

North Central Texas
Council of Governments

The Future of Water: 89th Texas Legislative Session Wrap-Up

NCTCOG Webinar
August 18, 2025

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Environmental Quality.*

Webinar Procedures

- The webinar is being recorded and will be posted to NCTCOG's website under the green banner called "Webinars" here:
<https://www.nctcog.org/envir/natural-resources/water-resources>
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- Please keep your microphone on mute until the Question-and-Answer period at the end of the presentations.
- Thank you!

Welcome and Introduction of Speakers

Webinar Agenda

- **“The 89th Texas Legislative Session Water Review: It’s Always a Water Session in Texas” – Julie Nahrgang**
- **“TWDB Financial Assistance Opportunities: Key Updates from the 89th Texas Legislative Session” – Tom Barnett**
- Discussion and Q & A

Speaker Introduction



Julie Nahrgang
Executive Director
Water Environment
Association of Texas



Water Environment
Association of Texas

Stop Me if You've Heard this One Before: It's Always a Water Session in Texas

Julie Nahrgang, WEAT | TACWA

NCTCOG Legislative Session
Update

8/18/2025

julie@weat.org

www.weat.org

89th Regular Session of the Texas Legislature:

Key Remaining Dates:

May 24 – Last day for House committees to report SBs/SJR
May 28 – Last day to consider bills
June 1 – Last day to adopt CCRs
June 2 – Sine Die
June 22 – Veto Deadline
**Nov 4 – Election Day
(constitutional amendments)**



Sine Die – “Indefinitely”

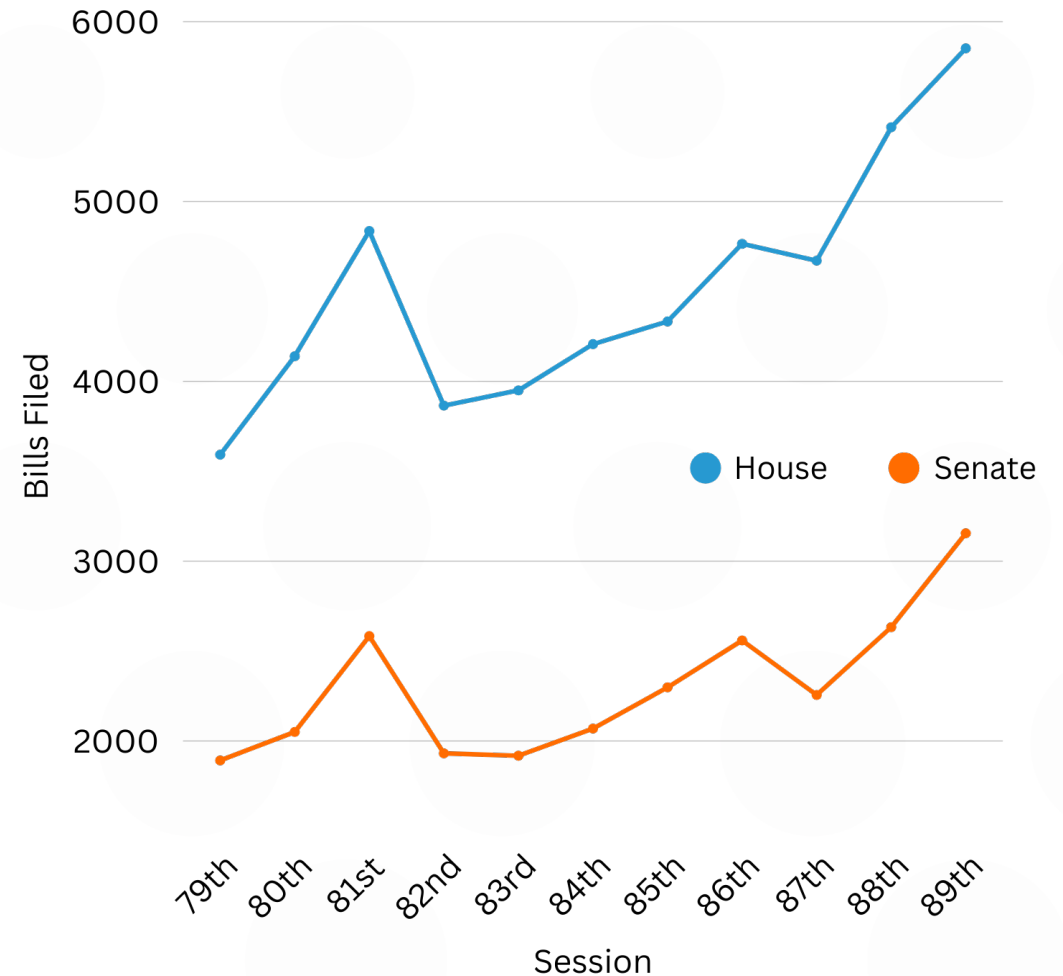


Water Environment Association of Texas

89th Regular Session of the Texas Legislature:

Session Statistics:

- More than 9,000 bills filed:
 - 5,852 House Bills
 - 3,155 Senate Bills
- 18% passage rate over last 5 sessions
- 13.5% passage rate in the 89th session
- House Makeup:
 - Republican: 20 Senate, 88 House
 - Democrat: 11 Senate, 62 House
- 34 Freshmen (31 House, 3 Senate)



89th Legislature

The Big 3 and Big Issues

- Budget Surplus
- School Choice/Voucher Program
- Property Taxes
- Teacher funding
- Strengthening Electrical Grid
- Social/Cultural/Religious Issues
- Water funding
- Border Security/Law Enforcement



Water Environment Association

89th Texas Legislative Session:

Water Leadership

House Natural Resources Committee

Chair:
Cody Harris
(Palestine)

Vice-Chair:
**Armando
Martinez**
(Weslaco)

Members:

Trent Ashby

Jeff Barry

Cecil Bell

Brad Buckley

Caroline Fairly

Erin Elizabeth Gamez

Josey Garcia

Mary E. Gonzalez

Ramon Romero, Jr.

