



Water Supply and Infrastructure Grants

Edits posted on April 1, 2026

The period of public review and comment on the plan began January 5, 2026, and ended February 4, 2026. A public meeting was held via webinar on January 20, 2026, and the final implementation plan was provided to the Board on March 31, 2026. Below are frequently asked questions and responses to date.

We intend to expand this list as we receive and review questions. Updates will be added to this document in sections marked with the date added. To find a specific topic, use the find feature (Ctrl + f) to search by keyword.

Eligibilities

Is there any opportunity for Water Supply Corporations (WSC) to participate in the WSIG opportunity? [Newly added 4/2026]

Water Supply Corporations are not eligible for receiving a direct or pass-through grant through the WSIG. An eligible political subdivision may submit a project that would ultimately benefit a WSC. That project would be WSIG eligible if the applicant entity owned the project and the constructed assets. Those assets could not be transferred to the WSC.

If multiple entities get together to complete a regional project, could each apply for their pro rata share of the capital cost of the project? Even if they are of various different legal authority types (for example, city, county, special district)?

Yes, this is considered an eligible project under the WSIG if each entity is an eligible entity, and the project is an eligible project.

Are Groundwater Conservation Districts eligible?

Yes, Groundwater Conservation Districts are eligible.

Can multiple small communities apply together under one local government association?

The local government association must be organized and formed as a governmental entity to be eligible.

Are all public water systems eligible for the WSIG?

No, only political subdivisions, namely local governments, are eligible. Water Supply Corporations and Investor-Owned Utilities are not eligible entities.

Are Independent School Districts (ISD) and public universities considered eligible entities for the WSIG opportunity? [Newly added 4/2026]

Yes, but only if the ISD or public university operates a registered Public Water System (PWS) that serves or will serve connections beyond their own facilities, providing service (water) to entities not owned by the institution, either private residential or business. Only project costs associated with activities taking place beyond their own facilities will be WSIG eligible.

Are Public Utility Agencies (PUA) considered eligible entities for the WSIG opportunity? [Newly added 4/2026]

Yes, however, eligibility for PUAs is limited to those that were formed prior to June 22, 2025.

Are Districts (SUD, MUD) and Water Authorities considered political subdivisions of the State? [Newly added 4/2026]

Yes, districts or authorities created under Section 52, article III, or Section 59, Article XVI of the Texas Constitution would be eligible.

For canal lining and canal conversion projects, must awardees use NADBank funds, or could they choose to use WSIG funds?

Entities can choose to pursue NADBank funding or the WSIG for their canal lining or conversion project. They are not limited to applying for only one opportunity, as there is no guarantee of funding for either award opportunity.

Must applicants applying for a canal lining or conversion project through the NADBank submit the TWDB WSIG grant in order to access the \$100 million set aside? [Newly added 4/2026]

No, entities that have already applied to the NADBank's Water Resiliency Fund program for a canal lining or conversion project do not need to submit the WSIG application to access the \$100 million set aside within the WSIG.

What other entity types are eligible for the WSIG? [Newly added 4/2026]

- Cities
- Counties
- Councils of Governments
- Municipal Utility Districts
- Special Utility Districts
- River Authorities

Yes, these entity types are eligible to receive a WSIG.

What does consistency with the 2027 State Water Plan (SWP) mean? [Newly added 4/2026]

Current consistency reviews are being assessed against the [Board-approved 2026 Regional Water Plans](#). The 2027 SWP is anticipated to be taken to the Board for approval consideration in July 2026. Upon issuance, the SWP will be posted on the [TWDB website](#). The 2022 SWP should not be utilized for consistency purposes. Information on consistency determinations may be found in the following [information sheet](#).

Would a non-profit with its own wastewater facility be eligible (for example, churches)?

No, non-profit entity applicants are not eligible, nor are wastewater projects eligible.

Allowable Projects

Are source water protection land purchases permitted? [Newly added 4/2026]

No, land purchases for source water protection are not allowed.

Would repairs to infrastructure qualify for grant funding?

Yes, so long as repairing the infrastructure addresses water loss or a project which is primarily to resolve a TCEQ violation or create additional water supplies. Costs for ongoing operation and maintenance activities are ineligible.

Would distribution system improvements qualify for grant funding?

