Rural Water Assistance Fund (RWAF)

The RWAF program provides small, rural water utilities with low-cost, long-term financing for water and wastewater projects. The program is designed to offer tax-exempt-equivalent financing to water supply corporations or projects ineligible for tax-exempt financing. Program funding is dependent upon legislative appropriations or available funds, and currently no funds are available. To be notified of future funding availability, please join the TWDB’s Financial Assistance mailing list at www.twdb.texas.gov/newsmedia/signup.asp. Through fiscal year 2022, the program has committed approximately $181 million for projects across Texas.

Eligible Applicants
- Rural political subdivisions, including nonprofit water supply corporations, serving a population of 10,000 or less
- Counties in which no urban area has a population exceeding 50,000
- Applicants may partner with a federal or state agency or another rural political subdivision to apply for funding

Eligible Projects
- Planning, design, acquisition, and construction of water, wastewater, or consolidation and regionalization projects

Benefits and Terms
- Long-term fixed interest rates based on the TWDB’s cost of funds
- Tax-exempt-equivalent rates
- Up to 40-year repayment terms
- Tax exemption for project supplies
- Access to funding year round
- No maximum funding limit

Program Requirements
- Program funding is dependent upon legislative appropriations or available funds
- State-level environmental review
- Must meet any applicable U.S. Tax Code requirements (if funded with alternative minimum tax proceeds)
- Water supply projects must be consistent with the current state water plan
- 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/RWAF.