Texas Water Development Fund (DFund)

The DFund is a streamlined state loan program that provides financing for various types of infrastructure projects. This program enables the TWDB to fund projects with multiple purposes (e.g., water and wastewater) in one loan. Through fiscal year 2022, the program has committed approximately $2.8 billion for projects across Texas.

Eligible Applicants
- Political subdivisions
- Nonprofit water supply corporations

Eligible Projects
Planning, design, acquisition, and construction of projects for:
- Water supply, including reservoirs and well fields
- Conservation
- Water quality enhancement
- Flood control
- Wastewater
- Municipal solid waste

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
- Generally 20- to 30-year repayment terms
- No maximum funding limit
- Access to loan funding year-round (please contact us to discuss project timeline and funding availability)

Program Requirements
- State-level environmental review
- 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
- 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/TWDF.