



# State Water Implementation Fund for Texas (SWIFT)

The State Water Implementation Fund for Texas (SWIFT)\* was created by the Texas Legislature to provide affordable, ongoing state financial assistance for projects in the state water plan. The program helps communities develop cost-effective water supplies by providing low-interest loans, extended repayment terms, deferral of loan repayments, and incremental repurchase terms. Through fiscal year 2022, SWIFT has committed approximately \$9.9 billion for projects across Texas.

## Eligible Applicants

- Any political subdivision or nonprofit water supply corporation with a project included in the most recently adopted state water plan

## Eligible Projects

- Recommended water management strategy projects with an associated capital cost in the most recently adopted state water plan at the time abridged applications are due to the TWDB for consideration
- Projects include conservation and reuse, desalinating groundwater and seawater, building new pipelines, developing reservoirs and well fields, and purchasing water rights, as well as numerous other strategies

## Benefits and Terms

- Base interest rates reflect the TWDB's low cost of funds (additional subsidies may apply and are set by the Board for each funding cycle)
- Up to 30-year repayment period
- Flexible financing structures:
  - **Low-interest Loans**
  - **Deferred Loans** - Principal and interest deferred up to eight years or until end of construction (for planning and design phase costs), whichever is sooner
  - **Board Participation** - A temporary TWDB ownership interest in the excess capacity of a state water plan project, providing an entity the opportunity to reasonably finance an optimally sized regional facility. The TWDB may participate in up to 80% of the total project costs.
- Additional interest rate subsidies for rural or agricultural water conservation/irrigation projects
- No maximum funding limit
- Multi-year commitments

## Program Requirements

- Projects must be recommended water management strategies in the adopted regional water plans that are included in the most recently adopted state water plan at the time abridged applications are due to the TWDB for consideration and have an associated capital cost
- State-level environmental review
- Adoption of a water conservation and drought contingency plan (for entities receiving assistance greater than \$500,000)
- Financing agreement and private placement memorandum
- Historically Underutilized Business (HUB) reporting
- U.S. Iron and Steel requirements (except for projects that received a SWIFT program funding commitment before May 1, 2019, for any portion of the project)
- Reservoir funding must be segmented or phased; permitting is required prior to a construction commitment
- Board participation is limited to funding of excess capacity portion and up to 80% of total project costs
- Review of legislative requirements regarding water loss threshold limits

For specific questions on the program, please contact [SWIFT@twdb.texas.gov](mailto:SWIFT@twdb.texas.gov). Detailed information on the program is also available at [www.twdb.texas.gov/financial/programs/SWIFT](http://www.twdb.texas.gov/financial/programs/SWIFT).

*\* The SWIFT program includes two funds, the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT). Bonds for the program are issued through SWIRFT.*