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. 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.