

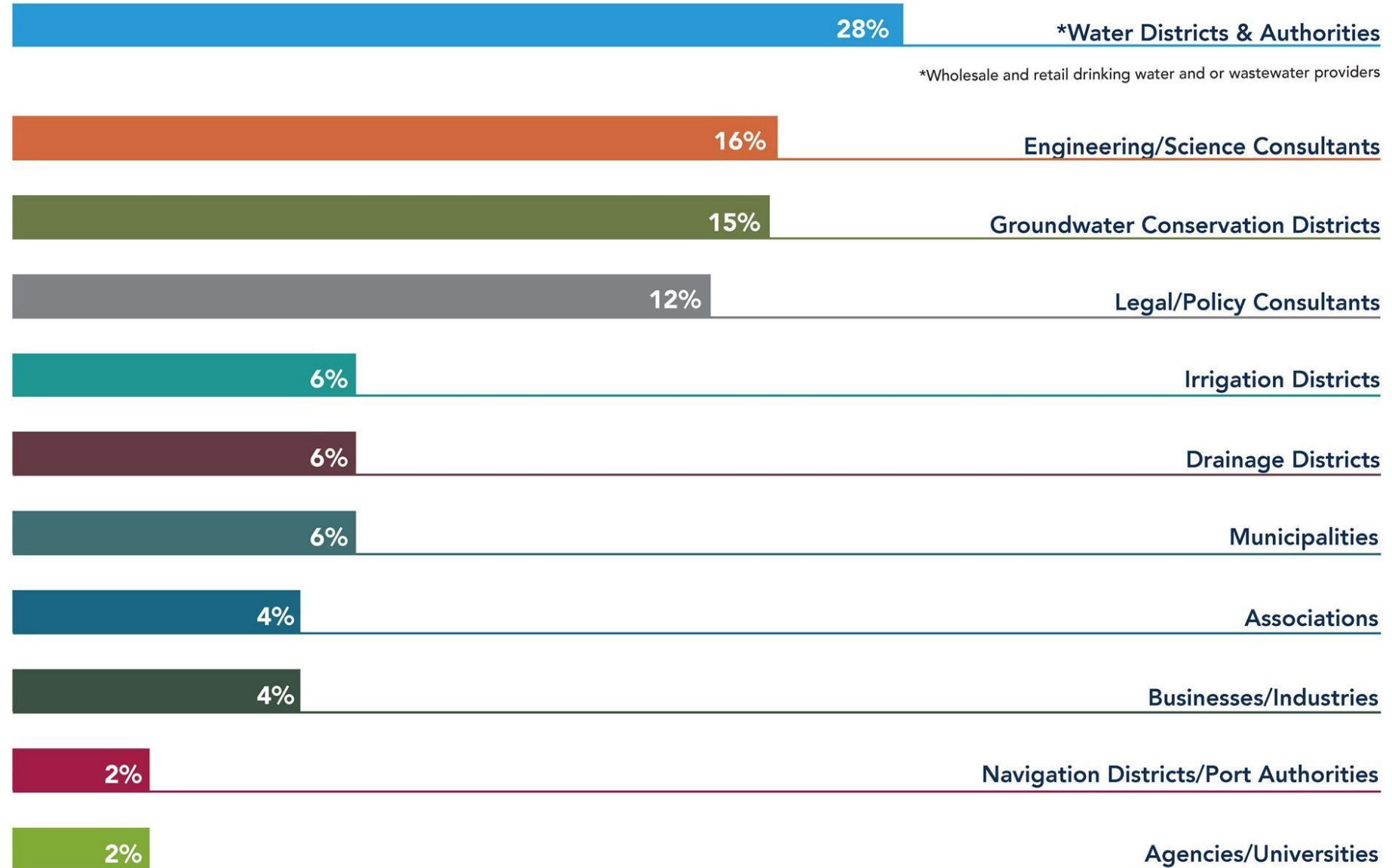


Environmental Superconference

August 2023

Sarah Kinkle, Director of Policy & Legislative
Affairs
Texas Water Conservation Association