Denise Villalobos

Erin Zwiener

Lufkin

Pearland

Magnolia

Salado

Amarillo

Brownsville

San Antonio

Clint

Fort Worth

Corpus Christi

Driftwood



Water Environment Association of Texas

89th Texas Legislative Session:

Water Leadership

Environmental Regulation Committee

Chair:

Vice-Chair:

Members:

Brooks Landgraf
Claudia Ordaz
Rafael Anchia
Keith Bell
Ben Bumgarner
Penny Morales Shaw
Tom Oliverson
Ron Reynolds
Steve Toth

Odessa
El Paso
Dallas
Forney
Flower Mound
Houston
Cypress
Missouri City
Conroe



Water Environment Association of Texas

89th Texas Legislative Session:

Water Leadership

Senate Water, Agriculture & Rural Affairs
Committee

Chair:

Vice-Chair:

Members:

Charles Perry

Kelly Hancock

César Blanco

Brian Birdwell

Roland Gutierrez

Adam Hinojosa

Nathan Johnson

Lois Kolkhorst

Kevin Sparks

Lubbock

North Richland Hills

El Paso

Granbury

San Antonio

Corpus Christi

Dallas

Brenham

Midland



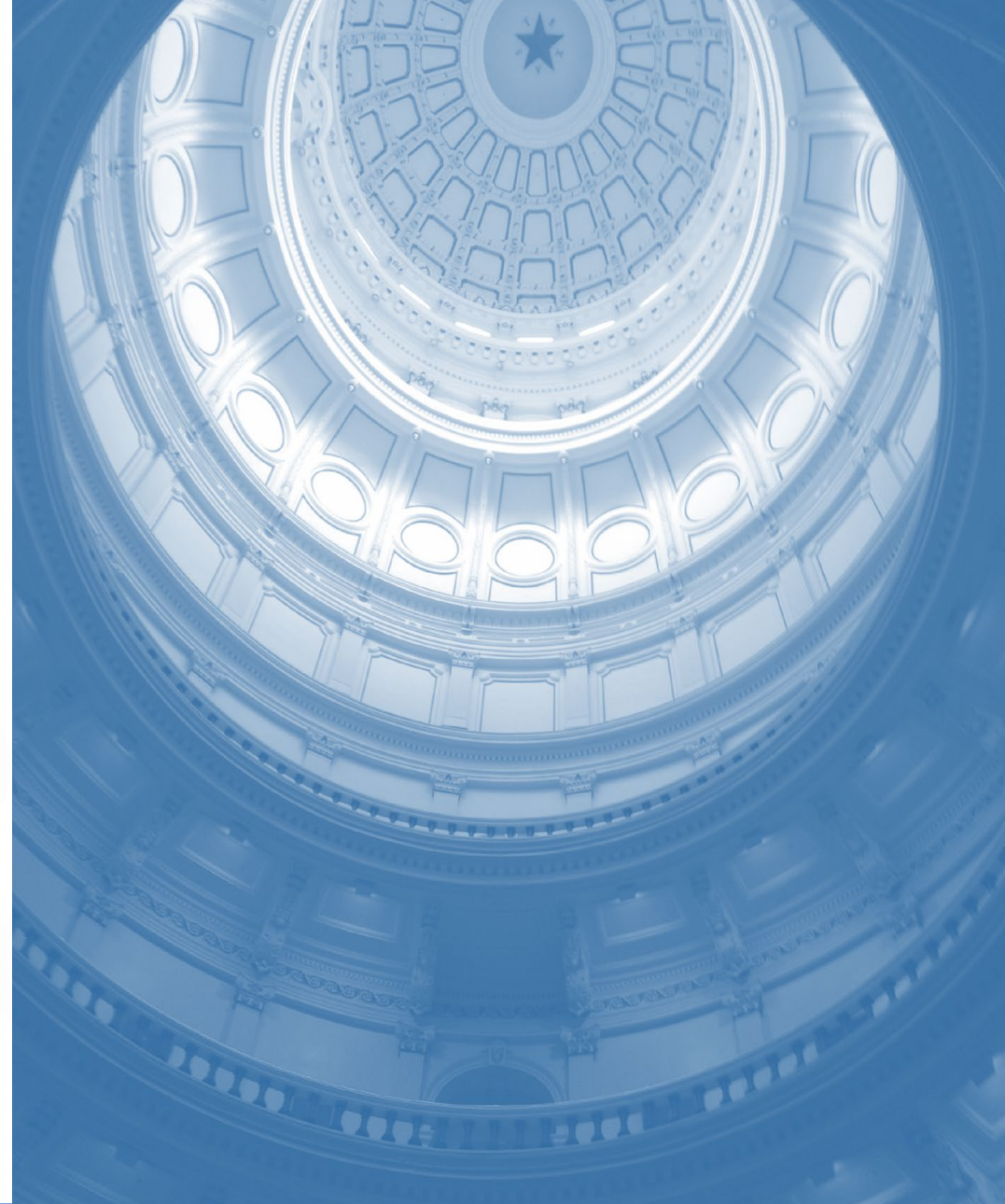
Water Environment Association of Texas

Texas Water Caucus

Chairman: Rep Stan Kitzman

84 Members


1. Serve as a platform to inform legislators of our state's most important water issues
2. Elevate water as a policy priority
3. Cultivate, inform, and inspire the next generation of water champions at the Texas Legislature



