



# SIERRA CLUB

## LONE STAR CHAPTER

**To: Governor's Office, Lt Governor's Office, Speaker's Office, Legislative Budget Board**  
**From: Cyrus Reed, Legislative and Conservation Director, Lone Star Chapter of the Sierra Club,**  
**512-888-9411 [cyrus.reed@sierraclub.org](mailto:cyrus.reed@sierraclub.org)**

**October 4th, 2024**

The Sierra Club is pleased to offer these initial and brief comments on the TWDB's 26-27 LAR.

Before we turn to the proposed LAR, we want to publicly thank and acknowledge the excellent work the TWDB has done in:

1. Creating the first Texas State Flood Plan, delivered to the Legislature before the September 1, 2024 deadline with years of public meetings, regional group meetings and public hearings. TWDB has done an admirable job incorporating input and recommendations throughout, even during difficult times, including COVID.
2. Implementing SB 28 and earmarking the \$1 billion in funding granted by the legislature and approved by Texas voters in November. We believe the TWDB made wise choices - again with lots of public input - to set aside the \$750 million for the Texas Water Fund, and reserve \$250 million for the New Water Fund for Texas, subject to future rulemaking.

Recently, through a memo discussed on July 23rd, the TWDB announced how they plan to spend the \$1 billion approved by voters. We are supportive. The plan, which is a flexible framework, anticipates utilizing the \$1 billion from the Texas Water Fund through the Rural Water Assistance Fund (RWAF), Water Loan Assistance Fund (WLAF), a statewide water public awareness program, the SWIFT program, potential leveraging through other existing financial assistance programs, and the New Water Supply for Texas Fund. The TWDB has put significant resources toward water loss, water conservation and water awareness programs even as we await more detail on the "New Water Supply Project," which will require future rulemaking. We would highlight the great work TWDB has done to increase the funding from \$1 billion through bond leveraged funding under the existing SWIFT program meaning the total amount of money could be closer to \$3 billion.

Moreover, just last month, the TWDB approved a prioritization of water loss projects and the Sierra Club supported this effort, as they have prioritized small, medium and larger projects, including many smaller rural projects which will require grant funding. Through our input to the TWDB we have made suggestions on identifying projects for further water loss mitigation and water conservation. We hope to work with the TWDB and the legislature to continue to provide additional funding for these efforts as it appears that with the prioritization of projects identified in August, the majority of the funds are already “spoken for” subject to the due diligence application process.

Table 1. Prioritized Water Loss Projects, August 2023

<b>Category</b>	<b>Number of Projects Identified</b>	<b>Total Need</b>
Texas Water Fund - Water Loss Mitigation Projects Priority List of Projects - Less Than 1,000 Population Served	17	\$42,153,060
Texas Water Fund - Water Loss Mitigation Projects Draft Priority List of Projects - 1,000 to 10,000 Population Served	49	\$330,675,639
Texas Water Fund - Water Loss Mitigation Projects Priority List of Projects - 10,000 to 150,000 Population Served	9	\$108,415,710

Source: TWDB, August board meeting packet, August 2024.

Since effective water loss mitigation is impossible without accurate data, we applaud the use of SRF set-aside dollars for the new Technical Assistance in Water Loss Control Enhanced (TAWLC-Enhanced) technical assistance and outreach program which will aid utilities in completing or

improving their water loss audits. We encourage the TWDB to continue supporting technical assistance and consider increasing funds allocated for these activities whenever possible. Technical assistance to support water loss mitigation can also extend beyond the completion of audits: additional resources that would be helpful for utilities (regardless of whether they have received Texas Water Fund or SRF assistance) include tools to support effective utility operations after water loss control programs have been implemented. These could include training and resources related to leak detection, pressure monitoring, community engagement, and planning for regular maintenance and other technical interventions.

### **More money will be needed for flood control, water projects and new water**

While the scope and size of any new water funding is yet unknown, there is no doubt that the Legislature will be tasked with making decisions about how much money to invest in water infrastructure, flood protection and “new” water supplies. According to the 2022 State Water Plan, the population of Texas is projected to increase 73 percent between 2020 and 2070, from 29.7 million to 51.5 million. Meeting water supply demands in 2070 will cost an additional \$80 billion, with more than half of this funding coming from state assistance. According to the 2024 State Flood Plan recently adopted in August, the regional flood planning groups recommended 4,609 flood risk reduction solutions: 3,097 flood management evaluations, 615 flood mitigation projects, and 897 flood management strategies in the regional flood plans with an estimated total implementation cost of more than \$54.5 billion. It is important to note that more than 40% of this is related to the Ike Dyke proposal.

### **More Permanent Funding will be Needed for Water Infrastructure**

While the LAR is silent on the need for funding the water plan and state flood plan, there is no doubt that money will be needed for grants, loans and technical assistance.

The Sierra Club believes that ultimately we will need more permanent funding for the Texas Water Fund, Flood Infrastructure Fund, and state flood planning process. Ultimately we may need to shift from the Texas Water Fund from a one-time appropriation to a “dedicated” and sustainable source of state funding for water infrastructure, etc. as opposed to a one-time amount, like that related to SB 28. In discussions on new funding, the Sierra Club encourages a focus on water loss mitigation and treatment plant improvements (responsive to TxWIN survey results), as well as opportunities to incorporate reuse when rehabilitating old infrastructure

before considering major outlays for new supplies, which can involve risk and potential impacts on our environment and natural resources. In terms of the state flood plan and the FIF - it will be important to fund both grey and green “nature-based” flood infrastructure.

