

Water for Texas

Agricultural Water Conservation Grant and Loan Program

Through the Agricultural Water Conservation Grant and Loan Program, the Texas Water Development Board (TWDB) provides agricultural water conservation loans to political subdivisions either to improve their facilities or to lend to individuals for conservation activities. The TWDB also provides grants to state agencies and political subdivisions for agricultural water conservation initiatives including demonstration projects, technology transfers, and educational programs.

Political subdivisions include a district or authority created under Section 52, Article III, or Section 59, Article XVI, of the Texas Constitution; a municipality; a county; an institution of higher education as defined by Section 61.003, Education Code; any interstate compact commission to which the state is a party; and any nonprofit water supply corporation created and operating under Chapter 67 of the Texas Water Code. Statutory and rule provisions for administering the program can be found in Texas Water Code, Chapter 17, Subchapter J, and 31 Texas Administrative Code Chapter 367.

Agricultural Water Conservation Grants

The grant portion of the program provides funding to state agencies and political subdivisions for agricultural water conservation programs. Applications are normally accepted once each year.

What can be funded?

Grants may be awarded for demonstrations, education, research, technical assistance, and technology transfer. Grants may also be made to political subdivisions to purchase and install, on either public or private property, metering devices to measure agricultural irrigation water use and to quantify water savings resulting from different agricultural water conservation strategies.

What is the amount of funding?

Up to \$600,000 is authorized for each fiscal year's assistance for agricultural water conservation grants from the TWDB's Agricultural Water

Conservation Fund. The funds are awarded through a statewide competitive grants process. TWDB may fund single- and multi-year projects.

What is the review process for grant applications? In reviewing applications for agricultural water conservation grants, the TWDB will consider the following:

- ▶ the commitment of the entity to water conservation;
- ▶ the benefits that will be gained by awarding the grant;
- ▶ the degree to which the political subdivision has pursued other available resources to finance the use for which the application is being made;
- ▶ the willingness and ability of the political subdivision to raise revenue;
- ▶ a finding that the grant will supplement rather than replace finances of the applicant;
- ▶ a finding that the grant will serve the public interest. In making this finding, the TWDB will include a finding that the grant will assist in implementing a water conservation management strategy identified in the most recently approved regional water plan or state water plan; and
- ▶ the contribution to advancing water conservation in the state.

Information on grant guidelines and application instructions is available at <http://www.twdb.texas.gov/financial/programs/AWCG/> or by contacting the TWDB at (512) 936-6090.

Agricultural Water Conservation Loans

Who can apply?

Any political subdivision such as a city, county, soil and water conservation district, underground water conservation district, or irrigation district can apply.

Through the loan program, the TWDB can provide agricultural water conservation loans to political subdivisions either to improve their facilities or to lend to individuals.

What can be funded?

Conservation programs or projects are eligible. This includes a conservation program that funds a political subdivision or person for a conservation project.

A **conservation program** is

- ▶ an agricultural water conservation technical assistance program, including a program for an on-farm soil and water conservation plan developed jointly by a landowner, an operator, and a local soil and water conservation district as provided by the Agriculture Code, Chapter 201, Subchapter H;
- ▶ a research, demonstration, technology transfer, or educational program relating to agricultural water use and conservation;
- ▶ a precipitation enhancement program in an area of the state where the program, in the TWDB's judgment, would be most effective; and
- ▶ a water conservation program administered by a state agency or political subdivision to provide loans to persons for conservation projects.

A **conservation project**

- ▶ improves the efficiency of water delivery to and application on existing irrigation systems;
- ▶ prepares irrigated land for conversion to dry land conditions;
- ▶ prepares dry land for more efficient use of natural precipitation;
- ▶ purchases and installs on public or private property devices designed to indicate the amount of water withdrawn for irrigation purposes; or
- ▶ prepares and maintains land to be used for brush control activities in areas of the state where those activities, in the TWDB's judgment, would be most effective, including activities conducted under Chapter 203 of the Agriculture Code.

The costs of a conservation program or project eligible for financial assistance under Section 17.899 of the Texas Water Code are the costs of the capital equipment, materials, labor, preparation, installation, or administration directly associated with implementing and completing the program or project.

What is the level of funding available for loans?

Maintaining the current level of funding for operating expenses, grants, and loans, the fund could provide \$1,000,000 of loans each year through FY 2026.

What is the application process?

Information on the agricultural water conservation loan program is available at <http://www.twdb.texas.gov/financial/programs/AWCL/>.

What is the review process for loan applications from political subdivisions?

In reviewing an application by a political subdivision for a loan, the TWDB must find that

- ▶ the public interest is served by providing the loan;
- ▶ the political subdivision has the ability to repay the loan; and
- ▶ the loan will further water conservation in the state.

What is the interest rate?

The interest rate to the political subdivision is equal to the asking yield for a U.S. Treasury Note with a 12-month maturity on the date rates are set.