Water Environment Association of Texas

Water Priorities

- \$24 billion budget surplus
- Texas-Size Investment in Water
- Priority #7 on Gov Abbotts priority list
 - SB 7, HJR 7



EMERGENCY ITEM: TEXAS-SIZE INVESTMENT IN WATER

As people and businesses continue to flock to our state, Texas must invest in new, innovative water projects to tap into new water supplies and repair existing pipelines to save billions of gallons of water each year. By investing in sustainable long-term water infrastructure, we can ensure the Texas economic miracle continues and improve the livelihood of Texans for generations.

Working with the Texas Legislature, Governor Greg Abbott made historic investments to improve the reliability of the state's water supply, including:

- Funded over \$13 billion in low or no-interest loans to cities and water supply corporations to invest in water infrastructure through the State Water Infrastructure for Texas (SWIFT)
- Dedicated an additional \$1 billion to maintain existing and build new water infrastructure
- Created the New Water Supply for Texas fund, which funds innovative strategies to increase the state's water supply in addition to managing and developing existing sources

Yet, some of our water supplies are drying up. Many communities have leaking and broken water lines, and agriculture producers in the Rio Grande Valley and West Texas do not have enough water to grow their crops.

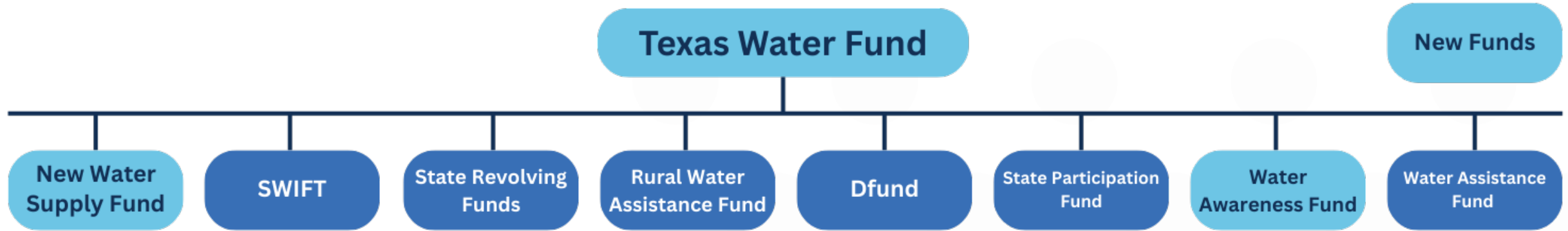
To put Texas on a path to have plenty of water for the next 50 years, Governor Abbott will work with the Texas Legislature to:

- Make the one-time largest investment in water in Texas history, as well as dedicate \$1 billion a year for 10 years to tap into new water supplies and repair existing pipes to save billions of gallons of water each year
- Invest in new water supply strategies that develop resources like desalination and move water from areas of abundance to areas of need
- Invest in existing programs to ensure rural communities throughout Texas have the necessary resources to maintain existing water supply systems
- Create a long-term dedicated funding stream to invest in critical water infrastructure for future generations of Texans to have a reliable water supply

BUILDING A STRONGER TEXAS



Looking Back: Texas Water Fund in the 88th (SB 28)



\$1 billion one-time infusion to Texas Water Fund; priorities include **water infrastructure** projects for rural and cities < 150,000

25% must go to the New Water Supply Fund:

- Desalination (marine and brackish groundwater)
- Aquifer storage and recovery (ASR)
- Use of produced water outside of oil/gas
- Transport of water made available by projects above



Senate Bill 7 *FINAL BILL*

House and Senate versions differ, but generally:

- Requires TWDB to facilitate planning and creation of guidance for water supply development, treatment, and conveyance projects
- Amends the definition of “water supply projects that create new water sources”
- Adds fresh groundwater transport prohibitions (Senate uses TDS level of 3,000)
- Creates TWF advisory committee and requires annual reporting
- Adds Flood Infrastructure Fund under the Texas Water Fund (Senate also adds admin fund, House also adds EDAP and Ag Water Conservation Fund)
- Adds wastewater to prioritization for infrastructure projects for rural and cities less than 150,000
- Amendment adds study of incorporating wastewater funding into SWIFT
- Amendment to HB 500 creates allocation, 50% to NWF/SWIFT and 50% to TWF



Looking Forward: Texas Water Fund in the 89th (2025)

State Budget (HB 500) Supplemental appropriations bill = EFFECTIVELY REDUCED TO \$1.75-ish B