Yes, so long as repairing the infrastructure addresses water loss or a project which is primarily to resolve a TCEQ violation or create additional water supplies.

What types of additional supply projects are eligible? [Edited 4/2026]

- Purchase capacity from/of another system
- Capacity buy-in
- Providing first-time service to unserved, existing residents
- Purchase of water rights
- A new storage tank
- Rehabilitation and expansion of a storage tank
- A water boost system
- New water wells within an existing wellfield

Yes, these types of projects generally should be eligible depending on the exact details so long as the project is consistent with the State Water Plan. First-time service to unserved, existing residents could not include work on those residences' private property (i.e., residential hookups).

Can funds be used to address wastewater system violations?

No, the WSIG may not be used for a wastewater project.

Are reuse projects (both direct and indirect) eligible? [Edited 4/2026]

Yes, a reuse project is eligible for funding so long as the project is consistent with the State Water Plan and addresses a potable use.

Would the wastewater treatment components be eligible? [Edited 4/2026]

No, only the tertiary treatment portion of the wastewater treatment process and distribution thereafter for a potable use is eligible.

Are reuse projects that offset a user's potable water usage with non-potable water be eligible through the WSIG? [Newly added 4/2026]

No, only reuse projects that provide potable water for potable uses are eligible.

Can the grant be used for residential and commercial projects?

A grant from the WSIG may be used to complete a project that serves both residential and commercial retail customers. A grant from the WSIG may not be used on private property for those residences or commercial properties (i.e., residential hookups).

Are replacing service lines eligible for WSIG funding?

Partially, yes. Replacing service lines on the privately-owned side of the line is ineligible while replacing the publicly owned side of the line is eligible.

Can a project address lead and copper main lines?

Yes, water main replacement is considered an eligible project for the WSIG. However, replacement of privately owned service lines and supply pipes from the water mains are not eligible. Information regarding our Lead Service Line Replacement program is available at <https://www.twdb.texas.gov/financial/programs/Lead-SLR/index.asp>.

Are indoor plumbing, upgrades, or retrofits eligible?

No, this project type or component is not eligible for the WSIG.

Are there any funding limitations related to developing wells for brackish groundwater?

No, unlike the Texas Water Fund, funding for groundwater wells is not limited by the total dissolved solids levels of the source water.

Can an applicant use these funds to replace fire hydrants?

Yes, but only if it is ancillary and associated with a project primarily to address water loss, create additional water supplies, or resolve a TCEQ violation.

Could grant funds be used to replace an existing TWDB financial assistance commitment? [Newly added 4/2026]

No, the TWDB will not accept for consideration an application for a project that is intended to replace the funds previously committed by the TWDB for that project. For example, if an entity has been awarded a \$1 million loan commitment to fund a water improvement project through the Drinking Water State Revolving Fund (DWSRF), the TWDB will not consider a \$1 million WSIG application for the same water improvement project. If there are new project costs associated with the DWSRF-funded project in excess of \$1 million, those “cost overruns” would be eligible for consideration for a WSIG.

Could grant funds be used to replace all or a portion of an outstanding SWIFT commitment? [Newly added 4/2026]

Yes, replacement of unclosed existing SWIFT multi-year commitments (SFY 2027 or later) using WSIG grants would be acceptable. SWIFT projects that have existing unclosed multi-year commitments could replace those future tranches of funds with WSIG funds, but it only applies to those multi-year tranches that are scheduled for closing in SFY 2027 or later.

Can an entity apply for funding to replace and extend old water lines located on a military installation? [Newly added 4/2026]

No, this is not considered eligible for WSIG.

Allowable Costs

Will WSIG funds be able to cover planning and design costs for systems serving populations greater than 150,000?

No, the WSIG may not be used for the planning and design costs for projects of applicants with population served greater than 150,000.

What types of expenses are allowed under the grant?

Grant administration, Project Management, Engineering Services, and any other traditional capital construction project-related expenses are eligible.

Will there be any matching funds or repayment required?

No, this funding will be provided as 100% grant with no local match required.

Would WSIG funds be released upon project commitment?

No, WSIG funds for projects will be released to an escrow account at closing. The TWDB will authorize the release of funds based on project milestone completion like our Texas Water Development Fund (WDF) and SWIFT programs.

Can WSIG funds be used to repay or refinance an existing loan?

