

- SUBJECT:** Expanding use of the Rural Water Assistance Fund
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 11 ayes — Larson, Phelan, Ashby, Burns, Frank, Kacal, T. King, Lucio, Nevárez, Price, Workman
- 0 nays
- WITNESSES:** For — Lara Zent, Texas Rural Water Association; (*Registered, but did not testify*: Buddy Garcia, Aqua Texas; Joe Morris, Aqua Water Supply Corporation; Charlie Schnabel, Manville Water Supply Corporation; Jess Heck, SouthWest Water Company)
- Against — None
- On — (*Registered, but did not testify*: Jessica Zuba, Texas Water Development Board)
- BACKGROUND:** Water Code, sec. 15.994 allows the Texas Water Development Board to use money in the Rural Water Assistance Fund to contract for outreach, financial, and technical assistance to assist rural local governments in obtaining financing from the fund, which may be used to provide zero interest loans, loan forgiveness, or grants for certain water and wastewater projects.
- DIGEST:** HB 544 would allow the Texas Water Development Board to use money in the Rural Water Assistance Fund to contract for certain services to assist rural local governments in obtaining financing from any source for eligible water and wastewater projects. The bill also would add planning to the list of contracted services.
- The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

**SUPPORTERS  
SAY:**

HB 544 would increase financing opportunities for water and wastewater infrastructure projects in rural communities through the Rural Water Assistance Fund. Rural areas often lack the resources to access Texas Water Development Board (TWDB) funds and need flexibility to use other state or federal funds that could provide better interest rates or loan forgiveness.

The bill also would clarify that the TWDB could use money in the fund to contract specifically for planning services to help rural communities find financing opportunities. Contracting for planning assistance promotes long-term stability and facilitates financing for small rural utilities.

The flexibility provided by this bill would help the State Water Implementation Fund for Texas (SWIFT) meet its goal of applying at least 10 percent of funds to water projects for rural political subdivisions or agricultural water conservation. Meeting the SWIFT goal is necessary to improve water facilities and expand conservation efforts in rural areas.

**OPPONENTS  
SAY:**

HB 544 would add planning to the services for which the TWDB could contract to help rural utilities find financial backing for water projects, but current law already allows the board to contract for outreach, financial, and technical assistance, which would include planning services.

**NOTES:**

A companion bill, SB 785 by Hinojosa, was referred to the Senate Committee on Agriculture, Water, and Rural Affairs on February 22.