

DEDICATE NEW FUNDING FOR
TEXAS WATER & FLOOD INFRASTRUCTURE

JANUARY 2025

ACEC
TEXAS
American Council of Engineering
Companies of Texas

BIG GROWTH, BIG CHALLENGE

Texas is booming.
Funding our water supply and
protecting our people and
businesses are crucial steps
to securing future success.

INSIDE

Moments in Texas history
that led to the water and flood
programs we have today, and
continuing to strive towards meeting
the needs of our growing state.

ABOUT ACEC TEXAS

The American Council of Engineering Companies of Texas (ACEC Texas) is the business association of Texas engineering firms. The organization represents over 450 member firms, practicing in a variety of engineering disciplines, who are committed to advancing the private practice of engineering. We strive to enhance the market for private engineering services through advocating and educating on the importance of a fair, business friendly environment and investing in the future of infrastructure in Texas.



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1. Dedicated Funding for the Texas Water Fund and Flood Infrastructure Fund
2. Continue to Prioritize Most Needed Projects & Programs
3. Explore and Invest in Alternative Water Supply Projects

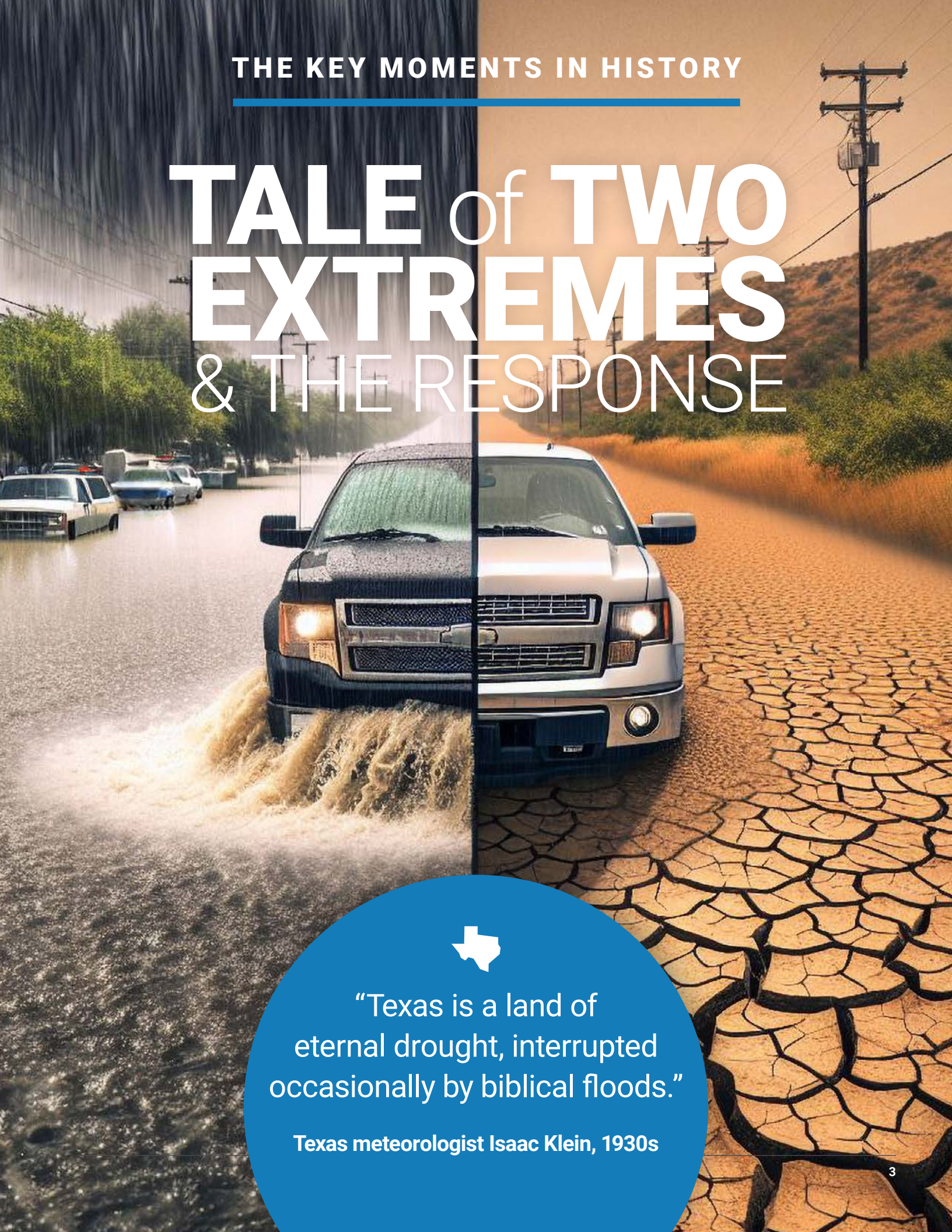


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The Why: Why We Fund Water & Flood Projects

THE KEY MOMENTS IN HISTORY

TALE of TWO EXTREMES & THE RESPONSE



“Texas is a land of
eternal drought, interrupted
occasionally by biblical floods.”

