

**Texas Water Development Board  
Financial Assistance Bonding and Financing Authorities**

Common Program Name	Specific Financing Program	Source of Funds	Specific Financing Uses	Vehicle for Financing	Constitutional and Statutory Authority
D E V E L O P M E N T  F U N D	Texas Water Development Fund II (DFund) 49-d-8 authorized DFund II, prior to it, the program was DFund I	Self Supporting Bonds	Planning, design and construction of water supply, wastewater and flood control projects	Loans collateralized with purchase of local debt through private placement memorandum (PPM), loans memorialized with loan agreements	Texas Constitution Article III, Sections: 49-c, 49-d, 49-d-1, 49-d-2, 49-d-5, 49-d-6, 49-d-7 (Dfund I)  49-d-8, 49-d-9, 49-d-11 (DfundII);  Texas Water Code, Chapter 17, Subchapters D, E, F, G and L  49-d-11 authorized evergreen bonding authority up to \$6b.
	Water Infrastructure Fund (WIF)	Self Supporting/Non-Self Supporting Bonds (the majority of the debt service is funded by loan repayments)	Planning, design and construction of water supply, wastewater and flood control projects which are strategies in the State Water Plan	Subsidized loans collateralized with purchase of local debt through PPM, some with deferrals. Program is dormant, no other loans will be funded.	Texas Constitution Article III, Sections: 49-c, 49-d, 49-d-1, 49-d-2, 49-d-5, 49-d-6, 49-d-7, (Dfund I)  49-d-8, 49-d-9, 49-d-11 (Dfund II);  Texas Water Code, Chapter 15, Subchapter Q; Texas Water Code, Chapter 17, Subchapter E
	State Participation (SP)	Self Supporting / Non-Self Supporting Bonds (as the program matures, bond issues become self supporting)	Regional development of projects including reservoirs and storm water retention basins for water supply, flood protection and groundwater recharge; facilities for the transmission and treatment of water; and treatment works; includes funding of State Water Plan projects	Temporary state ownership via a purchase contract with interest-deferred repurchase payments	Texas Constitution Article III, Sections 49-c, 49-d, 49-d-1, 49-d-2, 49-d-5, 49-d-6, 49-d-7, 49-d-8, 49-d-9, 49-d-11; Texas Water Code, Chapter 16, Subchapters E and F; Texas Water Code, Chapter 17, Subchapter L
	Rural Water Assistance Fund (RWAF)	Self Supporting Bonds transferred to RWAF through Interfund Loans	Water or water related projects and water quality enhancement projects	Loan program for small rural water utilities. Funding through this program gives an added benefit to Nonprofit Water Supply Corporations through a sales tax exemption for construction purchases	Texas Constitution Article III, Sections 49-c, 49-d, 49-d-1, 49-d-2, 49-d-6, 49-d-7, 49-d-8, 49-d-9, 49-d-11; Texas Water Code, Chapter 15, Subchapter R; Texas Water Code, Chapter 17, Subchapters D, E, F, G and L

[1] Dfund I assets were fully absorbed by Dfund II  
O:\FINANCE\CFO\RT 2016 and Later\Reference\Statutory Framework

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S T A T E F R U E N V D O S L V I N G	Clean Water State Revolving Fund (CWSRF)	Federal program historically matched with self supporting DFund bonds; also issues revenue bonds and more recently uses revenue bond proceeds for match	Planning, design and construction of wastewater treatment facilities, wastewater recycling and reuse facilities, collection systems, stormwater pollution control projects, and nonpoint source pollution control projects	Loans provided at subsidy; disadvantaged communities may receive loans at a greater subsidy, loans instruments include the purchase of local debt through PPM or loan agreement	Texas Water Code, Chapter 15, Subchapter J; Texas Water Code, Chapter 17, Subchapters I and L; 33 U.S.C. §§1251-1387; 40 C.F.R. §35.100 et seq.
	Drinking Water State Revolving Fund (DWSRF)	Federal program historically matched with self supporting DFund bonds; also issues revenue bonds and more recently uses revenue bond proceeds for match	Planning, design and construction to upgrade or replace water supply infrastructure, to correct exceedances of SDWA health standards, to consolidate water supplies , and to purchase capacity in water systems	Loans provided at subsidy; disadvantaged communities may receive loans at a greater subsidy, loans instruments include the purchase of local debt through PPM or loan agreement	Texas Water Code, Chapter 15, Subchapter J; Texas Water Code Chapter 17, Subchapters I and L; 42 U.S.C. §300j-12; 40 C.F.R. §35.3500 et seq.

