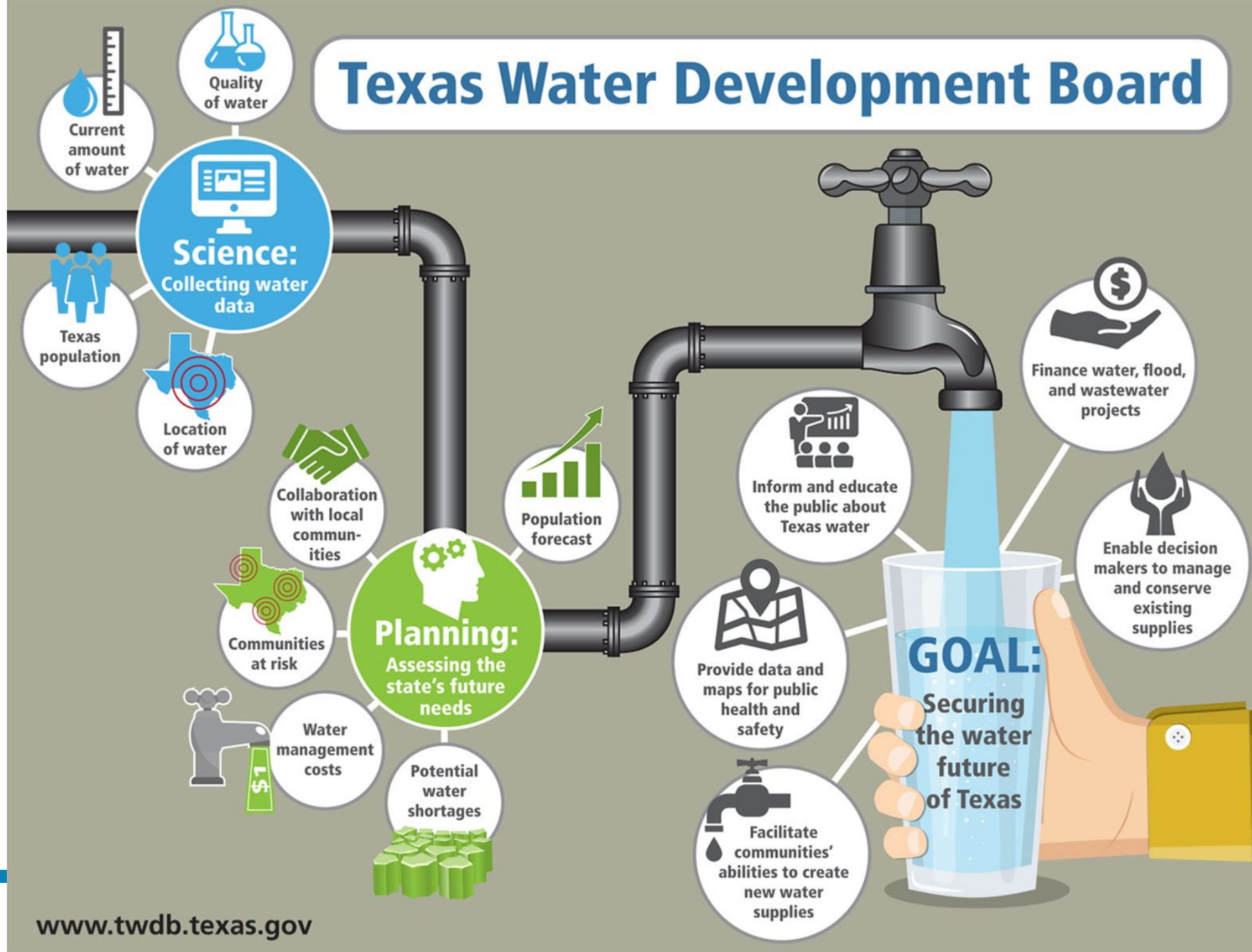


# Texas Water Fund Implementation Stakeholder Meeting March 20, 2024

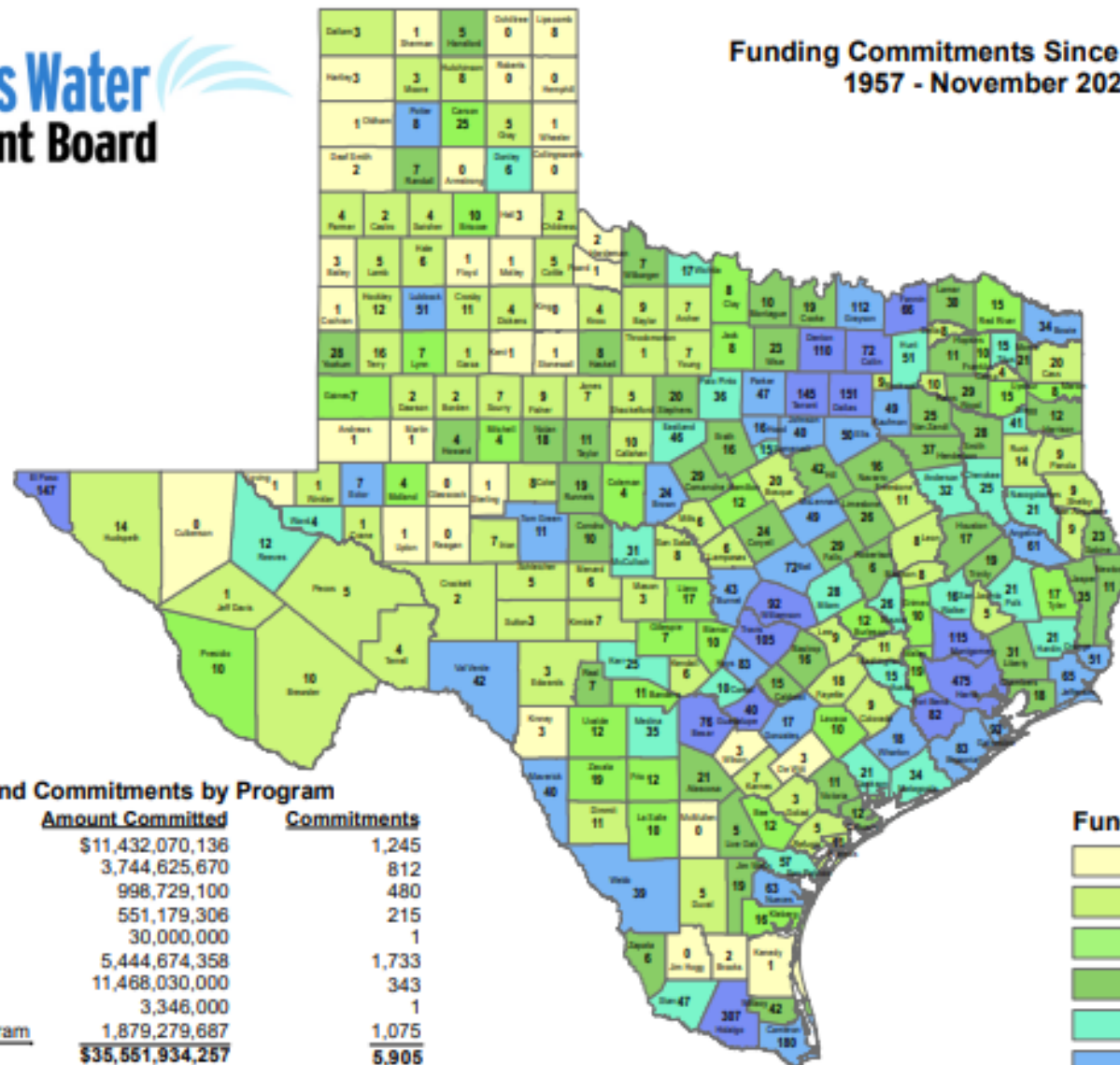
# Presentation Overview

- Texas Water Fund legislation
- Focus of implementation:
  1. Texas Water Fund for financial assistance
  2. New Water Supply for Texas Fund
  3. Statewide Water Public Awareness Program
- Implementation Timeline
- Discussion/Questions & Answers