Texas meteorologist Isaac Klein, 1930s

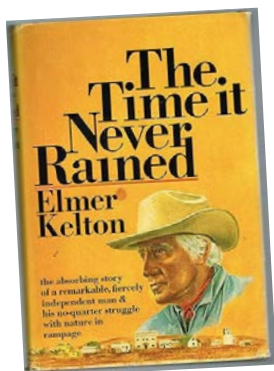
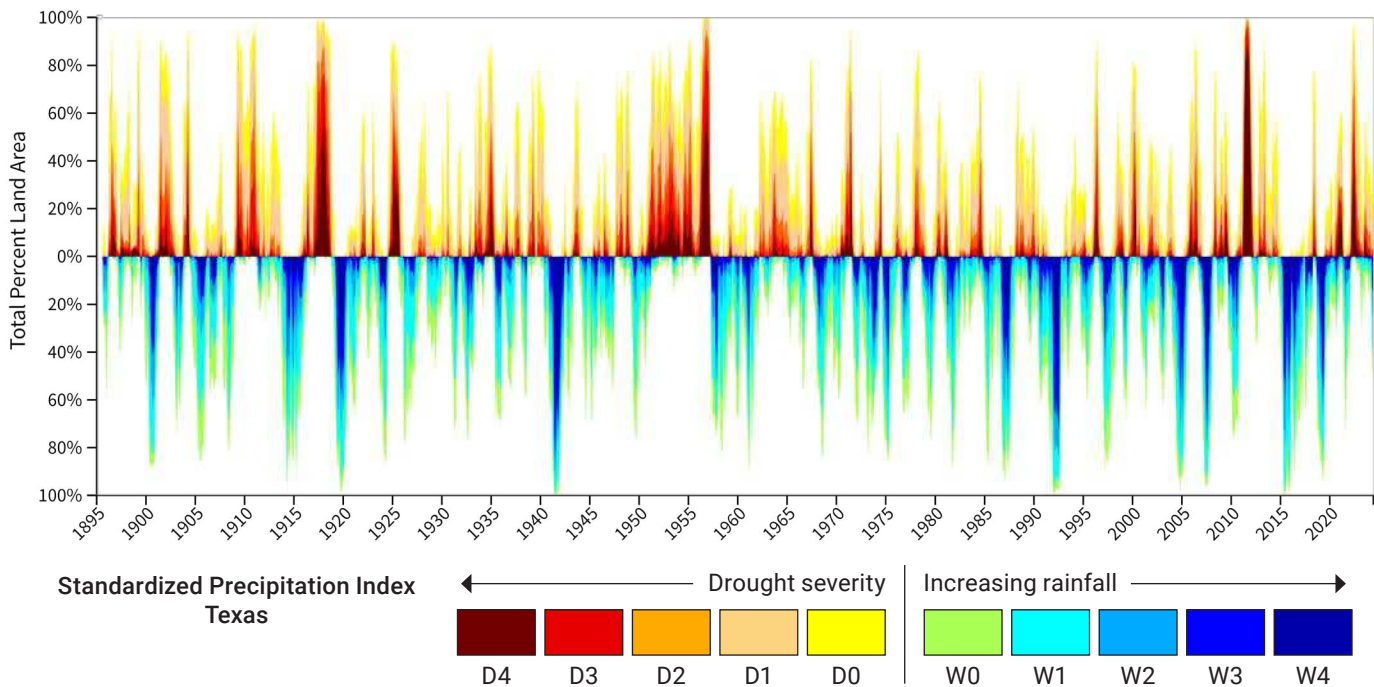
The Land of Eternal Drought, Biblical Floods

Given the vast expanse of Texas, sometimes those eternal droughts and biblical floods strike within the same year, though they affect different regions.

In Texas, there is rarely just the right amount of rain. Sometimes a little more, sometimes a little less. It is the times that these swings become devastating that cause us the most concern.



Historical Drought Conditions in Texas, 1895 to Present. NOAA



There have been droughts of some magnitude in Texas every decade since 1930.

- The Dust Bowl of the 1930s
- The lengthiest drought of record from 1949 and 1957 prompting the seminal book, "The Time it Never Rained" by Elmer Kelton.
- Shorter, more intense, drought from 2010 to 2015.

“We don’t pay much attention to water until it becomes scarce.”

Charles Fishman
“The Big Thirst”



Dust Bowl of the 1930s

Sparked by both the indiscriminate plowing of fields and severe drought, the Dust Bowl transformed the panhandle into a hellscape of blowing dust and black-out conditions. In 1935 there was a black-out of 3-1/2 days. The drought and dust were so severe the ships in the Atlantic were often dusted in soil from the State of Texas as wind carried it eastward.

POLICY CHANGE

1944 Treaty with Mexico to apportion the water of the Rio Grande and the Colorado River.



2010-2015 Drought

An abrupt La Niña pattern developed in late 2010 with dry conditions continuing through the spring. Rainfall well below average and temperatures above normal never allowed grass to turn

green, leaving pastures brown and dry. Governor Rick Perry issued an emergency proclamation on July 5, 2011, covering 188 counties. At the peak of the drought, 88% of the State was classified as in extreme drought (Drought in Texas, TWDB).

POLICY CHANGE

2013 HB 4 and SJR 1 provided for the creation of the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT)



Key Moments in History & How the State Responded

1950’s Drought

The drought started in some parts of the state in 1949 and continued through 1957. It was the lengthiest drought in recorded Texas history and particularly devastating to agricultural areas of the State.

In 2024 dollars, the agricultural costs of the 1950s drought would be approximately \$46 billion in direct losses (Drought in Texas: A Comparison of the 1950-1957 and 2010-2015 Droughts - Texas Water Development Board).

During the drought, 8 communities hauled in water, 28 towns used emergency sources of supply and 77 rationed water. The City of Dallas had to truck water to newly annexed communities such as Pleasant Grove. New wells were drilled all over the state to mitigate the lack of rain.

From 1950 to 1960 the number of farms and ranches shrank from 345,000 to 247,000 and the State’s rural population declined from more than a third to a quarter of the population (Texas Monthly, July 2012, *When the Sky Ran Dry*).



POLICY CHANGE

In 1957 the Texas Water Development Board was created. In 1961 the first State Water Plan was developed.



Flood Damage

Flooding in Texas results in the destruction of property, fatalities and billions of dollars of damage every year. From 1959 to 2019 there were 1,069 flood related deaths in Texas (2024 State Flood Plan). Approximately 21% of the land mass of Texas is within the 100-year floodplain.

Texas leads the nation in flood related property damage and fatalities. The eight costliest hurricanes between 1980-2021 totaled an estimated \$247 billion in damages in 2024 CPI-Adjusted costs (Texas Comptroller's Office – "Hurricane Costs Add Up in Texas," August 2024).

Hurricane Ike

Hurricane Ike hit Texas in September 2008 and followed a similar track to the historic 1900 Galveston Hurricane. Hurricane Ike was responsible for 112 deaths and totaled \$43.2 Billion (CPI-Adjusted) in estimated cost (Texas Comptroller's Office - "Hurricane Costs Add Up in Texas," August 2024). On September 13th, the storm surge topped the 17' Galveston Seawall.

POLICY CHANGE



Inspired by Hurricane Ike, a proposed coastal barrier called the "Ike Dike" has been in the planning stages for over a decade. The Ike Dike is anticipated to cost \$34 billion to construct.

