March 5, 2024 TWDB Board Meeting
Comments on Agenda Item 14 – Implementation of the Texas Water Fund

Chairwoman Paup and Directors Stepney and Peyton,

Thank you for the opportunity to submit comments on the implementation of the Texas Water Fund. My name is Jennifer Walker, and I am the director of the National Wildlife Federation's Texas Coast and Water Program. NWF promotes and advocates for policies to ensure that Texas has the water it needs for thriving communities and healthy fish and wildlife. We also lead and are proud partners in Texas Living Waters, a coalition of statewide organizations working together on water policy initiatives.

The Texas Water Fund provides a unique opportunity to get ahead of the curve on water resilience as well as address long-standing infrastructure investment needs. The program is designed to enhance existing TWDB programs, such as the Clean Water State Revolving Fund, the Drinking Water State Revolving Fund, and the Rural Assistance Water Fund, among others. TWDB has the opportunity to implement strategies and encourage investments that will address water loss mitigation and water conservation– strategies that are crucial to using our existing resources prudently. Our research has found that statewide, we are losing 572,000 acre-feet of water per year.

The $750 million in funding available through the Texas Water Fund will be most effective if it is used to fund projects that will make the best use of the water we already have. Providing resources to support water loss mitigation and water conservation projects is a sound investment. We encourage TWDB to put strategies in place to ensure that these worthy projects are able to be accessed by the communities that need it most, especially rural communities and economically disadvantaged communities. Strategies to accomplish this include funding in the form of both low-interest loans and grants, technical assistance of all kinds, best practices, and other services that will facilitate access to these funds.

To proactively identify water loss mitigation projects, we recommend the following:

- Utilize recent water loss audits to identify communities that are above the TWDBs water loss thresholds set for HB 3605 compliance and proactively reach out to them through the technical assistance program.
- Use the most recent WLA data and perform a Frontier Analysis or another (like the one performed in Hidden Reservoirs) to identify low performing utilities.

- Consider creating set-aside funds, more favorable financing opportunities, and prioritization points for water loss mitigation projects in existing programs, particularly programs with limited financial capacity.

To proactively identify water conservation projects, we recommend the following:

- Use 5-year water conservation plans to identify water utilities with high GPCD and/or 5-10 year goals that are not progressive.
- Set aside a funds for water conservation, including grants. As we have seen with SWIFT, utilities do not generally apply for funds to support water conservation programs. There is a concern that this particular part of the program could be undersubscribed.

We also advocate for the allocation of funding towards the Water Bank and Texas Water Trust, which are important programs that could protect stream flows during droughts. These programs have historically been underutilized. Increasing participation in and engagement with these programs is vital towards protecting our river and stream ecosystems.

Thank you for the consideration of our comments. Should you have any further questions, please do not hesitate to reach out.

Sincerely,
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