# Texas Water Legislative Update

SAME Houston-Galveston Resiliency Workshop
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# Prop 6 - November 7, 2023

Voter passage of Prop 6:

- Created the Texas Water Fund
- Triggered a $1 billion investment in the Texas Water Fund to provide financial assistance to communities for water infrastructure

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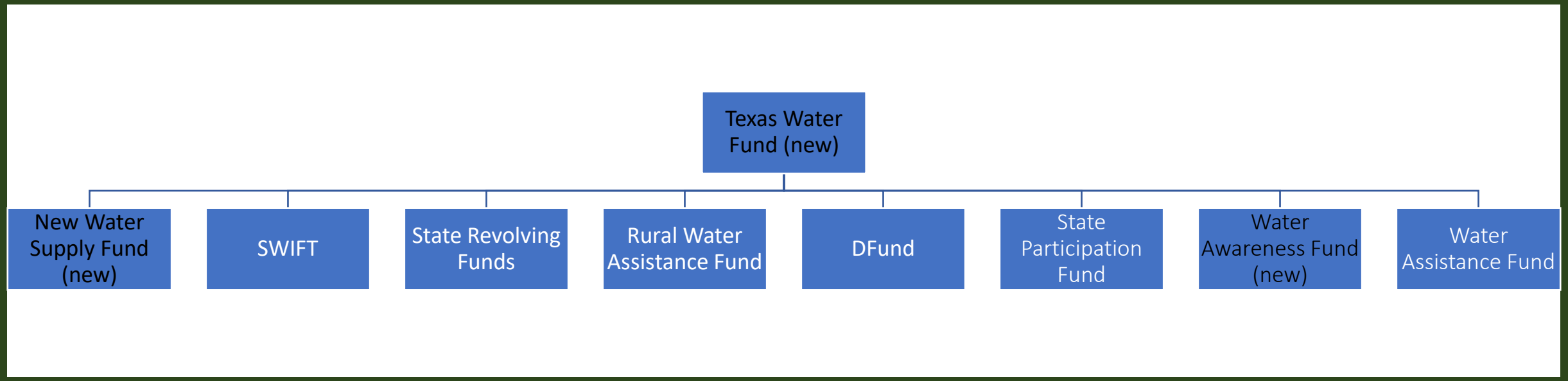
# Texas Water Fund - 88th




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

# Texas Water Fund - 88th

- 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

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# New Water Supply Fund - 88th

- 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.

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# How was the $1 billion spent? - 88th

| Funding Description | Target Amount |
|---|---|
| Rural Water Assistance Fund | |
| *100 percent grant for conservation/water loss projects from SRF solicitation (under 1,000 population)* | $45,000,000 |
| *90 percent grant/10 percent loan or local match for conservation/water loss projects from SRF solicitation (1,000 to 10,000 in population)* | $130,000,000 |
| *High risk or need projects (100 percent grant)* | $20,000,000 |
| **Rural Water Assistance Fund subtotal** | **$195,000,000** |
| Water Loan Assistance Fund | |
| *70 percent grant/30 percent loan or local match for conservation/water loss projects from 2025 SRF solicitation (10,001 to 150,000 in population)* | $90,000,000 |
| Statewide water public awareness program | $15,000,000 |
| SWIFT program support | $300,000,000 |
| Potential bond leveraged funding through existing financial assistance programs | $150,000,000 |
| New Water Supply for Texas Fund | $250,000,000 |
| **Grand total** | **$1,000,000,000** |

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# 89th Legislature: It's a Water Session!

- Base budgets have $2.5B set aside for TWF (one-time infusion)
- Chasing the dream: Possibility of a constitutionally dedicated funding source?
  - Similar to transportation dedicated funding
- If there is additional funding, how will those funds be allocated among the programs – especially the New Water Supply for Texas Fund?

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# 89th Legislature Texas Water Fund Bills

- S.B. 7 (Perry) - Bill has been approved by the Senate and has been received by the House and referred to House Natural Resources. Adds the Flood Infrastructure Fund as eligible for funds from the Texas Water Fund. Reservoirs and out-of-state water projects eligible.
- H.B. 16 (Harris) – Bill left pending in House Natural Resources. Adds Flood Infrastructure Fund as eligible for funds from the Texas Water Fund. Reservoirs eligible; not out-of-state water projects.

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# 89th Legislature Constitutional Amendment Dedicated Revenue Stream Bills

- S.J.R. 66 (Perry) Dedicates certain revenue from sales & use taxes and insurance premium taxes to the Texas Water Fund, for a total of $1B each fiscal year. Note less than 80% to be used only for New Water Supply for Texas Fund. Referred to Finance Committee.

- H.J.R. 7 (Harris) Dedicates certain revenue from sales & use taxes ($1B each fiscal year) to the Texas Water Fund. Reported favorably out of House Natural Resources.

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**Special thanks to Sarah Kirkle and the Texas Water Association for Slides Related Texas Water Fund Creation**

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