

**TEXAS
WATER
DEVELOPMENT
BOARD**

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**Texas Natural Resources
Information System (TNRIS)
<http://www.tnr.is.state.tx.us>**

**StratMap
<http://www.stratmap.org>**

**Borderlands Information Center
(BIC)
<http://www.bic.state.tx.us>**

**Water Information Integration and
Dissemination
(TWDB WIID System)
<http://wiid.twdb.state.tx.us/>**

**Texas Water Information
Network (TxWIN)
<http://www.txwin.net>**

**Water Smart
<http://www.watersmart.org>**

RURAL WATER ASSISTANCE FUND

WHAT IS THE RWAF PROGRAM AND WHO CAN APPLY?

The Texas Water Development Board (TWDB) administers the Rural Water Assistance Fund (RWAF), created in 2001 by the 77th Texas Legislature. The RWAF program is designed to assist small rural utilities to obtain low cost financing for water and wastewater projects. The TWDB offers tax exempt, attractive interest rate loans with short and long-term finance options. Eligible borrowers are defined as Rural Political Subdivisions which include nonprofit water supply corporations, water districts, or municipalities serving a population of up to 10,000, or that otherwise qualify for federal financing, or counties in which no urban area has a population exceeding 50,000.

HOW CAN RWAF LOANS BE USED?

The RWAF loans may be used to fund water-related capital construction projects including, but not limited to, line extensions, overhead storage, the purchase of well fields, and the purchase or lease of rights to produce groundwater. Water quality enhancement projects such as wastewater collection and treatment projects are also eligible projects in addition to interim financing of construction projects. Costs of planning, design, and construction are all eligible for funding. The RWAF may also be used to enable a rural utility to obtain water or wastewater service supplied by a larger utility or to finance the consolidation or regionalization of a neighboring utility.

WHAT LOAN TERMS ARE OFFERED THROUGH THE RWAF?

This flexible term finance program provides borrowers with tax exempt loans with attractive interest rates, up to a 40-year maturity on loans (consistent with the useful life of the project), and quick turn-around time on loan applications. In addition, non-profit water supply corporations are exempt from paying sales tax incurred on any project



for TEXAS WATER

financed by the program. A rural utility may also enter into an agreement with a federal or state agency to submit a joint application for financial assistance.

WHAT ARE THE APPLICATION REQUIREMENTS?

Applicants should schedule a pre-application conference with the TWDB and obtain guidance on completing a funding application. The application materials must include general system information such as rates and customer base, operating budgets, financial statements, preliminary engineering planning and environmental information, and project information. In approving a loan application, the TWDB considers: (1) the needs of the area to be served by the project; (2) the benefit of the project to the area; (3) the relationship of the project to the overall state water needs; (4) the relationship of the project to the State Water Plan; and (5) the availability of all sources of revenue to the rural utility for the ultimate repayment of the project cost. An application is due on the first business day of the month preceding the month during which the application is to be considered by the TWDB Board. The Board usually meets in Austin on the third Tuesday or Wednesday of each month to consider financial assistance applications.

COMMITMENT AND FUNDING

Upon approval of the application, the TWDB extends the applicant a loan commitment, provides an acknowledgement letter and other necessary loan and authorizing documents. The applicant approves and authorizes the project financing package at a public meeting. The applicant and the TWDB may schedule a pre-closing conference, as necessary. The project loan is closed and funds are then released for planning and design.

OTHER REQUIREMENTS

The applicant must complete the remaining engineering and other regulatory requirements as outlined in the application guidance materials. The applicant is required to solicit bids for the project prior to commencement of construction. Terms for loan repayment are flexible, depending on the applicant's needs.

WHERE MAY I GET MORE INFORMATION?

To receive additional information or to request a pre-loan meeting, please contact the Texas Water Development Board at 512/463-7853. Information is also available on the TWDB web site, www.twdb.state.tx.us.

Our Mission

Provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas.

EQUAL OPPORTUNITY EMPLOYER

*The Texas Water Development Board does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services, programs or activities.
1-800-RELAY TX (for the hearing impaired)*