# Texas Water Development Board



[www.twdb.texas.gov](http://www.twdb.texas.gov)



### Funding and Commitments by Program

Program	Amount Committed	Commitments
CWSRF	\$11,432,070,136	1,245
DWSRF	3,744,625,670	812
EDAP	998,729,100	480
FIF	551,179,306	215
FLOOD	30,000,000	1
STATE	5,444,674,358	1,733
SWIFT	11,468,030,000	343
WIN	3,346,000	1
Historical Federal Program	1,879,279,687	1,075
<b>Total</b>	<b>\$35,551,934,257</b>	<b>5,905</b>

Notes: The Amount Committed and the number of Commitments represent the total amount and number of initial commitments made since the Agency's inception. These amounts have not been reduced for any projects that did not close on the TWDB's financial assistance. The Historical Federal Program referenced was the Construction Grant Program, a federal grant program created to fund wastewater projects prior to the CWSRF.

# Texas Water Fund Legislation (88th session, 2023)

- Senate Bill 28
  - Created the Texas Water Fund, New Water Supply for Texas Fund, and the Statewide Water Public Awareness Account
- Senate Bill 30
  - Authorized a one-time, **\$1 billion** supplemental appropriation of general revenue to the Texas Water Fund, contingent on enactment of SB 28 and approval of SJR 75 by voters
- Senate Joint Resolution 75
  - Proposed constitutional amendment creating the Texas Water Fund to assist in financing water projects in Texas
  - Directed the TWDB to allocate no less than 25 percent to the New Water Supply for Texas Fund (**\$250 million**)

# Texas Constitutional Amendment - Proposition 6

*"The constitutional amendment creating the Texas water fund to assist in financing water projects in this state."*

**TEXAS VOTERS APPROVED**  
**✓ 78% YES**

# Texas Water Fund (SB 28)

- Allows the TWDB to transfer money to certain existing TWDB financial assistance programs
- TWDB must ensure that a portion of the money is used for:
  - water infrastructure projects for rural political subdivisions and municipalities with a population of less than 150,000
  - projects for which all required state or federal permitting has been substantially completed
  - water conservation strategies
  - water loss mitigation projects
  - the statewide water public awareness program



# New Water Supply for Texas Fund (SB 28)

Created to provide financial assistance to develop water supply projects that create new water sources for the state, including

- desalination projects, including marine and brackish water desalination
- produced water treatment projects
- aquifer storage and recovery projects
- the development of infrastructure to transport water that is made available by these types of projects



# Texas Water Fund Implementation



## Proposition 6 and Texas Water Fund Frequently Asked Questions and Implementation Timeline

January 2024

### Frequently Asked Questions

#### 1. Q: What is the Texas Water Development Board (TWDB)?

**A:** The mission of the Texas Water Development Board is to lead the state's efforts in ensuring a secure water future for Texas. Our mission is a vital part of Texas' overall vision and the state's mission and goals that relate to maintaining the viability of the state's natural resources, health, and economic development.

The TWDB's main responsibilities are threefold: collecting and disseminating water-related data; assisting with regional water supply and flood planning that contributes to preparing the state water plan and state flood plan; and administering cost-effective financial programs for constructing water supply, wastewater treatment, flood control, and agricultural water conservation projects.

Since 1957, the TWDB has been charged with addressing the state's water needs. The TWDB works to ensure Texans have access to sufficient, clean, and affordable water supplies that foster a healthy economy and environment.

#### 2. Q: What is the Texas Water Fund?

**A:** In 2023, the 88th Texas Legislature passed Senate Bill (SB) 28 and Senate Joint Resolution (SJR) 75 providing for the creation of the Texas Water Fund. In addition, SB 30 authorized a one-time, \$1 billion supplemental appropriation of general revenue to the Texas Water Fund, contingent on enactment of SB 28 and approval of SJR 75 by voters. Proposition 6 (the proposition for SJR 75), creating the Texas Water Fund to assist in financing water projects in Texas, passed on November 7, 2023, with more than 77 percent in favor.

