



April 30, 2024

The Honorable John Cornyn  
517 Hart Senate Office  
Washington, DC 20510

**SENT VIA ELECTRONIC MAIL**

RE: FY25' Interior & Environment Appropriations Request

Dear Senator Cornyn,

On behalf of the American Water Works Association – Texas Section (AWWA – Texas), Association of Water Board Directors (AWBD), Water Environment Association of Texas (WEAT), Texas Association of Clean Water Agencies (TACWA), Texas Water Conservation Association (TWCA), Texas Water Foundation (TWF), Texas Water Infrastructure Network (TXWIN), Texas Rural Water Association (TRWA), constituting the top water trade associations and NGO's in Texas, we would like to extend our most sincere thanks for allowing us the opportunity to provide input on the FY2025 Legislative Appropriations Request after your staff graciously reached out to TWCA and TXWIN.

Over the course of the last year numerous Texas water advocates and stakeholders have communicated dire concerns about negative trends impacting our ability to fund and deliver water projects that are critical to protect the public health and safety of Texans and fuel the Texas economy.

The Clean Water and Drinking Water SRFs are federally subsidized, state-run loan programs for water, wastewater, and stormwater infrastructure. SRFs provide affordable financing for local political subdivisions, especially small, rural communities that struggle to access financing in the private sector or bond market. Until recently, the bulk of SRF funds were issued as loans, allowing states to use loan repayments to build a permanent funding source to address repair and replacement needs for aging infrastructure. As construction costs continue to escalate, a well-funded and functioning SRF program is even more critical to ensure Texas communities can make necessary investments in water infrastructure.

**Fully funding the SRFs at \$3.25 billion each is a conservative and economical investment in maintaining and upgrading water infrastructure.** Stable, routine investment in water infrastructure is the single greatest factor in averting life-threatening and costly water crises in communities across the nation. Annual federal funding allows the SRFs to offer deeply discounted, below-market interest rates which save communities up to 75% in interest payments compared to municipal bonds. This affordable financing allows utilities to invest in their facilities to maintain and improve these critical services, while controlling costs and water rates.

**For Texas, fully funding the SRFs will mean an estimated \$146,755,050 in federal funding for clean water infrastructure projects and an estimated \$251,848,653 in federal funding for drinking water infrastructure projects.** As a state-run program, Texas is responsible for selecting and prioritizing the projects that receive federal funding based on the needs and priorities determined

by the Texas Water Development Board. Texas has also been extremely successful in leveraging these funds to enhance their impact.

Drastic growth in the funding of congressionally directed spending through the SRFs, especially over the last three years, raises serious questions about the future of the SRF programs which are the “workhorse” of financial assistance programs at the Texas Water Development Board. Congress has diverted **\$3.75 billion** from the SRFs in the last three years to pay for congressionally directed spending, leaving states with a dwindling funding source for projects while needs are skyrocketing.

The American Society of Civil Engineers reports that water infrastructure needs will reach \$434 billion by 2029. SRF programs in Texas are more than 7x oversubscribed, making the on-the-ground impact to Texas utilities from program cuts or congressionally directed spending greater than other states.

We would appreciate your support and leadership in the U.S. Senate to fully fund the Drinking Water and Clean Water State Revolving Funds (SRFs). Further, we would strongly encourage you to fund any congressionally directed spending in addition to, rather than, in lieu of, SRF state water infrastructure projects using other sources of funding if that is the will of Congress. Programs such as EPA’s Emerging Contaminants in Small or Disadvantaged Communities are already eligible to compete for funding within state SRF programs and the Texas Water Development Board is best suited to prioritize these types of projects through the annual SRF Intended Use Plans.

We would also strongly urge you to consider funding and policy recommendations from the Council of Infrastructure Financing Authorities (CIFA), an organization representing State SRF program administrators across the nation.

Thank you for your tireless advocacy on behalf of the citizens of Texas. Texas water infrastructure is vital to our success and our role in the U.S. economy. As state-federal partnerships, the SRFs are building the critical infrastructure that prevents life-threatening illness and disease and provides the necessary foundation for communities to function and prosper. Please support fully funding the SRFs in the coming budget cycle and let us know if we can provide any additional information to you and your staff.

Sincerely,

Mike Howe



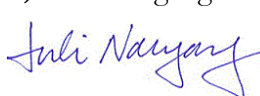
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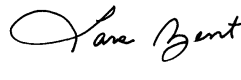
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