### **Need for Continued Focus on Water Loss Funding**

The Sierra Club supports funding for utilities with high water loss to improve their performance relative to their peers. This could be done with the next appropriation to the TWF or through separate permanent funding. Candidate systems could be identified annually based on audit data and automatically offered grants to achieve 75th or 90th percentile water loss mitigation performance, with some funds set aside to mitigate loss caused by drought or other disasters.

### **There is still a need for EDAP**

The need for EDAP continues to be important even as the bonds approved run out. EDAP could also be used to address some other issues like residential drainage, but we support as a first step conducting a needs assessment as suggested below.

### **We support many of the Exceptional Item Requests.**

Recently, the TWDB itself identified 10 exceptional item requests in its LAR for 2026 and 2027. The Sierra Club is supportive of these exceptional item requests, and we highlight those that we think are most important. First, TWDB needs more staff and an increase of 50 will help tremendously. Second, we should absolutely support a AGWCF one-time increase to help support agricultural water conservation. Three other requests involve having better data to make better decisions. In particular, we are supportive of EI Request 3 on EDAP, Groundwater Data, Surface Water Data and MESONET. All of these will help inform water planning and needs.

### **Exceptional Item Requests Supported by the Sierra Club**

1. Full Time Equivalent (FTE) Increase  
The agency is seeking an increase to the FTE cap of 50, from 482.5 to 532.5. No additional General Revenue is needed to support this increase in the FTE cap.
2. Agricultural Water Conservation Fund  
This request includes a \$15 million General Revenue appropriation to be transferred to the Agricultural Water Conservation Fund to continue providing agricultural water conservation loans and grants to public entities over the next 10 years, allowing the agency to continue to provide grants and loans in rural areas of Texas where agriculture is an important sector of the local economy.

3. Texas Water Service Boundary Viewer application (TWSBV)  
This request includes funding to repair and expand functionality of the TWSBV to provide public-facing cradle-to-grave information on projects funded, including a data tool for financial assistance applicants and a support to the future statewide water awareness campaign required by SB 28, 88(R). The total cost of this exceptional item is \$200,000 for the FY 2026-27 biennium.
4. Economically Distressed Areas Program (EDAP) Needs Assessment  
This request would fund a statewide needs assessment for the EDAP program. To evaluate the needs of economically distressed areas of the state, this study would identify funding needs and potential obstacles and pitfalls communities are facing in providing adequate water and wastewater services to residents. The total cost of this exceptional item is \$800,000 for the FY 2026-27 biennium.
5. Groundwater Data and Collection Analysis  
This request includes funding to support the TWDB Groundwater Recorder Well, Water Quality, and Springs Monitoring programs. Funding will support maintenance and growth of the Recorder Well and Springs Monitoring programs and provide additional funding to address the rising costs of water quality analyses in the Water Quality and Springs Monitoring programs. The request includes 2 FTEs and the total cost of this exceptional item is \$745,121 for the FY 2026-27 biennium.
6. Surface Water Data and Collection Analysis  
This request includes funding to improve the quality and ensure the availability of key surface water datasets, specifically evaporation, volumetric reservoir storage capacity, sedimentation rates for water supply reservoirs, and measurements of stream flows at key locations throughout the state. Each of these datasets is critical to informing decisions impacting surface water rights permitting, adaptive management of environmental flow standards, regional water supply and flood mitigation planning, and financial assistance for water supply and flood infrastructure projects. The request includes 2 FTEs and the total cost of this exceptional item is \$1,612,368 for the FY 2026-27 biennium.
7. TexMesonet Coverage  
This request includes funding to better prepare the state to detect, forecast, and monitor weather conditions that affect water resources management, public safety, agricultural efforts, and the economy. Specifically, this request will enable the TWDB to achieve statewide coverage of hydrometeorological (weather) stations as soon as 2030. The total cost for this exceptional item is \$1,880,000 for the FY 2026-27 biennium.

Again, we will reiterate our view that in approving any funds for new water projects, the regulatory framework must be in place to protect communities, habitats, endangered species and downstream users - including aquatic environments.

**More efforts and coordination are needed to assure adequate flows for environmental purposes and to identify water rights that are not being used - study unused water rights**

As an organization, we are appreciative and supportive of the state requirement to assure minimal environmental flows in our rivers, and especially into our bays and estuaries. This committee and the legislature has taken seriously the need to protect our coastal communities and environments, and recent funding for TCEQ - and improvements in the TCEQ sunset bill - to complete watershed inflow studies and regulations is helpful, but we are still not adequately ensuring sufficient flows. We recommend that the legislature continue to assure adequate funding to complete the studies, and also increase funding for the Water Bank and Texas Water Trust, and create coordination between TCEQ, TPWD and TWDB on the use of the water trust for meeting environmental flows. As part of this, we believe the TCEQ and TWDB should be directed - perhaps through a budget rider - to conduct a comprehensive study on non-use of water rights, including anticipation of water rights freed up as older steam electric (older gas and coal plants) retire, which could free up water for environmental and other uses. The recent experience with Lake Fairfield, in which the state lost a crown jewel of a state park, happened in part because the new owner of the land was able to utilize a water right earmarked for power plant cooling and was allowed to be changed and entrusted to a private developer. In short, we need to avoid situations where unused water rights are identified and the state can help determine where it makes sense to protect instream and in-bay flows, and where it makes sense to allow the water to be developed for other needs. This effort could be coordinated with both TPWD and TWDB, since some of this water could be useful for water supply to the extent environmental requirements are met.

The Sierra Club supports the TWDB LAR, including many of the exceptional item requests related to the need for extra FTEs, agricultural conservation, and many additional data requests. Going forward we believe that more permanent funding streams for the Texas Water Fund -particularly to address water loss - and the Texas Flood Plan. We believe that TWDB and other agencies should be directed to also study unused water rights and identify potential candidates for the Texas Water Bank and Water Trust.