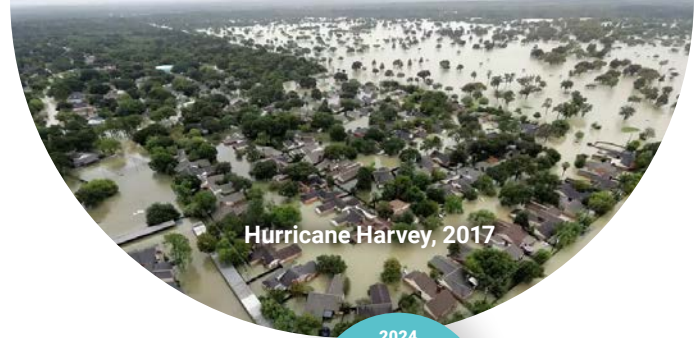
Hurricane Harvey

Hurricane Harvey hit Texas in August 2017, causing over \$125 billion in damages and over 88 deaths. The southeast region of our state received over 40 inches of rainfall in a four-day period, with over 300,000 structures damaged or destroyed just in our state.

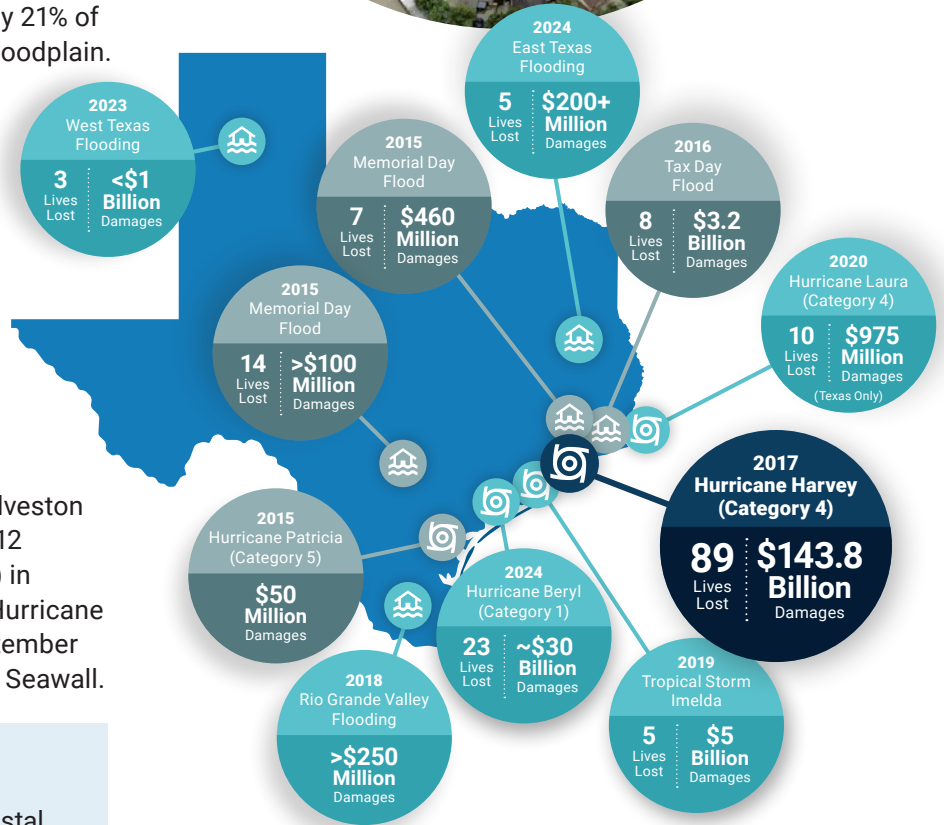
POLICY CHANGE



In the aftermath of Hurricane Harvey, in 2019, Senate Bill 8 was passed that called for the development of the first State Flood Plan. Additionally, the Flood Infrastructure Fund was created by overwhelming approval from Texas voters.



Hurricane Harvey, 2017



Inland Flooding

In addition to the devastating effects of hurricanes, Texas has been hit with numerous inland floods. These include:

- 1929 and 1935 Houston Floods: Massive floods hit the Houston area in 1929 and 1935. The result was the creation of the Harris County Flood Control District.
- Dallas-Fort Worth 1949 Trinity River Flood: On May 16, 1949 the Clear Fork levees broke and flooded the Fort Worth commercial center. Ten people lost their lives.
- 1981 Memorial Day Flood, Austin: 13 deaths and \$36 million in damages.
- 1998 Central Texas Floods, Austin through San Antonio: \$750 million in damages and 31 fatalities.
- 2013 and 2015 Halloween Floods, Austin: The two floods caused millions in damage and both were listed as 100-year floods.
- 2015 Memorial Day Flood, Houston: 11 inches of rain fell causing over 3,000 homes and 3,500 multifamily units to be flooded.

Drought Consequences

Wildfires

Due to the dry conditions, wildfires were rampant. In 2011 there was over \$1 billion of reported property loss due to fire, 13 civilian fatalities, 85 civil injuries, and 133 fire service injuries.

The most significant wildfire was in Bastrop County during September and October of 2011 that burned for 55 days and covered 32,000 acres (Texas Parks & Wildlife, "Life After Wildfire"). The wildfire was the costliest and most destructive wildfire in Texas history destroying 1,696 structures and causing an estimated \$350 million in insured property damage and killing 2 people.

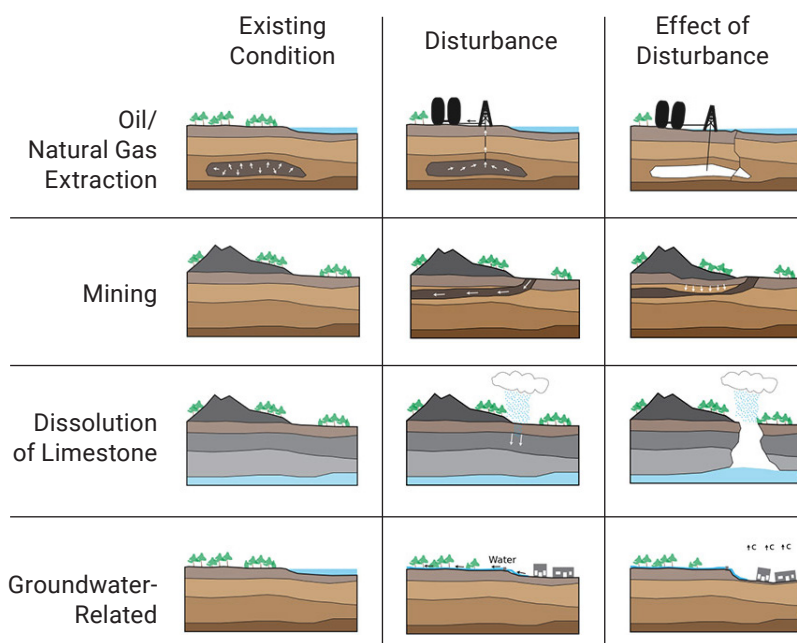


Groundwater Subsidence

Groundwater pumping in some areas has caused the surface elevation to drop, or subside in significant ways. Subsidence is the sinking of the ground because of underground material movement, and it is most often caused by the removal of resources, notably water (USGA.gov). Droughts can increase the likelihood of subsidence due to the reliance and pumping of groundwater.

