

# Resources for Small Water Systems in Texas

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*“The TWDB Rural Water Assistance Fund (RWAF) helps small, rural water utilities obtain low-cost financing for water-related projects.”*

There are many resources to help managers of small water systems in Texas. Materials described here cover sources of financial assistance, tools for capacity building, training programs and educational resources.

## *Financial Resources*

The Texas Water Development Board (TWDB) provides financing for water supply and wastewater treatment projects through state bonds and federal grants. TWDB administers the Economically Distressed Areas Program (EDAP), which provides financial assistance to eligible counties and communities. Some counties are eligible because they are adjacent to the Texas-Mexico border, others because they have high unemployment rates and lower than average per capita incomes. The TWDB Rural Water Assistance Fund (RWAF) helps small, rural water utilities obtain low-cost financing for water-related projects. RWAF loans can be used to build infrastructure, purchase water well fields, and purchase or lease water rights.

Recently, TWDB developed the Small Community Hardship Program (SCHP), which offers limited financial help to small, rural, disadvantaged communities (with populations of fewer than 5,000 people) for water infrastructure development and replacement. Other TWDB programs include the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, which set aside portions of their annual funding to help communities whose median income is at least 75 percent below the statewide average. These programs offer 0 to 1 percent interest rate loans, with loan forgiveness of up to 35 percent.

The U.S. Department of Agriculture Rural Utilities Service has a Water and Wastewater Disposal Program that gives loans and grants to water systems in rural areas and to towns with fewer than 10,000 people. Emergency Community Water Assistance grants can assist towns with fewer than 5,000 people where there is a significant decline in the quality or quantity of drinking water.

The North American Development Bank (NADB) makes loans for water and wastewater infrastructure projects that have been certified by the Border Environmental Cooperation Commission (BECC). NADB and BECC can help small communities with feasibility studies for developing and managing water and wastewater utilities.

The Texas Office of Rural and Community Affairs (ORCA) offers grants for local water projects through the state's Community Development Block Grant (CDBG) program. The Texas CDBG program is a flexible, community-based, federal grant program that provides resources to 1,017 cities with populations of fewer than 50,000, as well as to small, rural communities in counties with non-metropolitan populations of fewer than 200,000. Block grants can be up to \$500,000, depending on the type of project and the specific program for which an application is received. Applications for competitive funding programs are reviewed and scored using program-specific criteria and processes. Eligible projects may include colonia infrastructure, community planning for public infrastructure, and water and wastewater facilities. Mayors, judges, commissioners and local officials may apply for

funding through the CDBG program on behalf of small water systems, but the water systems themselves are not eligible to apply. The Texas CDBG program is funded by the U.S. Department of Housing and Urban Development's CDBG program.

Community Resources Group, Inc. (CRG) provides loans of up to \$250,000 for terms up to 10 years for small water and wastewater projects. CRG administers the Community Loan Fund, which makes low-interest loans for qualified projects that help small systems comply with federal and state regulations, serve additional customers, and reduce their operating cost. Nonprofit corporations, including local governments and small water systems, can borrow from this fund if they serve significant numbers of low-income customers, are located in rural areas with fewer than 10,000 residents, and can repay the loans with system revenues. In addition, CRG field personnel can meet with small water systems applying for these loans to help them determine whether this program meets their needs and to help process the paperwork.

## *Capacity Building*

Texas Cooperative Extension works with rural communities to develop strategic plans and to screen groundwater for water quality problems. Extension specialists in Recreation, Park and Tourism Sciences have developed "grassroots" programs for building consensus-based solutions to challenges facing small water systems. Extension specialists in Soil and Crop Sciences have several programs to help rural communities protect water quality, including demonstration projects that test the quality of water from groundwater wells. County Extension agents can arrange for these specialists to work directly with individual water systems and communities.

