



Sunset Advisory Commission
Texas Water Development Board
April 27, 2022

Thank you for the opportunity to provide comments regarding the Sunset Advisory Commission's ("Commission") 2022-2023 review of the Texas Water Development Board ("TWDB"). My name is Larry N. Patterson, Executive Director of Upper Trinity Regional Water District ("UTRWD"). UTRWD has partnered with TWDB since being created in 1989 to fund many of its regional water and wastewater facilities. My comments today will focus on UTRWD's overall working relationship with TWDB, as well as Issue No.1 in the Sunset Staff Report.

UTRWD is a water conservation and reclamation district created by the Texas Legislature to provide wholesale water and wastewater service on a regional basis as a non-profit governmental enterprise, without tax powers. Today, UTRWD provides drinking water to approximately 350,000 people located in 29 communities in Denton and Collin Counties. According to the 2022 State Water Plan, UTRWD's service area population is expected to grow five-fold by 2070.

In 1993, UTRWD secured a \$4.0 million loan using TWDB's State Participation Fund Program to construct its first water infrastructure project. Since then, UTRWD has essentially used every program offered by TWDB, including State Participation, WIF-10, SWIFT (deferred interest, board participation and low interest) and D-Fund, to fund critically important water and wastewater pipelines and treatment projects to serve current and future residents (both rural and suburban) within its service area. TWDB's historical and current financial commitments to UTRWD are over \$675 million -- which include funds to construct one of Texas' newest reservoirs, Lake Ralph Hall in southeast Fannin County.

State Water Plan

TWDB's bottom-up approach to water supply planning is nationally recognized as a premier planning program focused on ensuring cities and utilities, whether small or large, have an adequate supply of water for the future. It goes without saying that clean, affordable, and reliable supplies of water are essential to public health, quality of life and the economic prosperity of our great state. TWDB does an outstanding job preparing the State Water Plan, combining sixteen independent regional plans into one state-wide master plan. In a growing region such as UTRWD's, anticipating future water demand can be difficult -- having the support of TWDB has always ensured positive outcomes for UTRWD's members and customers -- and for this we are grateful.

As an example, in 2010, the Town of Northlake in southwestern Denton County had a population of 1,724. Recognizing that groundwater was not a reliable long-term water supply source for the Town, Northlake entered into a wholesale water service agreement with UTRWD to provide

treated water for the Town. UTRWD was able to almost immediately provide service to Northlake utilizing an existing nearby pipeline installed a few years earlier because UTRWD was able to construct the necessary treatment and transmission infrastructure using TWDB's State Participation Funds. Today, Northlake is serving approximately 15,700 residents, and growing rapidly towards the State Water Plan's projection of 55,000 in 2070. Again, this is a perfect example of the direct benefits to smaller growing communities who either choose to use TWDB funding programs or be a part of a regional system.

Sunset Issue No.1

As noted in the Sunset Staff Report, the number of new projects TWDB manages has grown dramatically since the State Water Infrastructure Fund for Texas ("SWIFT") was established. Now that a similar program for flood infrastructure has also been created, the workload within the TWDB is even more taxing on the agency's existing employees. With each new project, a TWDB staff member must evaluate the project's documents for programmatic and design requirements. To avoid potential project delays and unnecessary increases in project cost, UTRWD fully supports and recommends:

- TWDB be allowed to increase its number of full-time equivalent personnel to adequately staff those departments conducting project reviews. In addition, the Legislature should provide appropriate funding levels to provide competitive compensation packages to recruit and retain employees; and
- Authorize TWDB to implement a risk-based approach to review projects. By doing so, TWDB could choose to engage in a scaled-back or extended review as needed, depending upon the type of project and performance history of the applicant and designated project design team. This approach should decrease review time and avoid costly project delays.

We appreciate Sunset staff's thorough and fair review of TWDB, as successful execution of TWDB's mission is critical to ensuring safe, secure, and sustainable water for Texas, including those cities and utilities served by UTRWD. Thank you again for the opportunity to provide these comments on the Sunset Advisory Commission Staff Report. Should you have any questions, please feel free to contact me at 972-219-1228 or at lpatterson@utrwd.com.