Probably no area of the state has subsided more than the Houston area. Some areas of Houston have subsided 10 feet over the last 100 years.

Types of Subsidence



Provided by TWDB

THE LESSON FROM HISTORY



We must continuously respond because history continuously repeats itself.

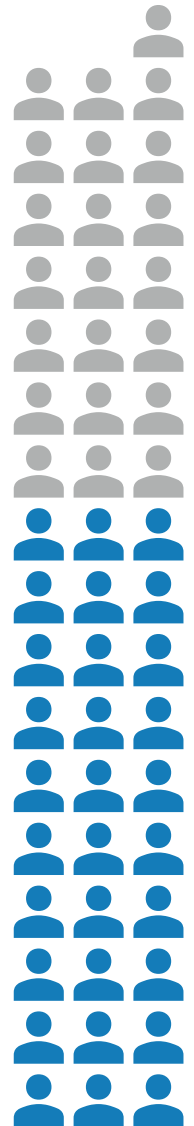
THE NEED

MEETING FUTURE DEMANDS

\$4

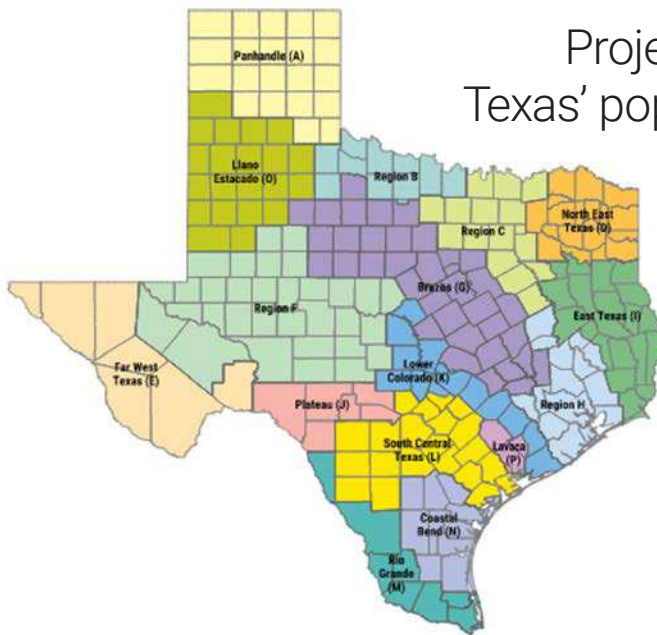
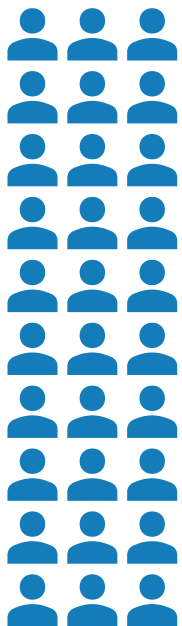
Billion per year needed to meet the Flood and Water needs by 2070

Surface water supply in Texas is projected to decline by 2% by the year 2070. This is primarily due to sediment buildup in our reservoirs, however this statistic does not include evaporation or changes in inflow. Groundwater supply is also projected to decline at the much higher rate of 32% by 2070. This depletion is primarily due to the Ogallala and Gulf Coast aquifers continuing to decline, despite current regulatory limits to manage depletion and land subsidence. Simultaneously, the population of Texas is projected to increase by 73% by 2070 with approximately half of this growth occurring in the Dallas/Fort Worth Metroplex and Houston regions. (2022 State Water Plan)



73%

Projected increase in Texas' population by 2070



The combination of increasing demand and decreasing supply creates a significant gap that needs to be addressed to ensure water security for the growing population.

2020



2070

*Statistics used and formulated into data points included based on information from the 2022 State Water Plan.

