

THE TEXAS 2036 DIFFERENCE

Securing Texas' Water Future

HISTORY / INTRODUCTION

Texas faces two major challenges with regard to our state's water future: **a drought-prone and growing state that will need more water supplies and an aging, deteriorating water infrastructure.**

To address these challenges, Texas 2036, along with the Texas Water Foundation and the Water Finance Exchange, convened a series of stakeholder meetings to discuss the challenges facing Texas' water and wastewater infrastructure and the opportunities presented by the US Infrastructure Investment and Jobs Act (IIJA).



Following these collaborative discussions, Texas 2036 prepared a policy blueprint that presents findings and recommendations that grew out of those discussions.

Texas 2036's **Legislative Blueprint for Addressing Texas' Water Infrastructure Crisis** served as a key resource for lawmakers and state officials during the 88th Texas Legislative Session, informing development and passage of 12 bills that will invest in infrastructure needs, streamline regulatory hurdles, address workforce shortages, and enhance data collection.

This November, Texas voters approved **Proposition 6 – a constitutional amendment creating the Texas Water Fund** – to help fix aging, deteriorating water systems and develop new water supplies for our growing, thirsty state.

Thanks to voters' approval of Proposition 6, the Texas Water Fund will receive **a \$1 billion investment approved by the Legislature.**

2023 Constitutional Amendment Senate Joint Resolution 75

2023 legislation amends the Texas Constitution to create the Texas Water Fund.

Key provisions:

- **Expands the state's financial strategy** for addressing long-term water infrastructure challenges.
- Provides for **smart financial flexibility** by allowing the Texas Water Development Board to distribute funds within the Texas Water Fund to other water infrastructure program funds.

SJR 75 passed both chambers with strong bipartisan support.

This proposed amendment to the Texas Constitution was put before voters as Proposition 6 on November's ballot.

2023 Water Infrastructure Omnibus Senate Bill 28

2023 legislation aims to address Texas' water infrastructure challenges.

This legislation also:

- Authorizes the Texas Water Development Board to use the Texas Water Fund created by SJR 75 to provide financial assistance to political subdivisions to assist with the repair and rehabilitation of aging, deteriorating water systems. The Fund may also be used to provide financial assistance for water conservation strategies and water loss mitigation projects, and for statewide public awareness programs regarding water.
- **Creates the New Water Supply for Texas Fund** to be used to provide financial assistance for projects that expands Texas' water supply portfolio. This new fund shall be used to finance projects that will lead to **seven million acre-feet of new water supplies over the next decade.**
- Expands technical assistance outreach to small and rural communities, as well as those with significant water loss problems.

SB 28 passed both chambers with strong bipartisan support.

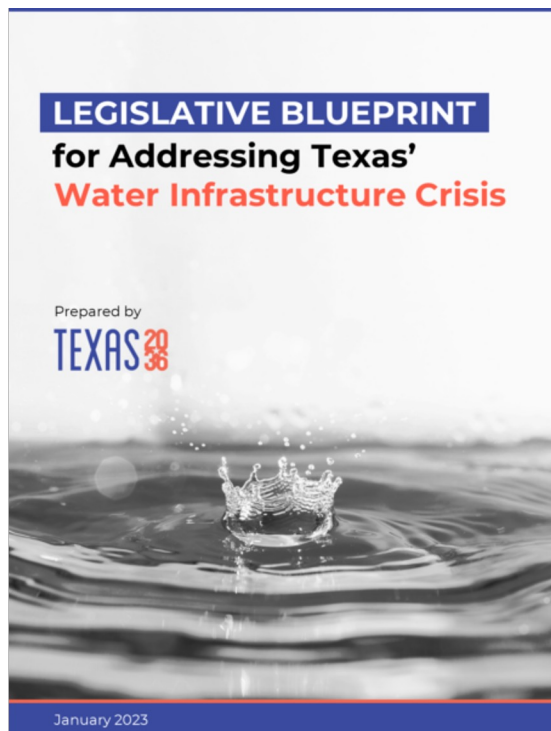
2023 Historic Water Funding Senate Bill 30

2023 legislation makes an essential down-payment for Texas' water infrastructure needs.