The Texas Water Fund will be a special fund created in the state treasury outside the general revenue fund to be administered by the TWDB. SB 28 directs that the TWDB may only use the Texas Water Fund to transfer money to the following funds or accounts administered by the TWDB:

- The **New Water Supply for Texas Fund**, a new fund created by SB 28.
- The **State Water Implementation Fund for Texas (SWIFT)** and the State Water Implementation Revenue Fund for Texas, which support the [SWIFT financial assistance program](#) that provides low-cost financing for projects in the state water plan.

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## Texas Water Fund Issues for Consideration and Request for Feedback

Response requested by April 30, 2024

The Texas Water Development Board (TWDB) is seeking public input to assist in implementing the [Texas Water Fund](#), a special fund in the state treasury outside the general revenue fund to be administered by the TWDB.

Administrative rules are not required to implement the Texas Water Fund itself; however, stakeholder feedback is requested to inform funding priorities as well as the administration of the programs to which funds may be transferred. Formal rulemaking for the water loss technical assistance program required by [Senate Bill 28](#) has already taken place.

Other [rulemaking](#) related to the Texas Water Fund may include:

- Minor changes to the Rural Water Assistance Fund rules in 31 Texas Administrative Code Chapter 365
- Minor changes to financial assistance rules in 31 Texas Administrative Code Chapter 363
- New rules for the New Water Supply for Texas Fund, as a new subchapter in 31 Texas Administrative Code Chapter 363

The TWDB is seeking stakeholder input via three survey instruments:

- [Texas Water Fund Survey 1: Financial Assistance for Water Infrastructure Projects](#)
- [Texas Water Fund Survey 2: New Water Supply Fund for Texas](#)
- [Texas Water Fund Survey 3: Statewide Water Public Awareness Program](#)

The information requested in these surveys is intended to solicit general and specific feedback that will inform formal rulemaking and other implementation efforts. Written feedback may also be submitted to [TexasWaterFund@twdb.texas.gov](mailto:TexasWaterFund@twdb.texas.gov). Information provided in the surveys or submitted via email is requested by April 30, 2024.

In addition to the surveys, we will be inviting public comment on the Texas Water Fund at TWDB Board meetings through March and providing information at upcoming [financial assistance workshops](#) around the state. We will also be hosting a stakeholder meeting in Austin in March and a stakeholder Board meeting in Lubbock in April. See the [Proposition 6 and Texas Water Fund Frequently Asked Questions and Implementation Timeline](#) for details as they become available.

We invite you to join us in these discussions and look forward to hearing from you over the coming months.



## You're Invited: Texas Water Fund Stakeholder Meeting

The Texas Water Development Board (TWDB) invites you to a meeting to discuss implementation of the Texas Water Fund, including the key areas for which we are seeking [public input](#). TWDB staff will provide an update on implementation efforts and will be available to discuss any topics of interest; the meeting will be held in person with a virtual option (see below). Please see our [Frequently Asked Questions and Implementation Timeline](#) for more information.

Wednesday, March 20, 2024

1:30 to 3:30 pm

Barbara Jordan State Office Building

2nd Floor Meeting Room 2.034

1601 Congress Avenue, Austin, 78711

### Parking Information

Parking will be available free of charge at the top of State of Texas Garage B at 1511 San Jacinto Blvd, Austin, 78701. Please see the attached Capitol Complex Open Parking map and **make sure to print and display the attached parking permit on the dashboard where it can be clearly seen from the front of the vehicle**. Parking for a fee is available at the Bullock Texas State History Museum at 1800 Congress Avenue, Austin, 78701; metered street parking in the area is limited.

### Virtual Attendance Option

Details will be available the week prior to the meeting.

