



Water Talking Points

Issue - We need to ensure there is enough water for Texans

- The population in Texas is expected to increase 82 percent between the years 2010 and 2060.
- Every day, the Texas population grows by 1,500 new residents. (El Paso Times, 8/19/13)
- By 2060 the population of Texas will increase to 46 million. As it stands, we do not have adequate water supplies to meet the demands of these new Texans during times of drought.

Voter Action Needed

- In November, voters have the opportunity to approve Proposition 6, a constitutional referendum authorizing the release of \$2 billion from the state's Rainy Day Fund to "kickstart" funding for water projects.
- These funds will help support critical, statewide water projects throughout the state for the next 50 years.

Water is Vital to the Texas Economy

If the strategies in the water plan are not implemented and Texas experiences another record drought record, our state will suffer:

- Statewide economic losses now of \$12 billion per year or \$116 billion annually by the 2060s
- Statewide job losses of 115,000 now or over 1.1 million in 2060

Water is Vital to the Houston Region's Economy

- From 2010 to 2060, the Houston region will grow from approximately 6 million to 11.3 million.
- Demand for water resources in our region is projected to increase 48 percent by 2060.
- Nearly one-quarter of the state's population resides within our water planning region which is composed of all or parts of 15 counties and includes portions of the Trinity, San Jacinto, Brazos, Neches, and Colorado river basins.
- Our region is crucial to both the Texas and national economies.
- Houston is home to two-thirds of all U.S. petrochemical production.
- Port of Houston is second busiest port in the nation.
- The Texas Medical Center is the largest medical complex in the world.

State Water Plan Details

- In 2012, the Texas Water Development Board released the State Water Plan, which identifies projects designed to meet the water needs of Texas' growing population.
- Projects include water management strategies to capture and store new water supplies along with infrastructure to effectively transport these supplies to the areas that need it.
- The State Water Plan was developed with input from agricultural, industrial, and environmental interests along with municipalities; counties water districts, river authorities, and water utilities.

Water Talking Points (cont'd)

Our Region's Recommended Strategies

- Total capital cost implementing recommended strategies for our region —\$12 billion.
- Our region will need 1.2 million acre-feet per year by 2060.
- Implementing the strategies in our region's plan will provide 1.5 million acre-feet per year by 2060. This will help support both our commercial and residential demands for water.

How will funding work?

- This Legislative Session, the legislature took critical steps towards establishing a sustainable funding mechanism through a series of bills that fund the State Water Plan.
- The bills established a revolving loan fund, from which loans are made to finance projects in the State Water Plan.
- The fund is replenished as individual projects pay back their loans, creating the opportunity to issue new loans to the next project on the priority list.
- To kick-start the fund, Sen. Tommy Williams sponsored Senate Joint Resolution 1, initiating a constitutional referendum, which will appear on the November ballot as Proposition 6.
- If approved, the revolving loan fund will receive \$2 billion from the Rainy Day Fund.
- The \$2 billion “kick start” from the Rainy Day Fund will be used along with \$6 billion in bonding authority approved by voters in 2011.
- These combined investments allow the state to offer loans to political subdivisions (municipalities, public water providers, water utilities, and river authorities) implementing projects recommended in the Water Plan.
 - Lower rate on their loans
 - Deferral of principal and interest until project is implemented
- Repayment of loan is via revenue generated by projects (rates collected from customers).
- Utilizing money in the Rainy Day Fund will not increase taxes because this is, in essence, a transfer from one government account to another.
- Protects the state's AAA bond rating and will keep enough money in the Rainy Day Fund to handle an major natural or economic disasters.

What is the Rainy Day Fund?

- Allows the state to set aside excess revenue for use in times of unexpected revenue shortfall.
- Natural gas and oil tax revenues have been the driving factor in the fund's growth.
- Funds will immediately begin earning interest when transferred out of RDF into water infrastructure bank.
- Projected balance of funds is \$11.8 billion in 2015.