This legislation:

- Appropriates \$1 billion to the Texas Water Fund contingent upon voters' approval of Proposition 6 during November's constitutional amendment election.

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This policy blueprint prepared by Texas 2036 offered findings and recommendations that seek to both **maximize the state's leverage and deployment of IJA dollars** while using this unprecedented federal funding opportunity as **a catalyst for a new policy framework for addressing Texas' water infrastructure needs.**

Key Recommendations

Create and invest significant financial resources into a new, constitutional fund – or modify an existing fund – to address the problems with aging, deteriorating water and wastewater systems.

Eliminate regulatory disincentive for regional solutions among water utilities, encouraging better economies of scale.

Expand **workforce training pipeline** to address shortage of qualified water sector personnel.

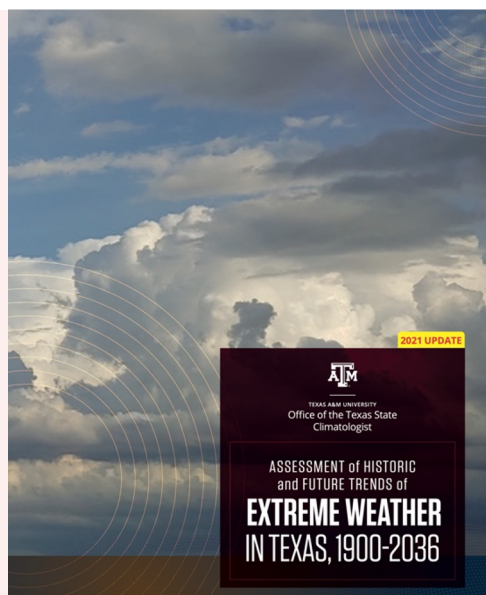
In 2020, Texas 2036 partnered with Texas State Climatologist Dr. John Neilson-Gammon to conduct an **assessment of historic and future trends of extreme weather in Texas.** Updated again 2021, Dr. Neilson-Gammon's findings conclude that Texas needs to **update and expand critical water infrastructure** to prepare for future extreme weather events.

Key Findings

There will be a **significant increase in urban flooding** — as much as 30-50% more than occurred over the last half of the 20th century.

Texas faces **increased drought severity**, as higher temperatures increase evaporation rates.

Due to sea level rise, the risk of **hurricane storm surge** in some places along the Texas Gulf Coast may in 2050 be twice as high as it was around 1900.



Coming Soon

Updates to extreme weather models, including new assessments on wildfire risks and water availability due to escalating droughts.

KEY ENGAGEMENTS

2022

○ April – June

- Testified before the Sunset Commission on TWDB report. Recommend that regional water planners be allowed to plan for worse drought.
- Began stakeholder meetings on strategic implementation of IJJA, and strategies to address aging, deteriorating water systems. Over 40 individuals and organizations participated in these stakeholder meetings.
- Sunset Commission adopted Texas 2036 recommendations relating to water planning.

○ August – December

- Finished meetings with key stakeholders on water infrastructure, begin drafting water infrastructure blueprint.
- Submitted recommendations to the Sunset Commission on Public Utility Commission's Sunset report.

2023

○ January – May

- Sunset Commission adopts Texas 2036 recommendations on PUC Sunset report.
- Published Water Infrastructure Policy Blueprint.
- Testified before House and Senate committees in support of bills promoting water regulatory reforms, improving water workforce pathways, and expanding state's financial strategy for addressing water infrastructure challenges.

○ June - November

- Attended signing ceremony with Governor Abbott for SB 28
- Engaged in voter education initiative articulating the need for Proposition 6 establishing the Texas Water Fund, which may be used for fixing failing water systems and developing new water supplies.