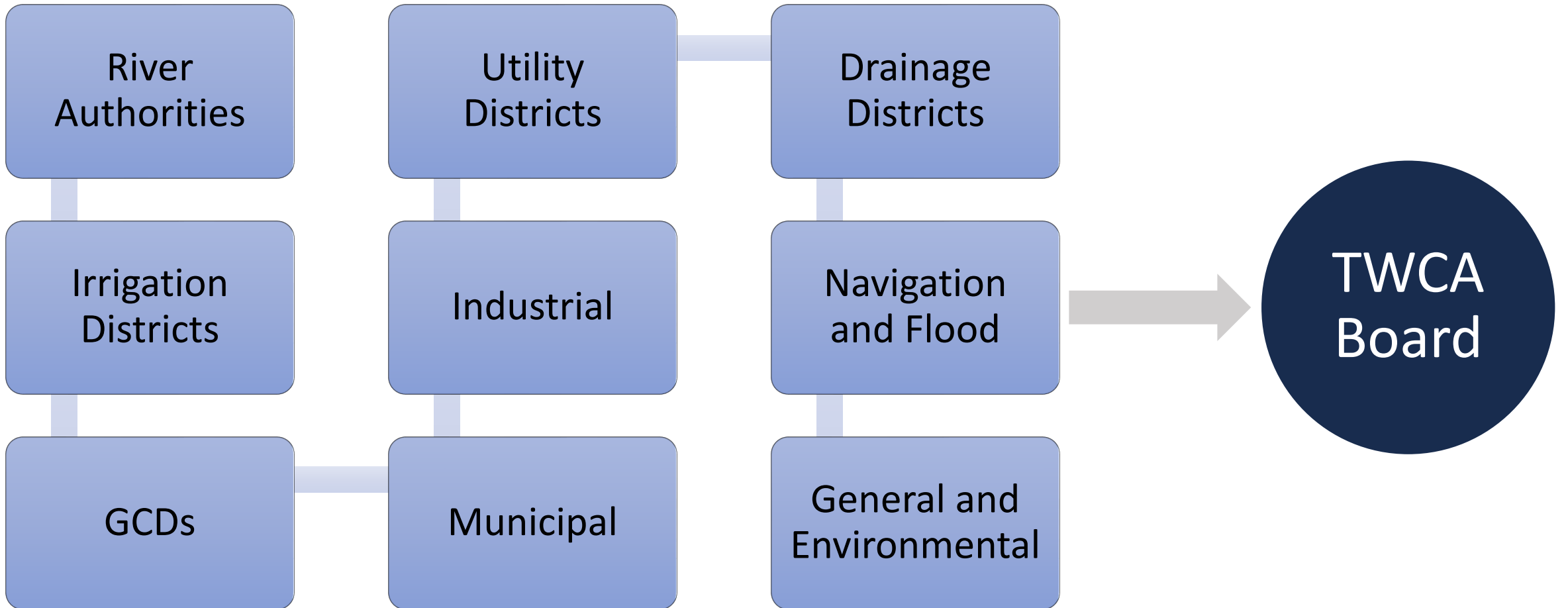
TWCA Member Breakout



TWCA members are responsible for the state's water supply and development and provide water and wastewater services to the vast majority of Texans.

TWCA represents 330 member entities across the state.

Who is TWCA?

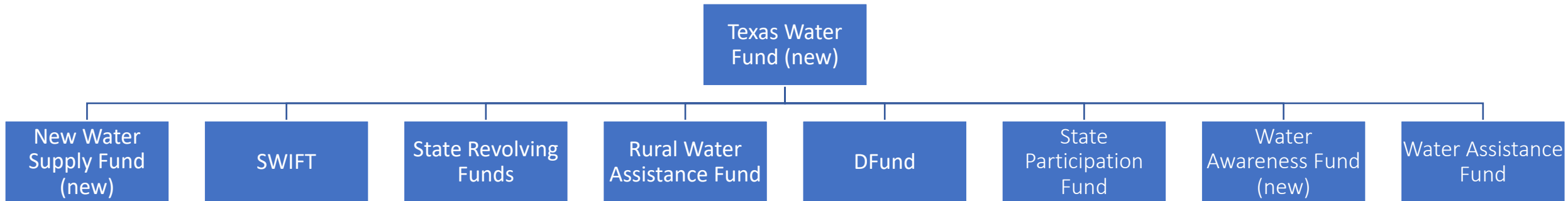


88th Regular Legislative Session

Big Water Session

- Sunset review of water-related state agencies
- Formation of House Water Caucus
- Budget investments in water infrastructure
 - S.B. 28 - \$1 billion (contingent on voter approval)
 - Flood Infrastructure Fund (FIF) - \$625 million
 - State Revolving Fund Match - \$125 million
 - Coastal Barrier - \$550 million
 - Various TWDB exceptional items for IT and staffing to improve processing of water infrastructure financial assistance

S.B. 28/S.J.R. 75



These funds award loans and grants to mostly political subdivisions for local water/wastewater infrastructure projects

Texas Water Fund

- Umbrella fund that does not directly award funds; TWDB has discretion to move money into other eligible funds/programs
- Legislative priorities for use of this money include:
 - water infrastructure for rural communities and municipalities with a population under 150,000
 - projects with completed permitting
 - water awareness campaign
 - water conservation strategies
 - water loss mitigation
- 25% of the \$1 billion must go to the New Water Supply Fund
- Creation of the Texas Water Fund, and the \$1 billion appropriation, are contingent on voter approval on November 7th

New Water Supply Fund

- Focused on “New Water”
- Eligible projects include:
 - Desalination (marine and brackish groundwater)
 - Aquifer storage and recovery (ASR)
 - Use of produced water outside of oil/gas
 - And transport of water made available by projects above
- These eligible projects generally rely on more innovative technology and are more expensive. These projects are not common in the State Water Plan.

What is New Water?

Senate engrossed eligible projects:

- *Water from other states*
- Desalination (ocean and brackish groundwater)
- Use of produced water outside of oil/gas

House engrossed eligible projects:

- *Water from other states*
- Desalination (ocean and brackish groundwater)
- Aquifer storage and recovery (ASR),
- Direct Reuse
- Use of produced water outside of oil/gas

Enrolled/Final list of eligible projects:

- Desalination (ocean and brackish groundwater)
- Aquifer storage and recovery (ASR)
- Use of produced water outside of oil/gas

TWDB rulemaking to come this Fall

Italics: removed from bill

Underline: added to bill

Questions Raised by New Water Discussion

New to who?

- A source not previously available to a specific water utility?
- A source not previously available to any utility in the state?

New for what use?

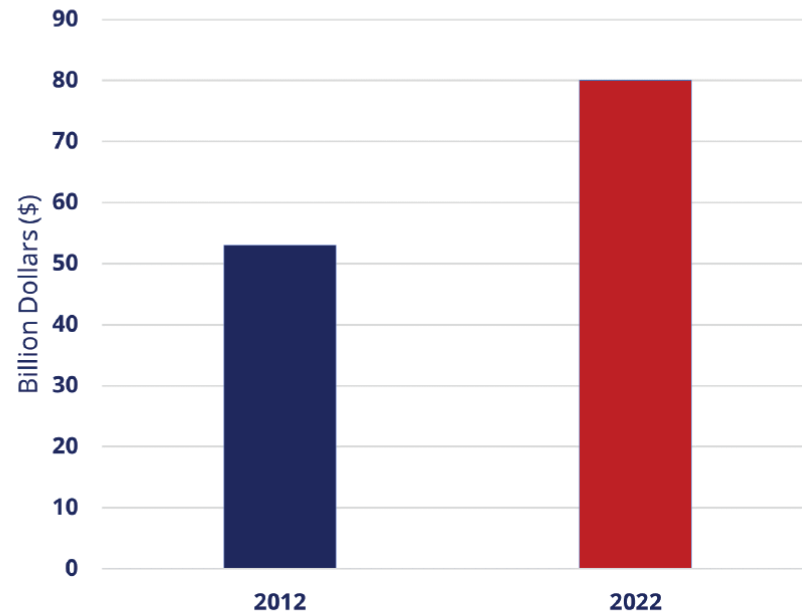
- Is a new source for drinking water only? Industrial use? Electric generation? Irrigation? Ag?

If focused on innovation, at what point does pervasiveness of a new source remove its newness?

Focus on innovation v. planning? Both are important.

Water Infrastructure is an Ongoing Conversation

State Water Plan Needs



Price tag of State Water Plan projects financed through SWIFT has risen from \$53 BILLION in 2012 to \$80 BILLION in 2022

TWDB's financial assistance programs are as much as

7X
OVERSUBSCRIBED

Source: Texas Water Development Board

Water Infrastructure is an Ongoing Conversation

Texas has critical water infrastructure needs

Texas' grade on water, wastewater, and flood infrastructure

C-

drinking water infrastructure

D

wastewater infrastructure

C-

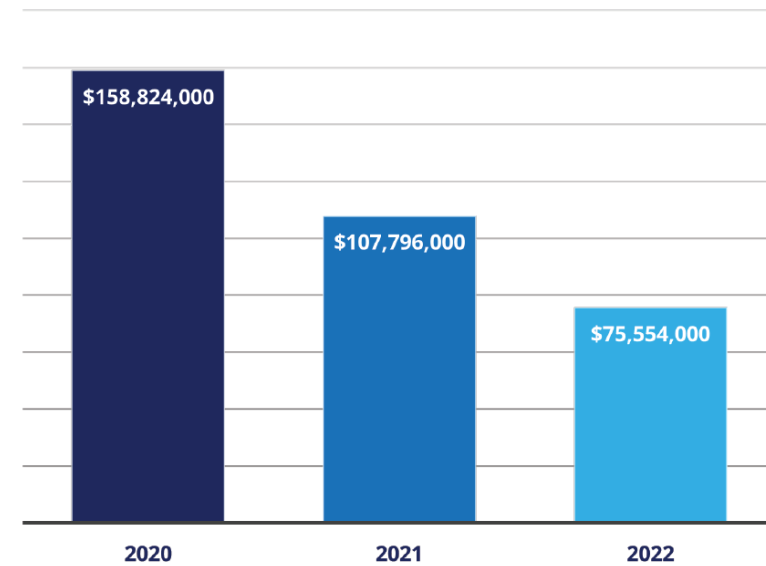
flood mitigation

Source: American Society of Civil Engineers

3X

as many boil water notices since 2008.

Funding for State Revolving Funds cut by \$134M in last three years



Federal funding is shrinking, increasing reliance on the state to assist with infrastructure financing

Next Steps

- **November 7, 2023** – Texas Water Fund Proposition on ballot for Texas voters
- **Fall 2023** – TWDB Rulemaking on Texas Water Fund and New Water Supply Fund
- Interim Hearings

Contact

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