



Proposition 6 - Texas Water Fund

What is it and what would it do

The 88th Texas Legislature passed legislation to create the Texas Water Fund and authorized a \$1 billion investment into the Fund to finance local water infrastructure projects, contingent on voter approval of Proposition 6 on the November 7, 2023 ballot.

If the Fund is approved, the Texas Water Development Board (TWDB) would provide loans and grants to Texas communities to finance water supply development, water and wastewater infrastructure repair, water awareness, and water conservation projects. This investment would be the largest single state dollar investment in Texas water since voters approved \$2 billion and the creation of the State Water Implementation Fund for Texas (SWIFT) in 2013.

If Proposition 6 fails, the \$1 billion will not be available for funding of water projects and programs.

What is the need?

A statewide survey estimates Texas utilities have at least a \$61 [billion](#) backlog of work to maintain and improve drinking water systems to meet basic service and public safety standards in the coming decades. An additional [\\$12 billion](#) backlog exists in wastewater and stormwater needs to protect against pollution and water quality issues. The 2022 State Water Plan estimates it will cost an additional \$80 billion to meet the water supply demands by 2070. Agency staff expect [more than half](#) of this funding will need to come from state assistance.

If voters approve Proposition 6, the \$1 billion dedicated by the Texas Legislature could help offset an expected decline in federal funding TWDB currently uses to finance low interest loans. These loans are one of the most effective and broadly used tools small and low-income utilities have for enabling projects.

TWDB has a demonstrated track record of maximizing use of state dollars to offer cost-effective project financing by leveraging the state's credit rating and other water funding mechanisms, creating real savings for local communities. For example the SWIFT program, which is eligible for funding from the Texas Water Fund, has committed approximately \$9.9 billion for projects from the \$2 billion investment by providing low-interest loans, extended repayment terms, deferral of loan repayments, and incremental repurchase terms.

What would the amendment do if passed:

As defined by Senate Bill 28, the \$1 billion will be allocated by TWDB between new and existing funds and programs that cover a broad range of water needs, including technical assistance, developing new supplies, repairing and replacing existing infrastructure, education, reducing



water loss, and meeting rural community needs. TWDB, with public input, will adopt rules as needed to implement new programs or enhance existing programs. TWDB will also determine how to best distribute this money to maximize the benefit for the state and utilize matching federal tax dollars.

What is the big picture?

Voter approval of Proposition 6 and the creation of the Texas Water Fund will not solve all of Texas' water challenges. However, water professionals consider the \$1 billion investment a significant down payment towards improving water security in rural and urban areas to benefit our safety, economy, and environment.

To learn more:

- [TWDB Senate Bill 28 and Texas Water Fund Frequently Asked Questions](#)
- [Texas 2036 How the \(proposed\) New Texas Water Fund Works](#)