

Mayors back water project funding

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AUSTIN — San Antonio Mayor Julián Castro and his counterparts across Texas testified Tuesday in support of using \$2 billion of the state's rainy day fund to help finance water conservation and development projects.

“I want to let you know that I'm here to lend my voice of support for House Bill 4 unequivocally,” Castro said.

In his testimony before the House Committee on Natural Resources, he said the bill sponsored by Rep. Allan Ritter, R-Nederland, would show the rest of country that Texas is serious about investing in water and remains a good place to do business despite the ongoing drought.

Castro was preceded by the mayors of Houston and Dallas, who emphasized the importance of taking steps now to secure more water to meet the state's growth.

But along with the desire for the state's help in securing and providing low-interest loans, most of the mayors, who came from as far as El Paso and Midland, testified about the importance of conservation.

“The water we've got is just as important as the water we are going to get,” said Dallas Mayor Mike Rawlings, who encouraged lawmakers to give priority to water conservation projects. “I fear there may be a lack of motivation for conservation if (water developers) know there is going to be a helping hand out there.”

HB 4 would create the State Water Implementation Fund for Texas, which would use \$2 billion from the state's rainy day fund to help finance water conservation and infrastructure projects. The projects would be selected by the Texas Water Development Board, but would be locally owned and controlled, Ritter said.

“They need help in what I call 'getting over the hump,’” he said about the financing challenge water providers face with projects that cost hundreds of millions of dollars and take years to complete but will be paid for by customers who many not need the water for decades.

The San Antonio Water System already has benefited from such programs. It secured loans through the TWDB to finance \$110 million of its desalination plant at interest rates 1 percent to 2 percent lower than what was available on the market, SAWS spokesman Greg Flores said.

The result: SAWS saves about \$1 million a year in interest payments he said.

Under HB 4, these types of loans could be offered faster and with more flexibility.

So far the bill has broad support and is priority legislation. Speaker Joe Straus even made an appearance at the start of the 7:30 a.m. hearing.

But the details of how the money would be allocated are still being worked out.

SAWS CEO Robert Puente wanted to know if the state money could be used on private water projects, suggesting that could help SAWS on a future deal.

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