- \$1.38 billion one-time appropriation from General Revenue to TWDB for water infrastructure and supply projects
 - \$881M of existing money in TWF to TWDB
 - \$130M draw down federal matching for SRF (DW = \$83M, CW = \$48M)
 - \$581M earmarks

HJR 7 (Harris/Perry)

- Proposition will be voted on by Texans on Nov 4
- Creates constitutionally-dedicated funding source of up to \$1 billion/year
- Commences in 2027 ends in 2047
- Will need to be sent to voters again in order to extend

Senate Bill 7 (Perry/Harris)

- Enabling legislation; amends Texas Water Fund; adds duties and oversight, 11th hour amendments include wastewater planning study

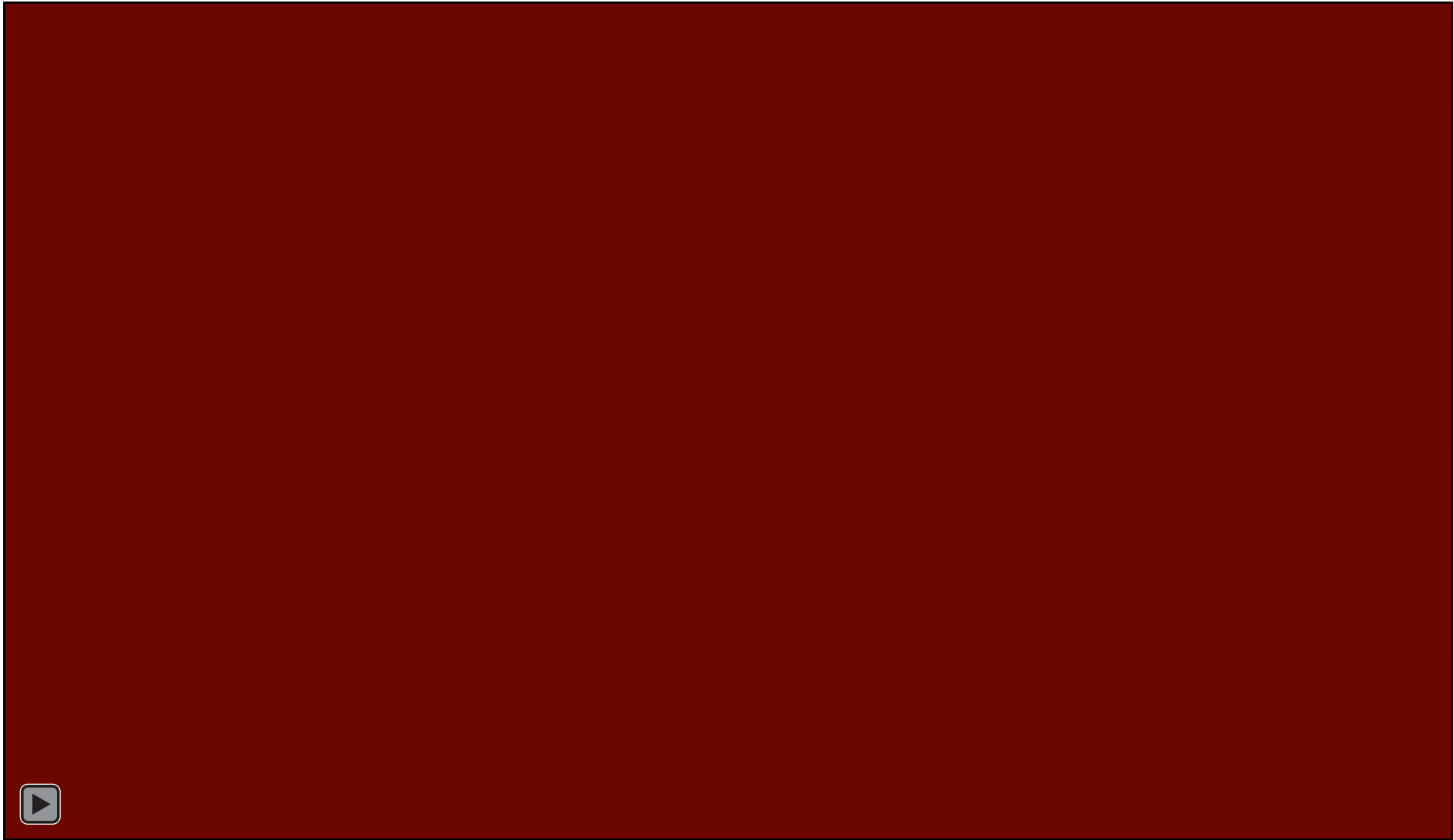


House Joint Resolution 7

FINAL BILL

- Constitutional amendment dedicating the first \$1 billion in annual state sales tax above \$48 billion to the Texas Water Fund until 2047; starting in 2027 - 2047
- Allows the Legislature to direct the Comptroller to increase or decrease the amount in certain situations (2/3 vote)
- Amended: Legislature will need another constitutional amendment to increase funding
- **Sets an election on November 4th for statewide voter approval**
- Prohibits New Water Supply Fund from being used to construct infrastructure to transport fresh groundwater (cannot be used to transport groundwater that is NOT brackish as defined by law)
- Can be suspended under a state of declared disaster
- No allocation for first 10 years then Lege prescribes allocation by general law to match SB 7
 - SB 7 House Sub: Senate Committee Sub dedicates 50% to New Water Supply Fund/SWIFT until 2047