# 1. Texas Water Fund for Financial Assistance (\$750 million)

## The board may use the fund only to transfer money to:

- (1) Water assistance fund
- (2) New water supply for Texas fund
- (3) State Water Implementation Fund for Texas
- (4) State Water Implementation Revenue Fund for Texas
- (5) Clean Water and Drinking Water State Revolving Funds
- (6) Rural Water Assistance Fund
- (7) Statewide water public awareness account
- (8) Texas Water Development Fund II water financial assistance account
- (9) Texas Water Development Fund II state participation account

# Financial Assistance Options *by Program*

- **Rural Water Assistance Fund (RWAF)**
  - Grants and low-cost loans for water and wastewater projects (rural political subdivisions)
  - Longer loan terms
- **Water Assistance Fund/Water Loan Assistance Fund (WLAF)**
  - Loans for many project types
  - Grants for some project types: water conservation, desalination, brush control, weather modification, regionalization, and projects providing regional water quality enhancement services as defined by board rule, including regional conveyance systems

# Financial Assistance Options *by Program*

- **State Water Implementation Fund for Texas (SWIFT) program**
  - Subsidized loans for state water plan projects
  - Grants prohibited by statute
  - Limited to 30-year term
- **Clean Water and Drinking Water State Revolving Funds**
  - Low-cost loans and principal forgiveness for regulatory compliance
  - Federal requirements
  - Limited to 30-year term

# Financial Assistance Options *by Program*

- **Texas Water Development Fund**
  - Low-cost loans for a variety of project types
  - Grants prohibited by statute
  - Longer loan terms
  - \$6 billion in General Obligation bonding authority
- **State Participation**
  - Funding and temporary state ownership interest in a regional water, wastewater, or flood control project when local sponsors are unable to assume debt for an optimally sized facility
  - Up to 34-year repayment terms

# Financial Assistance Options *by Project Type*

- **Water conservation/water loss projects** via:
  - Rural Water Assistance Fund (population of 10,000 or less)
  - Water Loan Assistance Fund (municipalities with a population of less than 150,000 and more than 10,000)
  - SWIFT program
  - DFund
  - SRFs
- **Aging infrastructure projects** via
  - Rural Water Assistance Fund (population of 10,000 or less)
  - Water Loan Assistance Fund (municipalities with a population of less than 150,000 and more than 10,000)
  - DFund



# Financial Assistance Options *by Project Type*

- **Projects for regulatory compliance** via
  - Drinking Water and Clean Water State Revolving Fund programs
  - DFund
- **State water plan projects** via
  - State Water Implementation Fund for Texas (SWIFT) program
  - RWAF, WLAF, SRFs
- **Other water and wastewater projects** via
  - DFund
  - State Participation

# Highlights from Survey #1

- *Would you be in favor of a combined solicitation for multiple programs?*
- *What factors should be considered when offering grants (via programs that can offer grants)?*
- *How should loan subsidies be determined?*
- *What are the greatest needs?*
- *What are the greatest barriers to project implementation?*

## 2. New Water Supply for Texas Fund (at least \$250 million)

# New Water Supply for Texas Fund

Created to provide financial assistance to develop water supply projects that create new water sources for the state, including

- desalination projects, including marine and brackish water desalination
- produced water treatment projects
- aquifer storage and recovery projects
- the development of infrastructure to transport water that is made available by these types of projects

# Legislative Intent Letter



Water conservation efforts do not fall within the scope of new water supply development and acquisition. Water conservation is the reduction of water consumption, loss, and waste via improved efficiency, recycling and reuse.<sup>3</sup> By design, water conservation projects were not included among the types of projects for which NWSTF financing is allowed by SB 28.<sup>4</sup> Other avenues for financing water conservation efforts exist in SB 28 and SJR 75 separate from the NWSTF.<sup>5</sup>

There is no requirement in SB 28 or SJR 75 that NWSTF financing be used only to support projects included in the state water plan. This is by design. I anticipate that NWSTF financing will eventually support significant projects yielding large volumes of new water supply that will be incorporated into the state water plan; however, the nature of some of these potential projects is such that legislative conversations not typically part of the state water planning process may need to occur before the projects can be authorized. Additionally, due to the potential projects' statewide scope and the NWSTF's focus on large acre-footage projects, a broader, more coordinated approach than what the regionally driven state water planning process can initially provide may be necessary. If those conversations produce the tangible results I expect, the projects pursued can be included in the next state water plan or an amendment to the current plan. Via this method, these projects should become eligible for additional financing from the State Water Implementation Fund for Texas at that time.