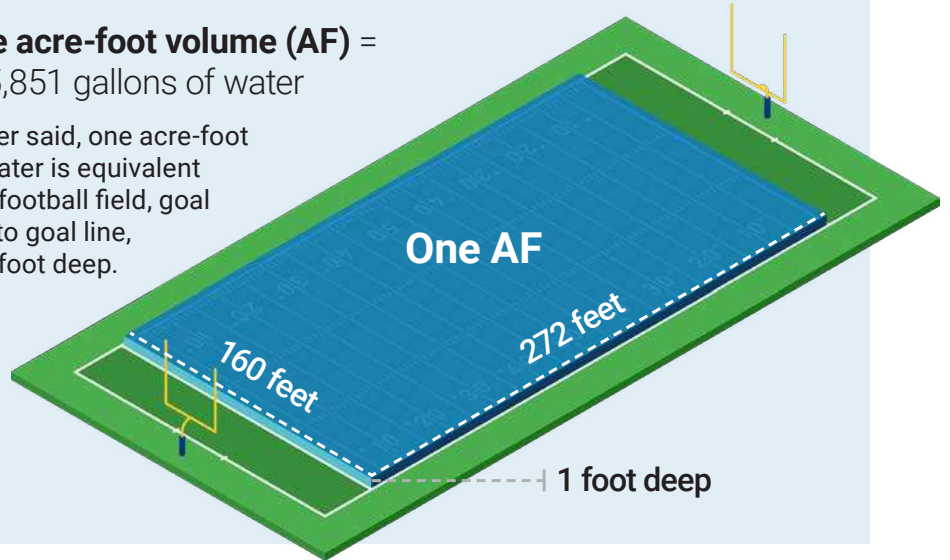
How Much Water We Use



One AF provides water for nine people for one year

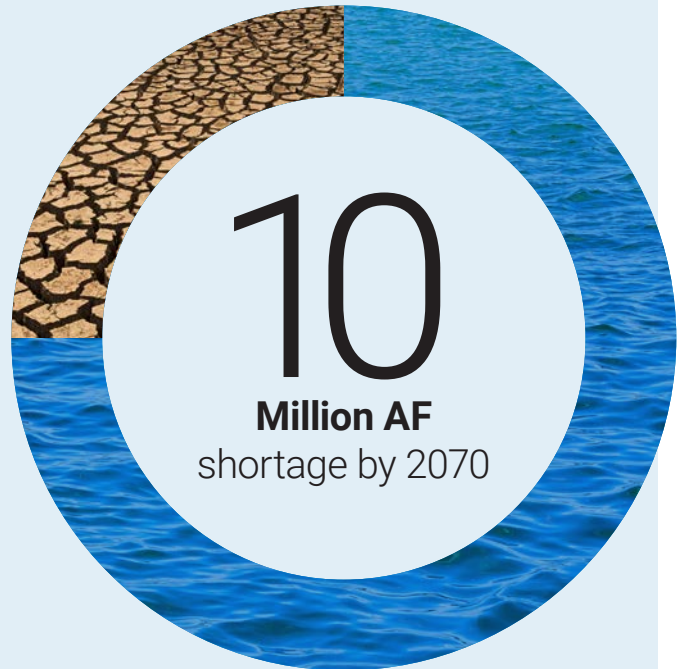
One acre-foot volume (AF) =
325,851 gallons of water

Better said, one acre-foot of water is equivalent to a football field, goal line to goal line, one foot deep.



How Much Water We Will Need

The 2022 State Water Plan (SWP) identified a potential water shortage of 6.9 million acre-feet by the year 2070 if no strategies in the SWP are implemented. Since that time, based on declining water supplies in Texas and accelerated by population growth and new economic development relying significantly on water for business operations, the actual shortage is estimated to have increased. The growth in water-reliant businesses, such as manufacturing, semiconductors, and data centers, in addition to agricultural production and overall population increases, it is estimated that Texas could face a water supply shortage of approximately 10 million acre-feet by 2070. Now more than ever, Texas must fund and implement water strategies effectively to keep up with current water demand and future needs.



How Much It Will Cost

To ensure Texas can meet the expected 10 million AF shortage by 2070, and have a robust flood management program, the state will need to invest over \$130 billion (2024 dollars) in water supply projects and \$54.5 billion (2024 dollars) in flood infrastructure, or approximately \$4 Billion per year.



Water Supply Projects

\$130 Billion



Flood Management


\$54.5 Billion

Consequences of Doing Nothing

If the strategies in the State Water Plan are not implemented and the state experiences another drought of record or worse, and flood management programs in the State Flood Plan are not carried out, conservatively, Texas businesses and workers could face...

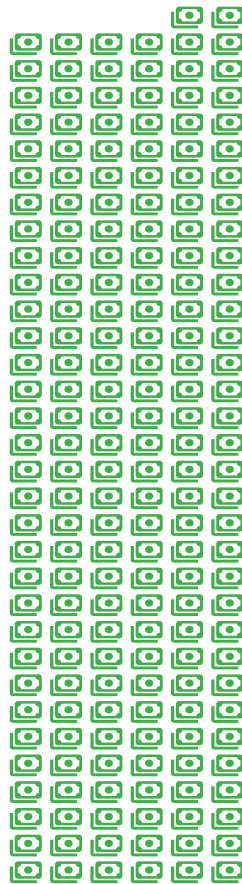
Losses Due to Inadequate Water Supply

ANNUAL INCOME

 = \$1 billion

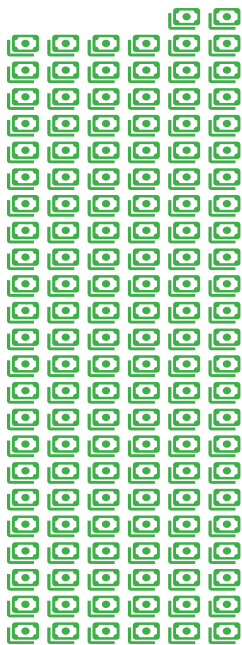
-\$194 Billion

per year starting in the 2070 decade (2024 Dollars)




-\$140 Billion

per year starting in the 2020 decade (2024 Dollars)

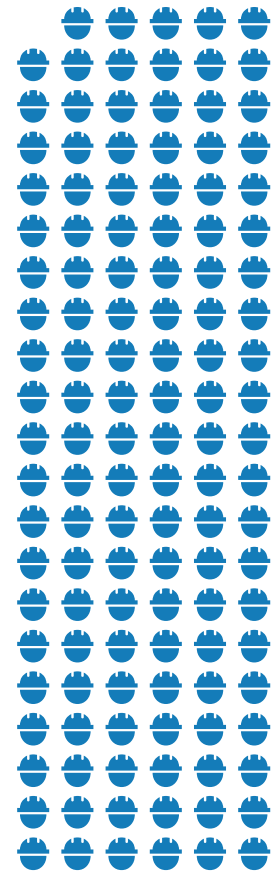


JOBS

 = 10,000

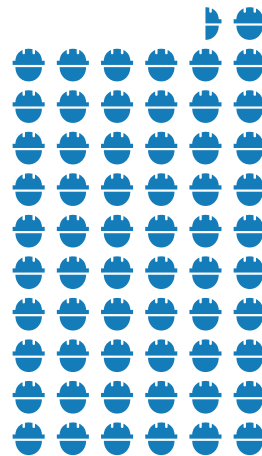
-1.4 Million+

per year starting in the 2070 decade



-615,000+

per year starting in the 2020 decade



Risks Due to Lack of Flood Infrastructure*

5.8 million Texans live or work in flood hazard areas, with:

- approximately 2.4 million in the 100-year floodplain; and,
- 2.8 million in the 500-year floodplain
- Additionally, approx. 660,000 Texans located in flood prone areas of undetermined flood risk.



Over 43,000 miles of roadway, 69,000 roadway crossing, and over 9,300 low water crossings are within the 100-year floodplain.



Over 6,250 hospitals, emergency medical services, fire stations, police stations, and schools in the 100 year and 500 year floodplains.



Over 10 million acres of farmland are within the 100-year floodplain.

*2024 State Flood Plan

THE MAIN FUNDING PROGRAMS

INVESTING IN TEXAS WATER & FLOOD INFRASTRUCTURE



Flood Infrastructure Fund (FIF)

- Established in 2019

Passed by the Legislature and approved by Texas voters through a constitutional amendment, the FIF program provides financial assistance in the form of loans and grants for flood control, flood mitigation, and drainage projects. The Flood Intended Use Plan (Flood IUP) details the structure of each funding cycle. Currently funded by two Legislative appropriations totaling \$1.417 Billion.

