State Participation

The State Participation program’s goal is to allow for the “right sizing” of projects in consideration of future needs. The program encourages the optimum development of regional projects by funding excess capacity for future use. Through fiscal year 2022, the program has committed approximately $368 million for projects across Texas.

Eligible Applicants
- Political subdivisions
- Nonprofit water supply corporations

Eligible Projects
Planning, design, acquisition, and construction for the excess capacity of regional projects for:
- Water supply, including reservoirs, well fields, and water rights
- Wastewater
- Flood control

Benefits and Terms
- Long-term fixed interest rates based on the TWDB’s cost of funds sold with the State’s General Obligation AAA rating
- Financing through a temporary TWDB ownership interest in a regional facility (local sponsor repurchases the TWDB’s interest under a repayment schedule that allows for the structured deferral of both principal and interest)
- Generally, 34-year repayment terms
- No maximum funding limit
- Multi-year commitments

Program Requirements
- Program funding dependent upon legislative appropriations or available funds; includes a prioritization process
- State-level environmental review
- Administrative cost recovery fee of 0.77%
- Water supply projects must be consistent with the current state water plan
- Reservoir funding must be segmented or phased; permitting is required prior to a construction commitment
- Limited to funding of excess capacity portion; up to 80% of total water project costs and 50% for wastewater costs
- Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than $500,000)
- Master Agreement rather than bonds
- Review of legislative requirements regarding water loss threshold limits
- U.S. Iron and Steel 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/SPP.