Wastewater Planning in SB 7

- Significant gap in funding
- Lack of holistic statewide planning (no CWP)
- Wastewater treatment IS a water supply issue



24 Sec. 16.0123. INTERIM STUDY OF INCORPORATION OF WASTEWATER
25 PLANNING INTO STATE WATER PLANNING PROCESS. (a) Using existing
26 resources, the executive administrator shall conduct a study to
27 determine:

- 1) Feasibility and practicability of incorporating planning for wastewater infrastructure into State Water Plan Process
- 2) Outline statutory changes necessary
- 3) Provide report to Gov. Lt. Gov., Speaker, and water committees



“New Water” – FINAL Definition

House

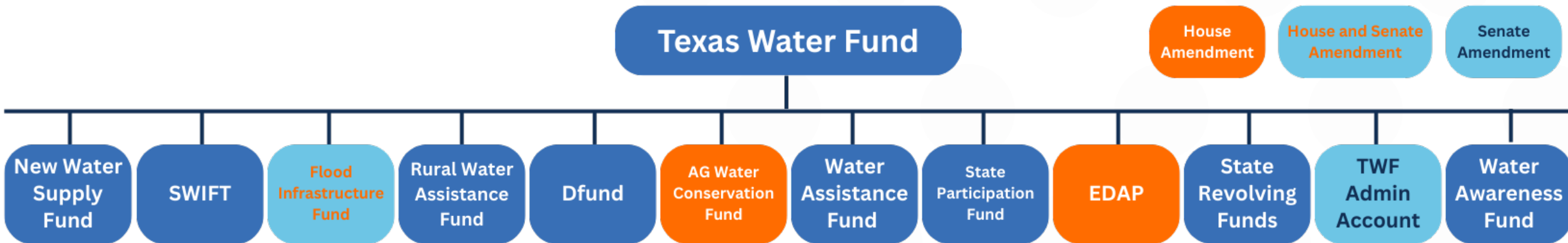
- Marine and brackish groundwater desalination
- Aquifer storage and recovery
- Use of produced water outside of oil/gas
- Transport of water (*except groundwater not part of an eligible project*)
- Some reservoirs
- *Water and wastewater reuse*
- *Purchase of out of state water and water rights*

Senate

- Marine and brackish groundwater desalination
- Aquifer storage and recovery
- Use of produced water outside of oil/gas
- Transport of water:
 - Made available by an eligible project (*except groundwater < 3,000 TDS*)
 - *Appropriated surface water*
 - *Out of state water*
- Some reservoirs



Texas Water Fund: 89th Legislature



\$2.5 billion effectively reduced to \$1.7 billion one-time infusion

\$1 billion dedicated revenue stream, 20 yrs; no allocation for 10 yrs:

- Senate Proposal: 80% to New Water Supply Fund and 20% to everything else
- House Proposal: leave TWDB to determine allocation based on demand
- Compromise = No allocation for 10 yrs, then % to NWSF and/or SWIFT and 50% to other funds in TWF



TEXAS RUNS ON WATER

SIMPLIFIED

PROMISES MADE
PROMISES KEPT.

PFAS and Biosolids Legislation www.weat.org/pfas

HB 1674 (Kerwin) requires daily onsite testing for PFAS in biosolids, domestic septage, residuals, compost, and all soil amendments that have any solids from the wastewater treatment process. Creates a de facto ban on biosolids land application and definition change of biosolids, which brings the Office of the State Chemist into registration and permitting of land application. (*Heard in HERC – failed to be voted out*)