- Initial appropriation from the 86th Legislature funding the Flood Infrastructure Fund (FIF) = \$793 million
- Additional appropriation from the 88th Legislature for additional funding for the FIF = \$624 million
- Total Texas Legislative appropriations funding the FIF = \$1.417 Billion

• Total estimated implementation costs of the 2024 State Flood Plan = \$54.5 Billion

BENEFITS AND TERMS

- 0% interest loans and grants
- The grant may be taken without the loan if desired
- 15-year loan terms on planning activities, 30 years on constructed projects
- Funds may be used as the local match against a Federal grant



219 active and completed project commitments, totaling approximately

\$681 Million

As of December 2024



ELIGIBLE PROJECTS

Eligible projects (Categories) that are eligible and found in the most recent Texas State Flood Plan:



Flood Management Evaluations (FMEs): These are studies to identify, assess, and quantify flood risk or identify, evaluate, and recommend flood risk reduction solutions.



Flood Mitigation Projects (FMPs): Activities to construct or rehabilitate structural flood mitigation improvements or implement non-structural improvements.



Flood Management Strategies (FMSs): Flood risk reduction solution idea or strategy that does not belong in the FME or FMP categories. Examples may include regulatory enhancements, development (but not implementation) of entity-wide buyout programs, and public outreach and education. This category may include projects that can be implemented quickly and are understood to be immediately effective in protecting life and property. Eligible FMS Category projects also include warning systems, crossing barriers, and gages.



Annual capacity based on TWDB administration of legislative appropriations, and external contributing factors that could impact capacity.

Information and data compiled from the Texas Water Development Board website.

The Texas Water Fund (TWF): What's Included

New Water Supply for Texas



\$250M

- Purchased Water
- Process Water
- Desalination

Main Benefit:

- ✓ Dedicated fund specifically for developing new water sources

NOTE: New fund created by the 88th Legislature.

Rural Water Assistance Fund (RWF)



\$195M

- Water
- Wastewater
- Consolidation / Regionalization
- Reuse

Main Benefits:

- ✓ Dedicated fund for small/rural water utilities
- ✓ Grants possible
- ✓ 100% financing

State Water Implementation Fund for Texas (SWIFT)



\$300M

- Raw/Potable Water
- Reuse
- Desalination
- Conservation

Main Benefits:

- ✓ Dedicated fund for projects in the Texas State Water Plan
- ✓ Subsidized interest rates
- ✓ Multi-year commitments
- ✓ Deferred obligations
- ✓ 100% financing

State Participation (SP) Program



No current allocations proposed from the TWF

- Water supply
- Wastewater
- Flood protection
- Reuse

Main Benefits:

- ✓ Financing through temporary TWDB ownership interest, with structured deferral of principal and interest
- ✓ Up to 34-year repayment terms (generally)
- ✓ No maximum funding limit, subject to eligibility and Board approval

Information and data compiled from the Texas Water Development Board



\$1 Billion

INITIAL TWF INVESTMENT

Texas Water Development Fund (DFund)



No current allocations proposed from the TWF

- Water
- Wastewater
- Desalination
- Flood Mitigation / Stormwater
- Reuse

Main Benefits:

- ✓ Can fund water, wastewater, and flood control all in one loan
- ✓ Up to 30-year terms
- ✓ Rates based on TWDB cost of funds (AAA)

Clean Water State Revolving Fund (CWSRF)



No current allocations proposed from TWF

- Wastewater
- Reuse
- Stormwater
- Nonpoint Source Pollution Mitigation

Main Benefits:

- ✓ Subsidized interest rates
- ✓ Grants possible
- ✓ 100% financing

Drinking Water State Revolving Fund (DWSRF)



No current allocations proposed from TWF

- Raw/Potable Water
- Reuse
- Storage
- Desalination

Main Benefits:

- ✓ Subsidized interest rates
- ✓ Grants possible
- ✓ 100% financing



HISTORIC IMPACT

\$39.5 Billion

Since 1957, Texas Water Development Board funding commitments have topped \$39 billion.

CWSRF	\$11.7 B	SP	\$368 M
SWIFT	\$14.5 B	RWAF	\$194 M
DWSRF	\$4.0 B		
DFund	\$3.0 B		

The "New Water Supply for Texas Fund" was established by the 88th Legislature.

Other programs receiving funding from the \$1 Billion initial investment in the TWF:

- \$90 Million – Water Loan Assistance Fund
- \$15 Million – Statewide Water Public Awareness Program (Created by 88th Legislature)
- \$150 Million – Potential Bond Leveraged Funding Through Existing Financial Assistance Programs

Information and data compiled from the Texas Water Development Board

INVESTMENT

\$195
Million

from \$1 Billion Texas Water Fund

THE IMPACT

Provides small, rural water utilities with low-cost, long-term financing for water and wastewater projects.



**HISTORIC IMPACT
OF PROGRAM**

\$194
Million

Rural Water Assistance Fund (RWAFF)

- Established in 2002
- 81 commitments total

ELIGIBLE PROJECTS



Water



Wastewater



Consolidation/
Regionalization



Reuse

Planning, design, acquisition, and construction of water, wastewater, or consolidation and regionalization projects. Annual Capacity based on Legislative appropriation and TWDB administration, and external factors that could impact capacity.

BENEFITS AND TERMS

- Long-term fixed interest rates based on the TWDB's cost of funds
- 20- to 30-year repayment terms
- Sales tax exemption for project supplies
- Grants available, including 100% for specific applicants/projects

LIMITATIONS

- Eligible applicants are those with a service area population of 10,000 or less
- Counties in which no urban area has a population exceeding 50,000
- Applicants may partner with a federal or state agency, or another rural political subdivision, to apply for funding

Information and data compiled from the Texas Water Development Board



INVESTMENT
**\$300
Million**

from \$1 Billion Texas Water Fund

State Water Implementation Fund for Texas (SWIFT)

- Established in 2013
- 390 commitments total

ELIGIBLE PROJECTS



Raw/Potable Water



Reuse



Desalination



Conservation

- Projects in the State Water Plan with a positive capital cost
- Projects include conservation and reuse, desalinating groundwater and seawater, building new pipelines, developing reservoirs and well fields, and purchasing water rights, as well as numerous other strategies
- Annual capacity based on TWDB administration of legislative appropriations, and external contributing factors that could impact capacity.