No, refinancing or repaying an existing loan with WSIG funds is not an eligible expense.

Are there any specific procurement requirements for professional services and contractors? Can currently contracted services be utilized?

None required by the TWDB. You must follow your local procurement laws and requirements. Any currently contracted professional services may be used and reimbursed for a WSIG grant if those costs were incurred on or after June 22, 2025.

Readiness to Proceed

What does readiness to proceed mean? [Newly added 4/2026]

Readiness-to-proceed means environmental coordination, land and easement acquisition, permitting, and design (plans and specifications with design report) have all been completed and any required regulatory approvals have been received.

Must the project be bid ready by July 2026 in order to submit an application? [Newly added 4/2026]

Applicants with a population of 150,001 or greater may only request construction funding and must be ready to proceed to construction at the time of application submittal.

Does the environmental affidavit, plans and specifications, and TCEQ approval need to be complete at the time of application, or can they be completed by the time of closing?

For projects claiming to be "Ready-To-Proceed", the environmental affidavit, plans and specifications, and TCEQ approval letter must be completed and submitted with the application.

If multiple projects are submitted under the same application, do they all need to be completed by Summer 2027? [Newly added 4/2026]

All construction contracts must be completed by January 31, 2031. Construction closeout documents must be submitted by February 28, 2031 – this includes completion of a final site visit by TWDB staff.

If multiple projects are submitted under the same application, do they all need to be considered ready to proceed? [Newly added 4/2026]

Yes, if multiple smaller projects have been included on an application for a system that serves a population greater than 150,000, then all of the smaller projects will need to be ready to proceed to construction. The same must be true for an application for a system that serves a population less than 150,000 to receive the additional "Ready to Proceed" points.

Could you clarify readiness to proceed, especially with respect to alternative delivery (e.g., design-build or CMAR)? [Newly added 4/2026]

Both Design-Build and Construction Manager at Risk (CMAR) delivery methods will be accepted for applicant projects that serve populations greater than 150,000. Design packages must be 100% complete to be considered for readiness to proceed. Staged Regulatory, Programmatic, and Bid (RP&B) Design Packages will NOT be considered for readiness to proceed. See TWDB Alternative Delivery Guidance ([TWDB-0570](#)) for additional information on alternative delivery implementation.

United States iron and steel requirements as well as other applicable WSIG requirements will apply to all design packages.

Applicable State and Federal Laws

Are draft audits acceptable with the financial application submission?

No, they will not be accepted, and the application will be withdrawn. Only audited financial statements will be accepted.

Are water use survey responses required under this opportunity? [Newly added 3/31/2026]

Yes, entities required to submit water use surveys to the TWDB must have submitted for the past 3 years by March 1 (or no later than the WSIG application deadline) to remain eligible for a WSIG. For more information on the water use survey requirements, visit the [TWDB Water Use Survey webpage](#).

Will water loss validation be required under this opportunity? [Newly added 4/2026]

Yes, validation of the 2025 water loss audit will be required prior to consideration of the request for financial assistance from the Board.

Will water loss waivers be permitted under this opportunity? [Newly added 4/2026]

No, water loss waivers are not allowed due to the limited timeframes associated with disbursing these funds.

Are water conservation plans required under this opportunity? [Newly added 4/2026]

Yes, entities required to submit water conservation plans to the TWDB must have one submitted by May 1, 2026, to remain eligible for a WISG. Entities that were previously not required must submit an approvable draft no later than the WISG application deadline. For more information on the water conservation plan requirements, visit the [TWDB Water Conservation Plan webpage](#).

Will new water conservation plans need to be adopted upon application? [Newly added 4/2026]

No, but a copy of the ordinance, resolution, or tariff indicating official adoption of the water conservation plan is needed prior to closing.

Will water conservation plan costs be reimbursed? [Newly added 4/2026]

If an applicant incurs costs to finalize or update the required plan prior to the WISG application deadline, those expenses may be eligible for reimbursement under the opportunity, provided they are directly related to meeting the WISG application requirements.

If a new entity has no current facilities, and has no water use survey, water loss audit, or conservation information, would this disqualify them from being able to apply for a WISG? [Newly added 4/2026]

Yes, applicants would need to provide five years of data to complete a utility profile for their water conservation plan.

