



2024 Texas Water Capital Needs Survey Identifies Keys Trends and Demonstrates Demand for Water Infrastructure Investment

AUSTIN – On September 3, 2024, the Texas Water Infrastructure Network (TXWIN), a 501 C6 Texas-based trade association founded in 2013 representing the state’s top water infrastructure construction companies and related businesses, and Collaborative Water Resolution (aka, Water Opinions), an Austin-based water research and public opinion consultancy led by Dr. Todd Votteler, released results from their 2024 Texas Water Capital Needs Survey. This was the fourth annual survey conducted by TXWIN and Collaborative Water Resolution, which was originally used to identify key trends and challenges in water infrastructure needs and decision factors driving investment in Texas water infrastructure during the height of the COVID pandemic.

Amidst continuing drought in the western half of Texas, this year’s survey once again asked Texas water utilities to identify key areas of concern and needs driving their investment decisions. This year’s survey received a record number of responses, 246 water utilities serving populations of all sizes throughout the entire with varying revenues and present challenges.

The top water infrastructure needs identified during the survey (in order of need) were for water treatment, water main (rehabilitation, repair, or replacement), and new or alternative water supplies. The greatest driver of future infrastructure projects was identified as being the need to replace aging infrastructure.

In the regions of Texas still impacted by drought, 71% of water districts enacted conservation or drought contingency plans. Overall, the top water supply strategies were conservation, 53%, water main repair and rehabilitation, 53%, and development of additional groundwater supplies, 36%. The least likely future water supply strategies included reuse or direct potable reuse (21%), desalination of brackish groundwater or seawater (11%), and new reservoir construction (9%).

Regarding revenues and project finance, the following was observed:

- 92% reported that their current or projected revenues were stable or increasing.
- 81% responded that the current state of the economy and inflation rate had not impaired their ability to access affordable financing through the private sector, and that their current water rates were sufficient to fund their current and future capital programs.

- 76% had increased their budgets for construction costs due either to inflationary or supply chain issues.
- 63% had delayed projects.

Additionally, the Texas Water Development Board (TWDB) continues to be the preferred “go-to” entity for financial assistance. Of the plethora of state and federal agencies providing funding for water infrastructure, 68% indicated that they had applied for funding (state or federal) through the TWDB or would do so in the coming year. The majority, 75%, expressed interest in applying for money from the new Texas Water Fund approved by the voters in 2023.

“This survey provides a timely snapshot of issues driving capital needs which can help serve as a roadmap to ensuring Texas will continue with our progress in prioritizing investment in our water infrastructure” said Perry Fowler, Executive Director of Texas Water Infrastructure Network.

When asked if the Texas Legislature has allocated sufficient resources for water supplies and infrastructure and supplies, 70% answered “No.” The vast majority did not believe that the Texas Legislature spent sufficient time addressing water policies to facilitate investment in Texas water supplies and infrastructure. “The State of Texas dedicates a portion of its annual tax revenues to highways to ensure a consistent and reliable revenue stream,” said Fowler. A resounding 81% of the water utilities in our survey believe that the State of Texas should do the same to fund future water infrastructure projects. “This is a great example of how reliable funding could be structured to support water infrastructure.”

Finally, nearly half of the participants in the survey indicated that they were uncertain whether complying with the U.S. Environmental Protection Agency’s PFAS regulations would impact their utility in the future.

This year’s survey was developed and disseminated with assistance and participation from top water trade associations and nongovernmental organizations (NGOs) in Texas including, the Association of Water Board Directors Texas (AWBD), American Water Works Association (AWWA) Texas Section, the Water Environment Association of Texas (WEAT), the Texas Rural Water Association (TRWA), the Texas Water Foundation (TWF), and the Texas Water Conservation Association (TWCA). We would also like to thank TXWIN member volunteers and numerous other water professionals who contributed to and assisted in disseminating the survey.

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