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E C O N O M I C A L D E V E L O P M E N T	Economically Distressed Areas Program (EDAP)	Non-Self Supporting Bonds	Planning, design and construction of water supply and wastewater projects in (1) areas with a median household income no greater than 75% of the State, (2) an established residential subdivision as of June 1, 2005, and (3) counties with adopted Model Subdivision Rules; includes funding of State Water Plan projects	Grants with at least 10% in loans; amended in 2019 to state the grant portion cannot exceed 70% of the outstanding debt	Texas Constitution, Art III, Sections 49-c, 49-d-7, 49-d-10, 49-d-14; Texas Water Code, §15.407; Chapter 16, Subchapter J; Chapter 17, Subchapter K  49-d-14 authorized evergreen bonding authority up to \$200m
A G R I C U L T U R A L	Agricultural Water Conservation Fund (Ag)	Appropriations of cash balances and Self Supporting bonds (may be non-self supporting at the direction of the legislature)	Loans and grants for conservation programs or conservation projects	Ag funds are used to fund both loans and grants	Texas Constitution Article III, Sec 50-d; Texas Water Code, Chapter 17, Subchapter J

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<b>W A T E R  A S S I S T A N C E  F U N D</b>	Storage Acquisition Fund	Appropriations	Design, acquisition, lease, construction, reconstruction, development, or enlargement in whole or part of any existing or proposed water storage project	Temporary state ownership via a purchase contract with repurchase payments back to the State.	Texas Water Code, Chapter 15, Subchapter E
	Research and Planning Fund	Appropriations	Research into and planning of the proper conservation, management, and development of the state's water resources, for regional planning by political subdivisions, for facility engineering in economically distressed areas, and for flood control planning by political subdivisions	R&P funds awarded as grants	Texas Water Code, Chapter 15, Subchapter F
	Water Loan Assistance Fund (WLAF)	Appropriations	Construction, acquisition, improvement, or enlargement of projects involving water conservation, water development, or water quality enhancement, providing nonstructural and structural flood control, or drainage, project recreation lands and revenue-generating recreational improvements within any watershed, or providing recharge, chloride control, subsidence control, brush control, weather modification, regionalization, or desalination	Loans and grants	Texas Water Code, Chapter 15, Subchapter C

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I M S T A E T M E E O N R W T A A T T E E I X R O A N S	State Water Implementation Fund for Texas (SWIFT) & State Water Implementation Revenue Fund for Texas (SWIRFT)	SWIFT transfer authorized by Bond Enhancement Agreement, approved by the LBB and Self-supporting revenue bonds, (Seeking authority to issue self-supporting general obligation bonds)	For implementation of the State Water Plan	Funds are used to provide subsidized loans for implementing the state water plan (SWP). Projects must be prioritized, some preferential treatment for ag / rural and for conservation / reuse. Financing structures include low-interest, deferred, and board participation.	Texas Constitution Article III, Sec 49-d-12, 49-d-13; Texas Water Code, Chapter 15, Subchapter C; Subchapter H

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T E X A S I L L F C R I A N S C T Y R U F C U T N U D R E	Floodplain Management Account	SB500 Supplemental appn of \$47m from ESF to TIRF-Floodplain Mgmt	For statewide mapping, planning, loans or grants, or educational outreach, including TWDB administrative costs	Funds may be awarded to local entities via loans or grants	Texas Water Code, Chapter 16, Subchapter L, Section 16.453
	Hurricane Harvey Account	SB500 Supplemental appn of \$638m from ESF to TIRF-Hurricane Harvey Account; \$30m of this amount for Harris County	For local match for Hazzard Mitigation Program, Public Assistance program administered through TDEM; any funds remaining in the account on September 1, 2031 must be transferred to the Flood Implementation Account.	Funds award via MOU between TDEM and TWDB.	Texas Water Code, Chapter 16, Subchapter L, Section 16.454
	Federal Matching Account	No funds appropriated for this purpose	For loan for local match	Loans (0% up to market rate) for local share of match on federal awards	Texas Water Code, Chapter 16, Subchapter L, Section 16.455
	Flood Implementation Account	No funds appropriated for this purpose	To fund projects in the State Flood Plan	Loans or Grants to eligible entities	Texas Water Code, Chapter 16, Subchapter L, Section 16.4545

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I N F R A S T R U C T U R E	Flood Infrastructure Fund (FIF)	\$793,000,000 constitutionally dedicated	To provide financing for drainage, flood mitigation, or flood control projects, including planning and design, regulatory approvals, and construction; may be used as a source of revenue or security for payment of P&I on FIF bonds; for necessary and reasonable TWDB administration costs; may be transferred to WAF Research and Planning Fund	Loans or Grants to eligible entities	Texas Constitution Article III, Sec 49-d-14; Texas Water Code, Chapter 15, Subchapter I, Chapter 17, Subchapter I
O T H E R	All	Not Applicable	Creation and use of Special Funds for Water Projects	Compliments all programs	Texas Constitution Article III, Sections 49-d-3