BENEFITS AND TERMS

- TWDB cost of funds rates; interest rate subsidies possible
- Up to 34-year repayment period
- Flexible financing structures:
 - Low interest
 - Deferred - Principal and interest deferred up to eight years or until end of construction (for planning and design phase costs), whichever is sooner
 - Multi-year commitments are available
 - Board Participation - A temporary TWDB ownership interest in the excess capacity of a state water plan project, providing an entity the opportunity to reasonably finance an optimally sized regional facility. The TWDB may participate in up to 80% of the total project costs.
- Additional interest rate subsidies for rural or agricultural water conservation/irrigation projects
- Subject to eligibility and Board approval, there is currently no set maximum funding limit

LIMITATIONS

- Raw/potable water projects only

Information and data compiled from the Texas Water Development Board

THE IMPACT

Offers affordable, ongoing financial assistance for state water plan projects through low-interest financing and flexible repayment options.



HISTORIC IMPACT
OF PROGRAM

**\$14.5
Billion**

INVESTMENT

No current allocations proposed from the Texas Water Fund.



THE IMPACT

Aims to “right-size” projects for future needs by funding excess capacity, depending on legislative appropriations or available funds.



HISTORIC IMPACT OF PROGRAM

\$368
Million

State Participation (SP) Program

- Established in 1957
- 23 commitments total

ELIGIBLE PROJECTS



Water Supply



Wastewater



Flood Protection



Reuse

Planning, design, acquisition, and construction for the excess capacity of regional projects for:

- Water supply, including reservoirs, well fields, and water rights
- Wastewater
- Flood protection

Annual capacity based on demand but subject to \$6 billion constitutional authorization.

BENEFITS AND TERMS

- Financing through a temporary TWDB ownership interest in a regional facility (local sponsor repurchases the TWDB's interest under a repayment schedule that allows for the structured deferral of both principal and interest)
- Subject to eligibility and Board approval, there is currently no maximum funding limit

LIMITATIONS

- Repurchase terms limited to 34 years, not tied to increasing revenues as originally created, which could cause customer rate increases with larger loan requests
- No interest rate subsidies

Information and data compiled from the Texas Water Development Board



INVESTMENT

No current allocations proposed from the Texas Water Fund.

Texas Water Development Fund (DFund)

- Established in 1957
- 729 commitments total

ELIGIBLE PROJECTS



Water



Wastewater



Desalination



Flood Mitigation/
Stormwater



Reuse

Planning, design, acquisition, and construction of projects for:

- Water supply, including reservoirs and well fields
- Conservation
- Water quality enhancement
- Flood control
- Wastewater

BENEFITS AND TERMS

- Annual capacity based on demand but subject to \$6 Billion constitutional authorization.
- Long-term fixed interest rates based on the TWDB's cost of funds
- 20- to 30-year repayment terms
- Subject to eligibility and Board approval, there is currently no maximum funding limit

LIMITATIONS

- No interest rate subsidies; Rates based on State AAA bond rate. Less incentive to utilize this program.

Information and data compiled from the Texas Water Development Board

THE IMPACT

Provides financing for various types of eligible infrastructure projects. This program enables the TWDB to fund projects with multiple purposes in one commitment.



HISTORIC IMPACT OF PROGRAM

**\$3.0
Billion**

INVESTMENT

No current allocations proposed from the Texas Water Fund.



THE IMPACT

Helps communities by providing low-cost financing for a wide range of wastewater, stormwater, reuse, and pollution control projects.



HISTORIC IMPACT OF PROGRAM

\$11.7
Billion

Clean Water State Revolving Fund (CWSRF)

- Established in 1987
- 1,284 commitments total

ELIGIBLE PROJECTS



Treatment



Collection



Stormwater



Nonpoint
Source Pollution



Reuse

Planning, acquisition, design, and construction of a wide variety of wastewater-related projects. Annual Capacity based on Federal capitalization grant and varying State match/contribution.

BENEFITS AND TERMS

- Below-market fixed interest rates (subsidized interest rates based on participant's existing credit rating)
- Principal forgiveness for qualifying disadvantaged, small/rural disadvantaged, emergency relief, and green projects
- Up to 30-year repayment period

LIMITATIONS

- Limited annual funding capacity
- Potential for capacity reduction annually by Federal earmarks

Information and data compiled from the Texas Water Development Board



INVESTMENT

No current allocations proposed from the Texas Water Fund.

Drinking Water State Revolving Fund (DWSRF)

- Established in 1996
- 917 commitments total

ELIGIBLE PROJECTS



Raw/Potable Water



Reuse



Storage



Desalination

Planning, acquisition, design, and construction of a wide variety of drinking water-related projects. Annual Capacity based on Federal capitalization grant and varying State match/contribution.

BENEFITS AND TERMS

- Below-market fixed interest rates (subsidized interest rates based on participant's existing credit rating)
- Principal forgiveness for qualifying disadvantaged, small/rural disadvantaged, green, very small systems, and urgent need projects
- Up to 30-year repayment period

LIMITATIONS

- Limited annual funding capacity
- Potential for capacity reduction annually by Federal earmarks

Information and data compiled from the Texas Water Development Board

THE IMPACT

Helps communities by providing low-cost financing for a wide range of water projects that facilitate compliance with drinking water standards.



HISTORIC IMPACT OF PROGRAM

\$4.0 Billion

THE RECOMMENDATIONS

SECURING TEXAS' FUTURE

KEY ACTIONS FOR THE 89TH TEXAS LEGISLATURE

Creating the “Texas Miracle” has long proven to attract new residents and economic development over the past 20 years. Our state’s water systems are vital in producing our food sources, maintaining health and safety amongst people, manufacturing goods, and keeping our business operations running smoothly. Sustaining a favorable environment for people and businesses must be the goal for Texas lawmakers and leaders. Building off the foundation created and successes from the 2023 Legislative Session and passage of Proposition 6 will aid in propelling the 89th Texas Legislature towards our water and flood infrastructure goals.

It is imperative for legislators to make a substantial, long-lasting investment in our state’s future. ACEC Texas respectfully puts forth the following legislative recommendations:



1 Dedicate Funding for the Texas Water Fund and Flood Infrastructure Fund

Establish a sustainable, dedicated funding stream for the Texas Water Fund and Flood Infrastructure Fund. We recommend modeling the funding transfers already in place for the State Highway Fund and establish a **\$2.5 billion per state fiscal year funding transfer** from sales and use tax revenue for the Texas Water Fund and Flood Infrastructure Fund.

