



Economically Distressed Areas Program (EDAP)

The EDAP provides financial assistance in the form of grants and loans for water and wastewater projects in economically distressed areas where service is unavailable or is inadequate to meet state standards. Projects must be located in counties that are enforcing adopted Model Subdivision Rules. Through Fiscal Year 2020, the program has committed approximately \$839 million for projects across Texas.

In November 2019, Texas voters approved a proposition authorizing the TWDB to issue additional general obligation bonds in an amount not to exceed \$200

million for EDAP projects. Individual bond issuances are dependent on biennial legislative appropriations.

The TWDB is also currently working to implement other changes to the EDAP program resulting from the 86th Legislative Session and anticipates accepting applications for financial assistance after all changes are finalized.

Please join the TWDB mailing list at www.twdb.texas.gov/newsmedia/signup.asp to be notified of further developments, including opportunities to apply.

Eligible Applicants

- Political subdivisions
- Nonprofit water supply corporations

Eligible Projects

- Planning, design, acquisition, and construction for first-time service or improvements to water supply or wastewater collection and treatment works

Benefits and Terms

- Grant funding available as determined by a grant-to-loan calculation reflecting the entity's ability to repay
- Projects with documented public health nuisance conditions eligible for grants greater than 50%
- Long-term loans with low-interest rates based on the TWDB's cost of funds
- Legislation passed in 2019 will require a formal prioritization process to determine funding for eligible projects, including criteria that address public health and safety and projects in areas under enforcement actions
- The TWDB is allowed to use EDAP bond proceeds to support public-private partnerships
- State level environmental review

Program Requirements

- Program funding dependent upon legislative appropriations
- Water supply projects must be consistent with the current state water plan
- Service area median household income can be no greater than 75% of statewide median household income
- Clear documentation of system inadequacies
- Residential subdivision served by the project must have been established prior to June 1, 2005
- County and/or city adopted and enforced Model Subdivision Rules
- Application and maintenance of authorized agent designation for regulating onsite waste disposal facilities
- Application or possession of Certificate of Convenience and Necessity (if required by Chapter 13 of the Water Code)
- Segmented project funding
- 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.