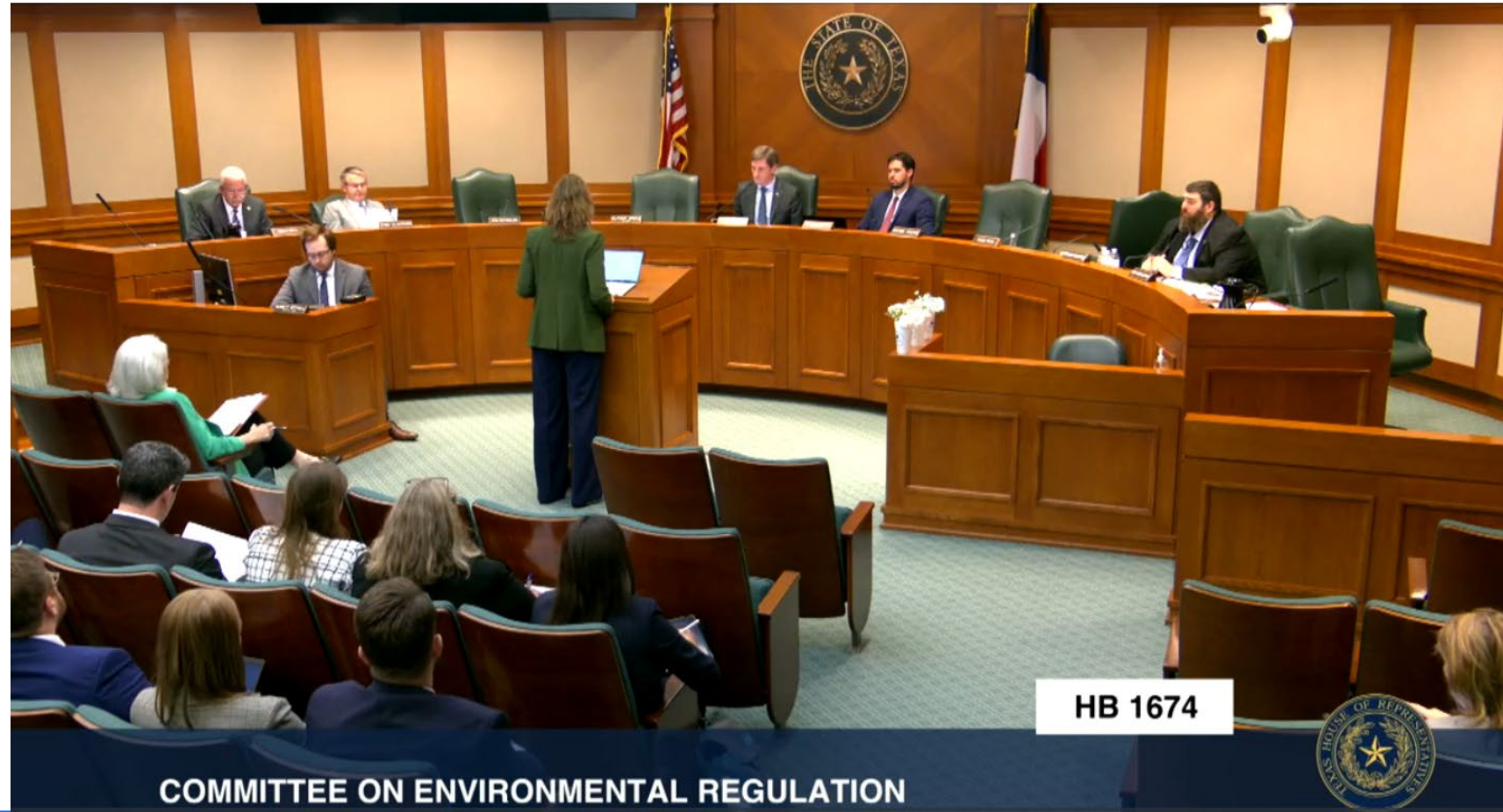
HB 1730 (Morales-Shaw) requires a study conducted by University of Houston, RRC, and TCEQ of the impacts of PFAS in food and beverages, water bodies, and equipment, materials, and people that regularly come into contact with PFAS (*Passed HERC, Placed in House Calendars*)

SB 1898 (Johnson) would ban practice firefighting foam from containing PFAS (*Passed Senate, left pending in HERC, 5/19*)



The Hearing

- 73 Coauthors
- 34 *FOR*
- 33 *AGAINST*
- Bill heard around 1:45 AM
- 101 minutes of testimony



Additional Wastewater Priority Bills

HB 3333 (Morales) prohibits TCEQ from issuing new permits authorizing direct discharge of waste or pollutants into the drainage area of certain stream segments (*SENT TO GOVERNOR*)

HB 3333 (Morales) prohibits TCEQ from issuing new permits authorizing direct discharge of waste or pollutants into the drainage area of certain stream segments (*Signed and effective 9/1*)

SB 1302 (Kolkhorst/ Cecil Bell) prohibits a discharger from utilizing a general permit without affirmative action by TCEQ if the agency has previously denied or suspend that authority (*passed Senate, in House calendars 3rd reading, postponed, (SENT TO GOVERNOR)*)

SB 2885 (Flores) authorizes use of reclaimed water treated to TCEQ standards for ASR projects (*passed Senate; heard in HNRC, SENT TO GOVERNOR*)

HB 49 (Darby/Perry) Encourages produced water reuse by extending liability protection to oil and gas companies whose produced water has been reused, *SENT TO GOVERNOR*)



Additional Priority Bills: Funding and TWDB

HB 1400 (Harris/Kolkhorst) creates the groundwater science, research, and innovation fund at TWDB (*passed House, referred to SWARA, DEAD*) *But study received \$15 million in the budget. \$7.5 m per year for two years.*

SB 1261 (Perry/Gerdes) authorizes financing for up to 40 years for large regional water supply projects (*passed Senate and House (SENT TO GOVERNOR)*)

SB 1967 (Hinojosa, J.) expands the list of eligible projects for the Flood Infrastructure Fund (*SENT TO GOVERNOR*)

SB 1268 (Blanco) requires TWDB to review rules related to the state water & flood plans every 5 years instead of every 4 years (*SENT TO GOVERNOR*)



Additional Priority Bills: Water Service And Growth

HB 29 (Gerdes/Perry) requires municipally owned utilities serving more than 150,000 connections that exceed certain water loss thresholds to submit a mitigation plan and pay penalties after three years (*SENT TO GOVERNOR*)

HB 2559 (Patterson/Bettencourt) adds requirements to the process for a municipality to impose a moratorium on new development (*passed Senate and House, (SENT TO GOVERNOR)*)

SB 1883 (Bettencourt) requires 2/3 approval of governing body to impose an impact fee; prohibits increases more often than every 3 years (*passed Senate and House, (SENT TO GOVERNOR)*)

SB 2662 (Perry/Harris) clarifies municipality and PUC tariff oversight; requires IOUs to file DCP with tariff and include provisions for enforcement, authorizes curtailment of service for noncompliance; requires model DCPs to be updated every 5 years (*passed Senate and House, (SENT TO GOVERNOR)*)