The Texas Commission on Environmental Quality (TCEQ) has many types of programs to help small water systems improve their capacity to function well. TCEQ hosts drinking water conferences, provides on-site assistance, and develops and tests methodologies to help small water systems comply with the Safe Drinking Water Act. Several of these capacity-building efforts are highlighted in a 2005 TCEQ publication, "Report to the Governor:

Public Water System Capacity Development Program.” A recent TCEQ report, “The Water District Financial Management Guide,” contains detailed information about budgeting, bookkeeping and auditing procedures for water districts of all sizes.

The U.S. Environmental Protection Agency (EPA) has a Capacity Development Program designed to improve the technical, financial and managerial capacity of small water systems so they can provide drinking water consistently, reliably and cost-effectively. EPA resources can be found at <http://www.epa.gov/safewater/smallsys.html>.

The Texas Small Towns Environmental Program (“Texas STEP”), administered by the Texas Office of Rural and Community Affairs (ORCA), enables communities to participate in the development, construction and maintenance of water and wastewater systems and other public works. The program uses community volunteers who contribute “sweat equity,” thus greatly reducing costs. Texas STEP depends on the capacity and readiness of community residents to solve problems through “self-help” efforts. Texas STEP is administered through the Texas CDBG Program, which is funded by the U.S. Department of Housing and CDBG Program. ORCA field offices in East Texas (Nacogdoches), South Texas (Alice) and the High Plains (Levelland) provide on-site training and technical assistance. ORCA staff at these field offices can help communities develop loan and grant applications for water and wastewater systems.

The Texas Engineering Extension Service (TEEX) Frank M. Tejada Center for Excellence in Environmental Operations serves border communities in Texas, New Mexico, Arizona and California, as well as communities in six Mexican states. The Center provides on-site assistance to help water systems develop applications for funding. It also provides training in the operations of water and wastewater plants.

The Community Resources Group, Inc. offers technical assistance, training and educational workshops about water and wastewater issues. After Hurricane Rita hit the Texas coast in 2005, CRG worked with USDA to contact small water systems that had taken out federal loans. CRG personnel helped other systems

file the proper forms to obtain relief from the Federal Emergency Management Agency (FEMA).

## *Training Programs*

The Texas Commission on Environmental Quality (TCEQ) gives on-site assistance to small water and wastewater utilities to improve the viability of these systems. TCEQ contractors provide hands-on training and assistance, at no charge, to help systems solve financial, managerial, technical and operational issues. Services offered by TCEQ include

- financial assistance (rate studies, bookkeeping, budgeting, etc.),
- managerial assistance (staff and board training, development of capital improvement plans, etc.),
- technical assistance (water treatment requirements, evaluating water quality concerns, etc.), and
- help in meeting the requirements of the Safe Drinking Water Act.

TCEQ also supports the Texas Small Public Water System Training Program, which offers free or low-cost training for managers and operators of small water systems and is administered by TCEQ contractors.

The Texas Rural Water Association (TRWA) offers technical assistance and capacity-building programs that address a range of issues, including finances, the daily management and administration of small water systems, water treatment, and meeting regulatory requirements. TRWA conducts classes and workshops in the field each year. TRWA also works with the EPA to provide training and on-site assistance for small systems, and manages the Rural Development Colonias Assistance Program to train water system managers near the Texas-Mexico border. TRWA offers online certification classes to help water and wastewater operators earn continuing education credits. Employees of small water systems can sign up for online classes through the TRWA Web site.

The Texas Water Utilities Association (TWUA) provides training for administrators, managers, plant operators and maintenance personnel who work for water and wastewater systems.

Texas Engineering Extension Service (TEEX) instructors travel throughout Texas to conduct training programs and workshops on water and wastewater treatment, water distribution, conducting water audits, and related topics.

Courses offered through TWUA, TRWA and TEEX meet certification and continuing education requirements of the TCEQ.

## *Educational Resources*

Texas Cooperative Extension has many educational publications to assist small water systems, including a series on wellhead protection, watershed management, water quality testing and related topics.

