facilitate compliance with drinking water standards.

Through fiscal year 2022, the DWSRF has committed approximately $3.6 billion for projects across Texas.

Eligible Applicants
- Publicly and privately owned water systems
- Nonprofit water supply corporations
- Nonprofit, non-community public water systems

Eligible Projects
Planning, design, acquisition, and construction to:
- Correct water system deficiencies
- Upgrade or replace water systems
- Consolidate systems
- Purchase capacity
- Purchase other systems
- Implement green projects
- Implement source water protection projects
- Refinance (under limited scenarios)

Benefits and Terms
- Below-market fixed interest rates (a percentage reduction from market rates adjusted for yield to maturity based on the borrower’s underlying credit rating)
- Principal forgiveness for qualifying disadvantaged, small/rural disadvantaged, green, very small systems, urgent need, and emergency preparedness evaluation/audit projects
- Up to 30-year repayment period

Program Requirements
- Loan origination fee
- Projects must be consistent with the current state water plan
- Projects must be listed in the current DWSRF Intended Use Plan
- Entities receiving assistance greater than $500,000 must adopt a water conservation and drought contingency plan
- Davis-Bacon wage rate requirements
- American Iron and Steel requirements
- National Environmental Policy Act (NEPA)-type environmental review
- Review of legislative requirements regarding water loss threshold limits
- For equivalency projects only: Disadvantaged Business Enterprise program
- U.S. Environmental Protection Agency will announce Build America, Buy America Act requirements

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/DWSRF.