

**Proposed Constitutional Amendment  
Frequently Asked Questions  
Texas Water Development Board  
Proposition 6**

**1. Q: What is the Texas Water Development Board?**

**A:** The Texas Water Development Board (TWDB) is a state agency formed in 1957 in response to Texas' record-breaking drought. The agency has three main responsibilities: assisting with regional water planning and preparing the state water plan every five years; collecting and distributing water data; and providing loan and grant money for Texas water and wastewater projects.

**2. Q: What is Proposition 6?**

**A:** Proposition 6 creates and constitutionally dedicates two new funds: the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT).

**3. Q: Where will the money come from?**

**A:** If voters approve Proposition 6, the legislature has also authorized a one-time, \$2 billion investment from the Economic Stabilization Fund (also known as the Rainy Day Fund) to the SWIFT. These funds are designed to make the financing of water projects more affordable and to provide consistent, ongoing state financial assistance for water supplies.

**4. Q: What will this program do for Texas?**

**A:** The funds created through Proposition 6 would help communities develop and optimize water supplies at cost-effective interest rates. The upfront costs on water infrastructure can often make it difficult for some communities to build what they need. The SWIFT provides the economic opportunity for communities to overcome this hurdle by providing low-cost, flexible financing options for water projects. This financial assistance will enable local communities to begin needed water projects.

**5. Q: How would the program be used to ensure adequate water supplies?**

**A:** The funds would be used to provide low-cost financing for projects in the state water plan—a plan created by local and regional entities, with the assistance of the state, to meet future water demands. Every five years 16 regional water planning groups assess the projected population and water demands and supplies in their areas over the next 50 years. Each region then compiles a regional water plan, and those plans are rolled up into the state water plan. The state water plan also includes important information on statewide trends and policy issues, and it lists the water supply strategies identified to meet the regional water shortages over the next 50 years. The 2012 State Water Plan contains numerous strategies to meet water needs during drought. Those strategies are the water supply projects that would be eligible for funding through the SWIFT and SWIRFT if Proposition 6 passes.

6. **Q: Is my community represented in the state water plan?**
- A: Yes. Every community and every water user group in Texas is planned for. Water user groups include cities, rural water users, agriculture, livestock, manufacturers, mining, and steam-electric power. The 2012 State Water Plan addresses the needs of roughly 3,000 water user groups.
7. **Q: How does Proposition 6 help rural communities and Texas farmers?**
- A: Rural and agricultural stakeholders serve as part of the water planning process. This process identifies water supply projects that go into the state water plan. Our planning process helps identify water projects that are needed by rural and agricultural interests. Moreover, the legislature made serving these interests a priority: directing the TWDB to undertake applying not less than 10 percent of the funds to projects serving rural communities and Texas farmers.
8. **Q: What water supply projects would be supported by these funds?**
- A: Projects in the state water plan would be eligible for support from the SWIFT and SWIRFT. These water projects range from conservation and reuse, to desalting groundwater and seawater, to building new pipelines and developing reservoirs and well fields, and include many other kinds of projects as well. Through the regional water planning process, local and regional water experts recommended these projects as the most efficient and viable ones for their communities.
9. **Q: How does this program support water conservation?**
- A: The legislature has recognized the importance of water conservation and reuse strategies in managing and protecting the state's water resources. The legislature directed the TWDB to undertake applying not less than 20 percent of SWIFT financial assistance for water conservation and reuse projects. The TWDB is also directed to undertake applying an additional 10 percent for projects to serve rural areas, including agricultural conservation projects. Emphasizing the importance of conservation will help ensure communities use their water wisely and extend the life of their current supplies.
10. **Q: Could these funds be used to build reservoirs?**
- A: Since all water supply projects in the state water plan would be eligible, reservoirs would be eligible for support from the SWIFT and SWIRFT if they are strategies in the state water plan. Reservoirs make up approximately 15 percent of the total financial assistance requested in the 2012 State Water Plan.
11. **Q: What will happen if these funds are not created?**
- A: Many communities may not be able to get adequate financing for water infrastructure projects, and our state could face critical water shortages. As the ongoing, severe drought demonstrates, some Texas communities currently do not have enough water to meet demands during times of drought.



By 2060, the Texas population is expected to nearly double and existing water supplies are projected to decrease by 10 percent, creating a need for an additional 8.3 million acre-feet per year—or about 2.7 *trillion* gallons. If the state fails to help communities develop enough water supplies to protect against future drought conditions, Texas will also suffer significant economic losses. Estimated economic losses in the year 2060 could exceed \$116 billion, including over 1.1 million lost jobs.

**12. Q: How will the state ensure these funds are protected?**

**A:** As required by legislation, the \$2 billion investment in the SWIFT will be protected by the Texas Treasury Safe Keeping Trust Company. The legislation also calls for an advisory committee to evaluate TWDB's management of the funds. Committee members will include the state comptroller, three state senators, and three state representatives. In addition, the legislation calls for a regional and state prioritization process that ranks projects for funding. The TWDB would manage the administration and disbursement of funds and ensure they are used to finance needed water supply projects. Since it was created in 1957, the TWDB has loaned \$14.3 billion dollars for water and wastewater infrastructure without a single loan default.

**13. Q: How would the funds be disbursed?**

**A:** Communities and utilities would apply to TWDB for financial assistance, and funds would be disbursed for projects in the state water plan. The TWDB would evaluate and prioritize projects for assistance based on a state and regional process. Many factors would be considered in this evaluation, including the number of people served, the urgency of the project, the ability of the local and regional sponsors to support the project, and the degree of conservation achieved—just to name a few prioritization criteria.

**14. Q: How would the SWIFT and SWIRFT work?**

**A:** The SWIFT allows for more cost-effective water projects, ultimately saving Texas and Texans money on water. Money in the SWIFT may be used to provide financial assistance for state water plan projects through the following TWDB programs: the Rural Water Assistance Fund, the Water Infrastructure Fund, State Participation, and the Agricultural Water Conservation Fund, as well as the proposed SWIRFT. The SWIFT can support low-cost financing for projects in the form of reduced interest rates, longer repayment terms, and deferred repayment periods of interest and principal.

**15. Q: Can these funds be used to help address the current drought emergencies some communities are facing?**

**A:** The legislation for these funds outlines several planning requirements and milestone dates. The funds would not be available until March 2015. In the meantime, entities may be eligible for financial assistance through a number of other TWDB programs.

**16. Q: Will this program affect groundwater rights?**

A: No. The SWIFT will not affect groundwater rights or other private property rights in any way. Further, the SWIFT will not affect how groundwater conservation districts manage local groundwater supplies.

**17. Q: Does Proposition 6 require that I install a meter on my groundwater well?**

A: No. There is no provision within Proposition 6 or its enabling legislation that would require landowners to meter their wells.

**18. Q: Will this program change how surface water is regulated?**

A: No. Surface water (water from lakes and rivers) is governed by an entirely separate set of statutes that will not be affected by this program.

**19. Q: Who benefits from this program?**

A: Texas. Cities, counties, water districts, river authorities, irrigation districts, regional water authorities, and nonprofit water supply corporations across this state are all eligible to use TWDB's financial assistance programs to address implementation of state water plan projects.

**20. Q: Who should we contact for more information?**

A: Contact Jeremy Mazur or Merry Klonower of the Texas Water Development Board. Jeremy may be reached at 512-463-5850 or [jeremy.mazur@twdb.texas.gov](mailto:jeremy.mazur@twdb.texas.gov). Merry may be reached at 512-463-8165 or [merry.klonower@twdb.texas.gov](mailto:merry.klonower@twdb.texas.gov).