The EPA has publications to help small water systems build their managerial, financial and technical capacity. These resources cover issues such as strategic planning, asset management, rate setting and treatment technologies.

TCEQ has publications describing how water systems can obtain loans and grants, as well as resources for individual customers.

An ORCA handbook, "Managing the Water Well," guides rural water managers in areas such as finances, operations and coping with regulations. ORCA also published a bibliography, "The Water Resources Guide for Texas," which describes federal, state and local programs that can assist small communities.

The Community Resources Group, Inc. has a series of fact sheets on topics such as preparing and using a budget, protecting the financial health of your small water system, setting water rates, and developing support for rate changes. CRG also publishes an online newsletter, "The Safe Drinking Water Trust e-Bulletin," which contains practical information about financial, managerial and technical issues. You can sign up for the newsletter at <http://bulletin.crg.org>.

TEEX has manuals and handbooks that are used in its courses on water and wastewater treatment, many of which can be purchased from the agency.

TRWA publishes several educational resources for its members, including the TRWA magazine, the "Legal Handbook for Water

Managers and Decision Makers," the "Sample Tariff Guide," and the "Financial Accounting Guide for Small Water Utilities." These publications can be purchased from TWRA.

The "Planning Handbook for Rural Communities," published by the Lower Colorado River Authority, describes how comprehensive planning can guide the development of water infrastructure and protect water quality.

## *For More Information*

Lower Colorado River Authority. 2003. *Planning Handbook for Rural Texas Communities*. Austin, Texas.

Office of Rural Community Affairs. 2001. *Managing the Water Well: A Guide for Local Leaders on the Management of Rural Water Utilities*. Austin, Texas.

Persyn, Russell, Molly Griffin, Amy Williams and Clint Wolfe. 2004. "The Watershed Management Approach." B-6154. Texas Cooperative Extension. College Station, Texas.

Texas Commission on Environmental Quality, Water Utilities Division. 1998. *Utility Assistance: Help Is On the Way!* Fact Sheet RG-198. Austin, Texas.

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Texas Commission on Environmental Quality, Water Supply Division. 2004. *Sources of Help for Utilities and Their Customers*. Fact Sheet RG-247. Austin, Texas.

Texas Commission on Environmental Quality. 2004. *Water District Financial Management Guide*. Report RG-080. Austin, Texas.

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U.S. Environmental Protection Agency. 2002. Presentation EPA 816-K-02-005. [http://www.epa.gov/safewater/smallsys/pdfs/tfa\\_sdws.pdf](http://www.epa.gov/safewater/smallsys/pdfs/tfa_sdws.pdf).

U.S. Environmental Protection Agency. 2003. *Asset Management: A Handbook for Small Water Systems*. Report 816-R-03-016. Washington, D.C.

U.S. Environmental Protection Agency. 2003. *Strategic Planning: A Handbook for Small Water Systems*. Report EPA 816-R-03-015. Washington, D.C.

### *Web Sites*

Community Resources Group, Inc.:  
<http://www.crg.org>

Frank M. Tejada Center for Excellence in Environmental Operations:  
<http://www.tejadacenter.com>

Office of Rural and Community Affairs:  
<http://www.orca.state.tx.us/>

Texas Engineering Extension Service:  
<http://teexweb.tamu.edu>

Texas Cooperative Extension:  
<http://texasextension.tamu.edu>

Texas Rural Water Association:  
<http://www.trwa.org>

Texas Water Development Board, Assistance Programs:  
[http://www.twdb.state.tx.us/assistance/assistance\\_main.asp](http://www.twdb.state.tx.us/assistance/assistance_main.asp)

Texas Water Utilities Association:  
<http://www.twua.org>

United States Environmental Protection Agency, Small Drinking Water Systems:  
<http://www.epa.gov/safewater/smallsys.html>

USDA Rural Development, Texas Section:  
<http://www.rurdev.usda.gov/tx/>

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