



September 25th, 2020

Chairman Lyle Larson  
House Natural Resources Committee  
1100 Congress Ave  
Austin, TX 78701

Re: HNR RFI Interim Charge Two

Dear Chairman Larson and the Natural Resources Committee,

Water is special here in Texas, but as you know, our state's water supply and water infrastructure face increasing threats. Expanding development, skyrocketing water demand, diminishing aquifers, and aging water infrastructure push our water systems to the limit. To deal with these issues, Texans are turning to nature-based infrastructure features, from rain gardens to managed wetlands, as a cost effective way to conserve water resources, recharge our aquifers, reduce water pollution, and prevent flooding. But unfortunately, the current structure of Texas Water Development Board (TWDB) funding does not support financing options for nature-based projects. As the Natural Resources Committee examines the role of the TWDB in helping Texas meet our water needs, we ask that the committee require the board to create a dedicated funding program for nature-based infrastructure projects through interest rate breaks on Clean Water State Revolving Fund (CWSRF) loans.

This new program would enable Texans to finance projects that will help manage our state's water supply to keep up with quickly growing demand. As Texas' population grows, statewide water demand is projected to increase 17 percent by 2070.<sup>1</sup> Specific regions of the state could see even steeper rises; for example, the Tarrant Regional Water District is planning for a 54% increase in demand.<sup>2</sup> Our rivers and aquifers are struggling to keep up: experts predict the Ogallala could run dry as soon as 2028.<sup>3</sup>

Luckily, Texas can turn to nature-based solutions to protect our water supply. Stormwater retention with nature-based features like rain gardens and bioswales helps rainwater slow down and soak into the soil, allowing it to recharge our aquifers and keep our streams and rivers healthy.<sup>4</sup> Research by the Environmental Protection Agency (EPA) has shown that these green techniques can save hundreds of millions in development costs, while providing benefits in

---

<sup>1</sup> <https://www.twdb.texas.gov/waterplanning/swp/2017/chapters/05-SWP17-POPULATION-DEMAND.pdf>

<sup>2</sup> <https://www.trwd.com/water-supply-demands/>

<sup>3</sup> <https://abc7amarillo.com/news/local/precious-commodity-being-used-faster-than-it-can-be-replenished>

<sup>4</sup> <https://www.eesi.org/papers/view/fact-sheet-nature-as-resilient-infrastructure-an-overview-of-nature-based-solutions>



water quality and flood reduction as well.<sup>5</sup> These solutions are essential in our work to protect Texas' groundwater, but unfortunately are not properly funded.

Despite the TWDB's verbal commitments to nature-based infrastructure, very little of their funds are actually used on nature-based projects. Since 2018, the TWDB's Clean Water State Revolving Fund has financed only two "green infrastructure" projects, both of which were water reuse projects that do not contribute to groundwater recharge.<sup>6</sup> We ask that the committee direct the TWDB address this issue by creating a "sponsored project" program that gives municipalities interest rate deductions on CWSRF loans for large water projects on the condition that they use the money saved to construct a smaller nature-based project. It's two projects for the price of one.

This solution works. Since Iowa implemented this program in 2008 they have seen an enormous return on investment. In the past two years alone they have financed 90 nature-based infrastructure projects in 72 communities throughout the state. These projects not only contribute to preventing water pollution and flooding, but also help to reduce water demand and increase aquifer recharge.

We ask the committee to direct the TWDB to create a sponsored project program for Texas through the Texas Water Code, Subchapter F, Sections 17.272-277. Doing so will create opportunities for Texans to protect their communities and water supply, while allowing for public-private partnerships, supporting Texas agriculture, and protecting our wildlife.

Sincerely,

*Anna Farrell-Sherman*

Anna Farrell-Sherman  
Clean Water Associate  
Environment Texas Research and Policy Center

---

<sup>5</sup> [https://www.epa.gov/sites/production/files/2016-08/documents/gw\\_recharge\\_benefits\\_final\\_april\\_2016-508.pdf](https://www.epa.gov/sites/production/files/2016-08/documents/gw_recharge_benefits_final_april_2016-508.pdf)

<sup>6</sup> Based on 2018-2019 Annual Reports from the Texas Water Development Board