# Highlights from Survey #2

- *How should “new water” be defined?*
- *What technological, economical, or regulatory constraints do you see related to these types of technologies?*
- *How should the TWDB rules define the “relationship” of water supply projects funded by this program to the state water plan?*
- *Should grants be offered for these types of projects?*
- *How should loan subsidies be determined?*

# 3. Statewide **Water** Public Awareness Program



# Statewide Water Public Awareness Program

- SB 28 directs the TWDB to develop and implement a statewide water public awareness program to educate residents about water. The program will take into account the difference in water needs of various geographic regions of the state and will be designed to complement and support existing local and regional water education or awareness programs.
- Request for Applications for a statewide public awareness **campaign** posted on March 19.

# Highlights from Survey #3

- *What other water public awareness initiatives should receive priority?*
- *How could TWDB otherwise complement and support existing local and regional water education or awareness programs?*

# Implementation Timeline

- **March 19:** Statewide water public awareness campaign Request for Applications posted
- **March 20:** Stakeholder meeting in Austin
- **April 10:** Board work session in Lubbock
- **April 11:** Board meeting in Lubbock
  - Board consideration of RWAF rule proposal

# Implementation Timeline

- **April 17:** Statewide water public awareness campaign solicitation closes
- **April 30:** Last day to provide informal stakeholder input via surveys and email
- **Summer:** Earliest date for New Water Supply for Texas Fund rule proposal
- **Fall:** Funding solicitation(s)

# Discussion and Q&A

# Highlights from Survey #1

## Financial Assistance

- *Would you be in favor of a combined solicitation for multiple programs?*
- *What factors should be considered when offering grants (via programs that can offer grants)?*
- *How should loan subsidies be determined?*
- *What are the greatest needs?*
- *What are the greatest barriers to project implementation?*

# Highlights from Survey #2

## New Water Supply for Texas Fund

- *How should “new water” be defined?*
- *What technological, economical, or regulatory constraints do you see related to these types of technologies?*
- *How should the TWDB rules define the “relationship” of water supply projects funded by this program to the state water plan?*
- *Should grants be offered for these types of projects?*
- *How should loan subsidies be determined?*

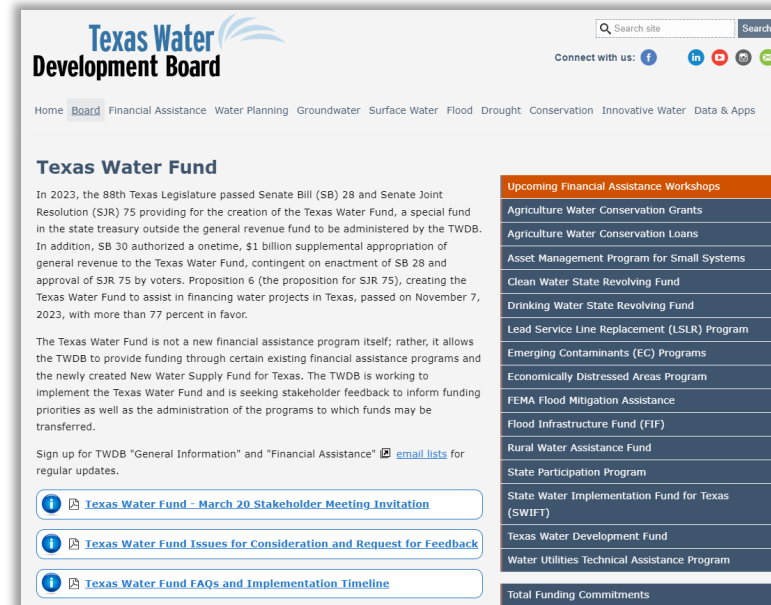


# Highlights from Survey #3

## Statewide Water Public Awareness Campaign

- *What other water public awareness initiatives should receive priority?*
- *How could TWDB otherwise complement and support existing local and regional water education or awareness programs?*

# Thank you and stay in touch!



Stay connected:

