

March 14, 2023

The Honorable Joan Huffman
Chairwoman, Finance Committee
Texas Senate
P.O. Box 12068
Austin, Texas 12068

The Honorable Greg Bonnen
Chairman, Appropriations Committee
Texas House of Representatives
P.O. Box 2910
Austin, Texas 78768

Dear Chairwoman Huffman & Chairman Bonnen,

On behalf of over thirty of the state's leading trade associations and non-profits representing virtually every aspect of the Texas water sector and beyond, including thousands of businesses and individuals, we are writing you today to implore you and the committee to harken the call of State leaders and the citizens of Texas to make an earnest effort to commit significant resources to invest in our state's water needs.

Water infrastructure projects are critical for the health, safety, and economy of Texas and the Legislature has a historic opportunity to direct significant additional resources to secure our water future this session.

In very simple terms, Texas' aging water infrastructure needs repair, our booming population growth is increasing demand for water infrastructure and creating new needs that may exceed long-range planning estimates, and water infrastructure needs far exceed available funding capacity. By making key investments in programs and personnel at state agencies responsible for planning and funding to meet our water needs, you are ensuring the future economic viability of Texas.

As you continue through the budget and appropriations process, we strongly urge you to make water a significant centerpiece of your decision making and priorities. Water impacts every single person in Texas. Please consider this as you prioritize investments in Texas in this budget cycle. Thank you for your leadership and consideration of our views.

Sincerely,

Mike Howe
Executive Director
American Water Works Association - Texas

Sarah Rountree Schlessinger
Executive Director
Texas Water Foundation

Leah Martinsson
Executive Director
Texas Alliance of Groundwater Districts

Perry L. Fowler
Executive Director
Texas Water Infrastructure Network

Lara Zent
Executive Director
Texas Rural Water Association

Julie Nahrgang
Executive Director
Water Environment Association of Texas

Stacey Steinbach
Executive Director
Texas Water Conservation Association

Noelle George
Managing Director
WateReuse Texas

CC: Texas Senate Finance Committee, Texas House Appropriations Committee, Governor Greg Abbott, Lt. Governor Dan Patrick, House Speaker Dade Phelan, Comptroller Glenn Hegar

TEXAS SHOULD INVEST IN WATER INFRASTRUCTURE

Texas has an estimated \$32.7 billion surplus heading into its 2024-2025 biennium, presenting a generational opportunity to help Texas invest in water, wastewater, and flood/stormwater projects. **A coalition of Texas water associations and key water stakeholders strongly encourages the State to invest in water infrastructure as outlined below.** We also strongly support the Legislative Appropriations Requests and exceptional items for the Texas Water Development Board (TWDB), the Texas Commission on Environmental Quality, and the Public Utility Commission of Texas, which point to the critical need for investment in the Texas water workforce.

Why is investment in water infrastructure needed? Water infrastructure projects are critical for the health, safety, and economy of Texas.

- Texas' aging water infrastructure is in need of repair
- Booming population growth is increasing demand for water infrastructure and creating new needs that may exceed long-range planning estimates
- Increased frequency of extreme weather (drought, floods, freezes, etc) stresses water infrastructure and these events often expose a community's vulnerability
- Water infrastructure needs far exceed available funding capacity, and federal funds from the Bipartisan Infrastructure Law are insufficient to meet needs
- Greater financial and technical assistance outreach is needed, especially to small and rural communities
- Extreme water agency staffing shortages exacerbate process delays, adding significant costs to local projects. TWDB has the same number of staff to process financial applications as in 2013, before creation of SWIFT and the Flood Infrastructure Fund (FIF).