Will state water plan consistency waivers be permitted under this opportunity? [Newly added 4/2026]

No, state water plan consistency waivers are not allowed due to the limited timeframes associated with disbursing these funds.

Does the Davis Bacon Act or other State Revolving Fund programmatic requirements apply to WISG projects? [Newly added 4/2026]

No, State Revolving Fund requirements do not apply to WISG funds.

Can an entity retroactively apply the US Iron and Steel requirements to a project that is under construction and still be considered eligible for the WSIG? [Newly added 4/2026]

If the construction project meets the United States iron and steel requirements as well as other applicable WSIG requirements, costs incurred on or after June 22, 2025, could be eligible. Please refer to the [United States Iron and Steel Guidance \(TWDB-1105\)](#) available on the Texas Water Development Board's Program Guidance & Manuals webpage. No waivers to US Iron and Steel requirements will be issued for WSIG projects. Applicants seeking reimbursement costs may be asked to submit a [certification](#) of having met this requirement during the application review phase.

Prioritization

Is there an opportunity for applicants to correct information on their application? [Newly added 4/2026]

Yes, applicants contacted to make a correction to their submitted application will have up to three business days to correct the error. No applicant will be contacted to make a correction prior to the WSIG application deadline date.

Will 2024 American Community Survey (ACS) data be used for the WSIG opportunity?

Yes, the 2024 ACS data will be used for this prioritization.

I have a pending Drinking Water State Revolving Fund application. Can I pause that application and submit the project for WSIG consideration? [Newly added 4/2026]

With the exception of the SWIFT 2026 funding cycle, if an entity has submitted an application for other TWDB financial assistance programs, the entity may request via email to pause the review of that application until they receive notice regarding a possible WSIG funding commitment.

Pausing a SWIFT application now effectively withdraws the application from consideration. Also note that pausing an application for the Texas Water Development Fund may result in the project missing the deadline for the 2027 bond sale.

Disbursement of Funds

What is the process for releasing escrowed funds, what documentation is required, and how is project progress monitored? [Newly added 4/2026]

Escrowed funds will be released at the start of each new project phase or construction contract once the preceding milestone has been completed. Applicants with construction-only projects will not be required to submit outlays, invoices, or progress reports to receive these releases. Instead, oversight during the construction phase will be supported through more frequent site visits than are typical for standard TWDB programs. For applicants with projects that fund planning and design activities, quarterly progress reports will be required in order to initiate a release. At any time, TWDB staff may request copies of project documents such as payment requests to verify progress.

Will there be a requirement to return the accrued interest in the escrow account or can it be applied toward eligible project costs? [Newly added 4/2026]

Accrued interest may be applied to project-eligible expenses (subject to TWDB approval); any remaining accrued interest that is not used for eligible costs must be returned to the TWDB. All project work must be completed by January 31, 2031. Construction closeout documents including final payment requests must be submitted by February 28, 2031. Any unspent funds and accrued interest will ultimately be returned to the State Comptroller.

Other Topics

How were the per project caps determined?

The per project caps were determined using the median estimated project costs of a Drinking Water State Revolving Fund project. These are listed as eligible Project Information Forms, or PIFs, within the State Fiscal Year 2026 Intended Use Plan.

How did you come up with the target amounts for each population category?

The target amounts were based on historical project information received through the Drinking Water State Revolving Fund program.

Is eligibility based on the population served by the applicant, rather than the city or county population, including for applicants serving populations over 1,000,000? [Edited 4/2026]

Yes, eligibility is based on the population served by the applicant, not solely on city population. If a project is providing first-time centralized water service to currently unserved households, the population used for eligibility is the population of the new service being provided. If a project contains components that provide first-time service AND components that serve the existing service area, the population used for eligibility is the population of the new service being provided AND the population of the existing service area combined. Applicants serving populations over 1,000,000 may receive up to \$55M each, within the \$400M set-aside.

When are the next WSIG webinars scheduled? [Newly added 4/2026]

Two webinars covering the WSIG financial application will be held on April 23 and May 13, 2026. Both webinars will cover the same content.

Where can potential applicants register for the WSIG webinars? [Newly added 4/2026]

Visit the [TWDB WSIG webpage](#) to sign up.

Where can I submit general questions regarding WSIG?

You may send questions to WSI_grants@twdb.texas.gov.