2 Continue to Prioritize Most Needed Projects & Programs

Funding allocated to the Texas Water Fund and Flood Infrastructure Fund should continue to be spread appropriately amongst the most needed projects, programs and communities in all areas of state. Allowing the Texas Water Development Board the flexibility, efficiency, and resources necessary to disburse those funds is crucial to meet the growing water and flood mitigation needs of our state.



3 Continue Exploring and Investing in Alternative Water Supply Projects

Texas should continue to examine all opportunities to increase the state's water supply, including but not limited to desalination and water reuse. Water reuse in Texas is well-recognized in practice as well as policy as an alternative water supply (AWS). Throughout the state, master planning for water systems has reuse as a primary supply source and often include future increments of reuse to add to the supply source.

Texas reuse practice identifies a restricted or unavailable supply source within the service area that has an existing connection or function within the system (e.g., wastewater treatment plant effluent, grey water, recaptured irrigation water or other non-potable uses) and implements measures to create an AWS from those sources that can be added to and operated with the community's existing water system. It is a source that has not been available for beneficial use, or at least one that has not been used to its full potential benefit; and it is a redirected source that adds to the total volume of water supply available to a community.



THE WHY

WHY WE FUND WATER & FLOOD PROJECTS

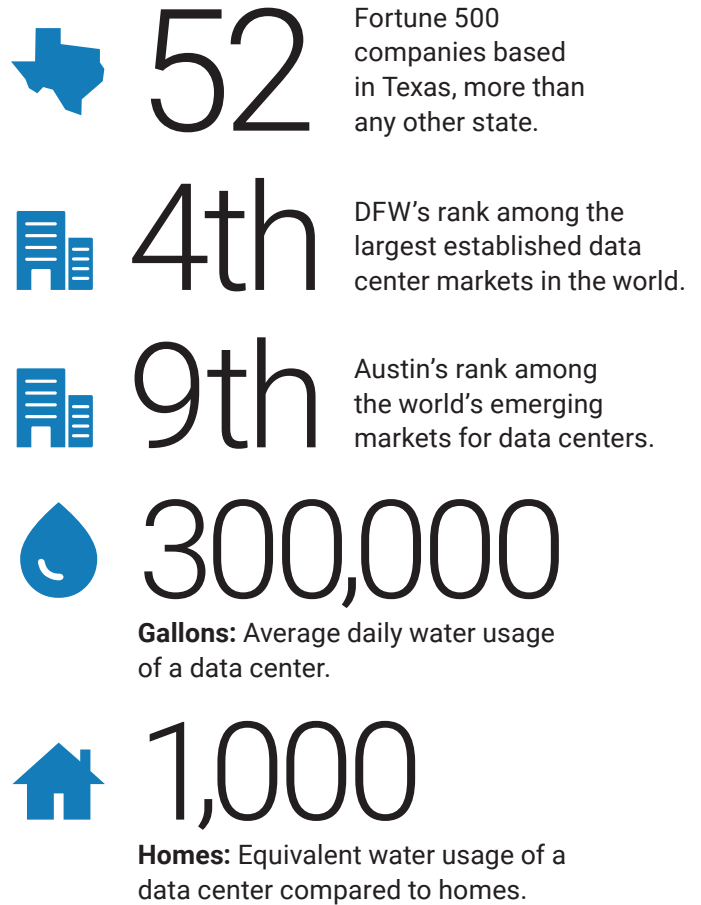


Texas' staggering growth in people and businesses continues to be the admired standard as the state sits atop the pedestal of opportunity. Of the top ten fastest-growing counties in the United States from 2023 to 2024, eight are in Texas.¹ Ensuring the "Texas Miracle" can sustain the growth and market conditions is the greatest challenge facing decision-makers in our state.

For almost a decade, Texas has been the beacon of economic prosperity for nearly 300 companies that have moved their headquarters to the Lone Star State.² Currently, 52 Fortune 500 companies call Texas home, more than any other state,³ including Caterpillar, Tesla, Hewlett Packard Enterprise, and NRG Energy. Most notably, the state has attracted vital data center operations to store, process, and distribute applications and information, with the Dallas-Fort Worth area ranking fourth amongst the largest established data center markets in the world. Furthermore, the City of Austin ranks ninth among the world's emerging markets for data centers.⁴ A critical element for data center operations: water. An average data center uses 300,000 gallons (at a minimum, according to other reports) of water per day to remove heat generated and to keep equipment cool.⁵ This statistic is equivalent to the water used in 1,000 homes.⁵ It is important that we continue to provide vital resources to support the business community in our state. Given the high demand for water in day-to-day business operations, companies have been leading efforts to find new water supplies to meet their needs, including the use of alternative water supplies, which is a practical and proven option to help alleviate some of the state's water supply needs.

Whether you're a Texas family or business, preparing for and beginning each day starts with the expectation that essential resources will be available and that personal safety will be upheld. Turning on the water faucet begins with the expectation that water will flow. If a community receives torrential rainfall, there's solace in good drainage and flood mitigation to reduce risks and promote safety. Our state has made tremendous progress towards addressing the challenges flood waters create. However, there is still work to be done as one in six people in Texas live or work in an area susceptible to flooding.⁶

Water is a fundamental ingredient to each person's health, safety, and prosperity. The strength of water



to create, revitalize, and threaten one's life and work should never be taken for granted. Planning and preparing in advance for the successes of our state should always be paramount.

Why do we adequately fund water and flood projects? For a Flood Early Warning System for San Jacinto County in Southeast Texas. For drainage improvements in the Rio Grande Valley for the City of Harlingen. For supplying water for fast growth areas of the state. For repairing and replacing decades-old water infrastructure in rural Texas.

To create a sustainable environment welcoming and safe for all.

The "Texas Miracle" doesn't exist without water.

1. U.S. Census Bureau
2. Texas Economic Development & Tourism, Research, & Economic Analysis (2015-April 2024)
3. Office of the Governor of Texas, Texas Economic Development & Tourism
4. Office of the Governor of Texas, Texas Economic Development & Tourism
5. NPR, August 2022
6. 2024 State Flood Plan, Texas Water Development Board



Nothing happens
in Texas without
WATER.

Water doesn't happen
in Texas without
FUNDING!

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