Additional Priority Bills: Notice and Licensing

HB 1237 (Guillen/Zaffirini) relaxes the step-up fee to renew an expired occupational license; allows renewal for up to one year
(*SENT TO GOVERNOR*)

SB 2386 (Miles/Lopez) requires notification to the pertinent state representative and state senator of certain TCEQ administrative actions (*passed Senate, referred to HERC, DEAD*)



Additional Priority Bills: Cybersecurity, Contracting, International

HB 150 (Capriglione) Creates Cyber Security Command to help the state ward off and defend cyber security threats *(SENT TO GOVERNOR)*

SB 1625 (Johnson) requires public water systems to notify TCEQ and DIR of certain security incidents that may impact water services or system integrity *(passed Senate, reported favorably from HNRC, DEAD)*

SB 480 (Perry/Canales) clarifies that local governments may contract with another local government, the state, or the federal government to jointly participate in research or planning activities related to water resources *(SENT TO GOVERNOR)*

SCR 13 (Hinojosa, A./Garcia Hernandez) urges US Department of State and IBWC to take appropriate action to ensure that Mexico complies with the 1944 Water Treaty *(signed by the Governor)*



Additional Priority Bills: Groundwater

HB 5560 (Harris/Perry) increases civil penalties recoverable by a GCD; allows a court to assess a greater penalty if economic benefit greater than max penalty
(SENT TO GOVERNOR)

SB 1855 (Perry/Isaac) extension of SB 2440 (88th); clarifies that TCEQ should define credible evidence in considering groundwater availability certifications
(passed Senate, heard in HNRC on 5/21 – DEAD, didn't make it out of House Calendars)

SB 2658 (Perry/Lopez) exempts wells in brackish groundwater production zones with an average TDS level of 3,000 or more from GCD Permitting
(passed Senate, companion heard in HNRC, DEAD)



Additional Priority Bills Still Alive: Groundwater

Gerdes Groundwater Bills:

- **HB 1523:** prohibits TCEQ from authorizing ASR in Bastrop county (*Died on Tuesday before end of session*)
- **HB 1633:** consider exempt/registered wells in permitting (*Sent to Governor*)
- **HB 1689:** use of export fees for mitigation outside the GCD (*Signed by Governor*)
- **HB 1690:** notice of export permit applications (*Sent to Governor*)
- **HB 2078:** DFC information in management plan and explanatory report (*Sent to Governor*)
- **HB 2080:** petition for inquiry process at TCEQ (*Sent to Governor*)



Dead Bills to Watch – AKA the Zombie Apocalypse of MUDs and Package Plants

SB 1586 (Schwertner/ Harris Davila) prohibits TCEQ from issuing a permit to a proposed package plant located within 1,000 feet of a municipal wastewater line unless the applicant demonstrates (1) measures to ensure security/weatherization, and (2) adequate financial assurances (*passed Senate, Referred to HERC, DEAD*)

HB 2608 (Zwiener) Relating to the consideration by the TCEQ of alternative waste collection, treatment, and disposal options before issuing permits to discharge certain waste (*Heard HNRC 3/26 - DEAD*)

HB 4026 (Harris Davila) Relating to a requirement that the TCEQ consider flood data when considering the issuance of certain wastewater treatment or discharge permits (*Referred to HERC 3/27 - DEAD*)

SB 1911 (Eckhardt) Relating to restrictions on permits authorizing direct discharges of waste or pollutants into water in certain stream segments, stream assessment units, and drainage areas (*Referred to SWAR 3/17, DEAD - Similar to HB 3333*)



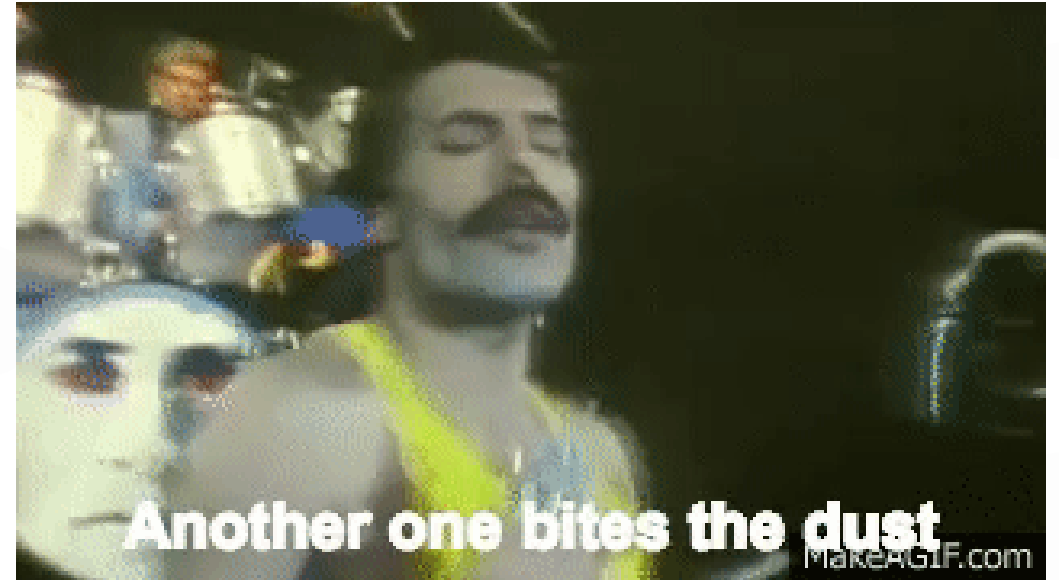
PROCLAMATION

BY THE

Governor of the State of Texas

Struck Down by Veto Pen:

- **HB 1690 (Gerdes):** Inhibits securing water resources, and would do so needlessly
- **SB 1253 (Eckhardt):** Singles out water property owners in one GCD – must protect property rights
- **HB 4530:** Fails to explain how groundwater moves to a surface water trust or how it's measured



What's Next – Short, Medium, and Long

- Special Session – SB 3
 - HNRC, July 15, Austin: NTVGCD and groundwater production permits
 - Water rights???
- Interim Hearings and Studies
- 90th Legislative Session

NOV 4: VOTE YES ON PROP 4

A constitutional amendment authorizing \$1B to TWF







Water Environment
Association of Texas

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Julie Nahrgang, WEAT | TACWA

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Speaker Introduction



Tom Barnett
Board Liaison,
Texas Water
Development
Board

TWDB Updates on the 89th Texas Legislative Session and Plans for Implementation

Prepared for:
North Central Texas Council of Governments

August 18, 2025

Tom Barnett, Board Liaison
Texas Water Development Board

Historic Water Session

- \$24 billion budget surplus
- Governor declares water infrastructure an emergency item, stating a need for a “*Texas-Size Investment in Water*”
- Historic Investment: Texas passed Senate Bill 7 and House Joint Resolution 7, creating a **\$20 billion generational investment** in water infrastructure

Long-term Sustainable Financing

- HB 500 (Rep. Bonnen)
- SB7 (Sen. Perry)
- HJR 7 (Rep. Harris)

Legislative Priorities Report

TWDB Priorities for the 89th Texas Legislative Session



House Bill 500

Supplemental appropriations bill included:

- \$1.038 billion from General Revenue to TWDB for water infrastructure and supply projects
- Reauthorizes \$881 million to TWDB for the Texas Water Fund
- \$581M for ~34 specific local projects (outlined in GAA SB 1)
- SRF matching funds:
 - \$48 million for Clean Water SRF
 - \$83 million for Drinking Water SRF

House Joint Resolution 7

- Proposes a constitutional amendment dedicating a portion of the revenue generated from state sales and use taxes to the Texas Water Fund
- Up to \$1 billion per year for 20 years (2027-2047)
- **Proposition 4** for voter consideration in November
- First of its kind **dedicated revenue stream** for water infrastructure in Texas

Senate Bill 7 - Funding

- Expands financing eligibility for major water supply infrastructure:
 - Flood Infrastructure Fund, Economically Distressed Areas Program, and Agricultural Water Conservation Fund added under the umbrella of the Texas Water Fund
 - Water and wastewater reuse, acquisition of out-of-state water rights, and shovel-ready reservoirs added to eligible project types that can be funded under the New Water Supply for Texas Fund

Senate Bill 7 - Funding (cont.)

- Increases TWDB's statutory bonding authority for EDAP to \$100M annually & raises overall program grant to loan ratio from 70% to 90%
- Adds wastewater as a priority under the Texas Water Fund for projects targeting deteriorating or deficient infrastructure
- More emphasis on providing technical assistance to access TWDB funding
- Directs TWDB to conduct a study to assess adding wastewater to the regional water planning process

Senate Bill 7 – Conveyance Coordination

- Directs TWDB to facilitate planning among project sponsors and other entities to:
 - develop, treat, and transport water
 - encourage regional scaling of projects
 - reduce the need for using eminent domain
- TWDB to develop technical standards, guidance, and BMPs to transport water, encourage development of excess capacity, and ensure interconnectivity and integration between water supply systems and conveyance infrastructure

Other Notable Legislation

- **HB 29** – requires detailed water loss validation for 5 largest cities
- **SB 1261** – extends maximum repayment terms for certain TWDB loans issued to high-cost, large-scale water projects
- **HB 2078** – requires groundwater conservation districts to identify and report measurable milestones toward achieving their Desired Future Conditions

TWDB Implementation Plans

- Continuing disbursements from first round of funding from the Texas Water Fund
- Allocation plan for the discretionary \$1.038B
- New Water Supply for Texas program
- Conveyance coordination
- TWDB also responding to flood response hearings and legislation in the ongoing special sessions

Questions?

Tom Barnett

Board Liaison, Executive Administration
Texas Water Development Board

tom.barnett@twdb.texas.gov

512-475-1919

Questions & Discussion



Webinar Feedback

- Please provide your feedback on today's webinar in this brief survey. Thank you!

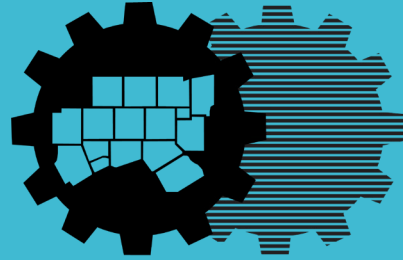
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- Resources related to today's topic and other water-related subjects can be found on the [Water for North Texas Online Library](#)

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Thank you for attending!

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