Texas Water Infrastructure Ratings 2021

Water Treatment	C-
Wastewater	D
Flood Mitigation	C-
Levees	D
Dams	D+

Source: American Society of Civil Engineers

Water Infrastructure Funding Needs

Texas has large, unmet water and wastewater infrastructure needs. State and federal financial assistance continues to pale in comparison to the billions needed for water infrastructure. Additional grants and longer loan repayment terms could help communities more cost-effectively finance water infrastructure projects to the benefit of ratepayers. In a recent survey, aging infrastructure was identified as the largest driver of new capital projects, followed by population growth and regulatory compliance. Needs exist across small, mid-size, and large regional projects to support both basic system maintenance and asset management, as well as new growth. Investment of state funds in water infrastructure - for both structural and nonstructural projects - is needed to ensure Texas communities can provide safe, clean water and keep up with growing demands into the future.

Texas Water/Wastewater Infrastructure Needs

EPA Current Needs Survey	\$57B
State Water Plan (10 years)	\$27B
State Water Plan (50 years)	\$80B
Apps. for SRF Funds (2023)	\$5.3B
<i>(despite \$750 million in 2023 SRF capacity with federal funds)</i>	

Flood and stormwater infrastructure funding is largely exhausted. TWDB received over \$2.4 billion in applications for the FIF, but the \$793 million appropriated for projects will be exhausted soon. The state's new regional flood planning process will cease after development of the state's first state flood plan in 2024 if the state does not provide additional funding. Adding funds for both the planning process and project implementation would address infrastructure deficiencies, reduce inequality, and reduce risks to the public, first responders, and private property.

Flood Infrastructure Funding

Draft Regional Flood Plans	\$37B
FIF Capacity	\$0
Future Flood Planning Funding	\$0

Investment in science and data is also needed to support water availability decisions and identify additional infrastructure needs. Up-to-date and accurate data in the form of Water Availability Models (WAMs), Groundwater Availability Models (GAMs), water loss reports, hydrologic and hydraulic models, and planning figures is important to inform how much water is available and what infrastructure projects are needed.

TEXAS SHOULD INVEST IN WATER INFRASTRUCTURE

Additional Coalition Partners

American Council of Engineering Companies	Texas 2036
American Flood Coalition	Texas Alliance of Energy Producers
American Society of Civil Engineers - TX Section	Texas Association of Clean Water Agencies
Associated General Contractors of Texas	Texas Business Leadership Council
Association of Water Board Directors	Texas Desalination Association
Environmental Defense Fund	Texas Farm Bureau
Greater Edwards Aquifer Alliance	Texas Floodplain Management Association
Greater Houston Partnership	Texas Ground Water Association
Houston Stronger	Texas Nursery and Landscape Association
International Association of Plumbing and Mechanical Officials	Texas Municipal League
Lower Rio Grande Valley Water District Managers Association	Texas Living Waters Project
	Texas Society of Professional Engineers
	Water Finance Exchange
Alliance Regional Water Authority	Lavaca Navidad River Authority
Angelina Neches River Authority	Lower Colorado River Authority
Anser Advisory	LRE Water
Aqua Water Supply Corp.	North Harris County Regional Water Authority
Brazos River Authority	North Texas Municipal Water District
Brookshire-Katy Drainage District	Northeast Texas Municipal Water District
Clearwater Underground Water Conservation District	Nueces River Authority
CDM Smith	Parsons
Dallas Wetlands Foundation/Dallas Water Commons	Prairielands Groundwater Conservation District
Delta Lake Irrigation District	Red River Authority
Dow	RSAH2O
East Rio Hondo Water Supply Corporation	Sabine River Authority
Franklin County Water District	San Antonio River Authority
Freese and Nichols, Inc.	San Antonio Water System
Garver USA	San Jacinto River Authority
Greater Texoma Utilities Authority	Talley Water Supply Corporation
Guadalupe-Blanco River Authority	Tarrant Regional Water District
Gulf Coast Authority	Texas Water Supply Partners
Gulf Coast Water Authority	Upper Neches River Municipal Water Authority
Halff Associates, Inc.	Upper Trinity Regional Water District
Harlingen Irrigation District	Wells Branch Municipal Utility District
Invenergy Clean Water	West Harris County Regional Water Authority
KIT Professionals, Inc.	5engineering

For more information, visit www.twca.org/infrastructure

Contact: Sarah Kinkle. skinkle@twca.org 512-550-6505