## Why we support Proposition 4 on this year's ballot (Early vote through 10/31, Election Day 11/4)

The Greater Edwards Aquifer Alliance (GEAA) supports Proposition 4 on the statewide ballot, and we encourage all voters to vote for Prop 4. Texas faces many challenges to its water supply – enduring drought, devastating floods, and increasing population growth and development. The state faces over \$150 billion in new water, wastewater, and flood infrastructure needs and a looming supply shortage by 2030 if no solutions are implemented. Without appropriate investment, the <u>future of Texas' water supplies looks grim</u>. Prop 4 provides us with a not-to-be-missed opportunity to begin to fund solutions. We want to address, and hopefully assuage, some of the concerns we have heard over the last few weeks in order to explain why we recommend voting for Prop 4.

Will it raise my taxes? No. Prop 4 is a proposed constitutional amendment that dedicates up to \$1 billion per year from existing sales tax revenue to the Texas Water Fund for 20 years beginning in 2027. The Texas Water Fund is a fund in the state treasury administered by the <u>Texas Water Development Board (TWDB)</u>. The measure *does not* increase or impose state taxes or fees. Rather, it proposes to dedicate the billion dollars from *existing* sales tax revenue only once the state sales and use tax collections reach \$46.5 billion in each fiscal year.

Wasn't it just created to be a slush fund for special interest groups? No. Prop 4 is a bipartisan amendment and the legislation passed the House and Senate with the support of nearly all members. It was shaped by a diverse array of organizations, including the Texas chapters of the Sierra Club, Environmental Defense Fund, Nature Conservancy, and National Wildlife Federation; the Texas Water Foundation; the Greater Edwards Aquifer Alliance; Texas2036; the Texas Association of Business; the Texas Public Policy Foundation; multiple chambers of commerce; multiple industry groups; and multiple river authorities and water utilities. Repairing aging infrastructure, developing supplies, improving flood mitigation efforts, and increasing conservation are all key areas that can receive funding under the proposed amendment.

Won't the money mainly be given to data centers and new reservoirs? No. Prop 4 is not just a blank check. The amendment requires that 50% of the funds be allocated to both the New Water Supply for Texas Fund (NWSTF) and the State Water Implementation Fund of Texas (SWIFT). The NWSTF can fund projects like water and wastewater recycling, aquifer storage and recovery, groundwater desalination, seawater desalination, reservoirs approved in the State Water Plan, interstate transfers, and produced water recycling (GEAA supports the former three and opposes the latter four unless there is significant and rigorous study and rule-making). Fresh groundwater export projects or brand-new reservoir projects cannot be funded with these dollars. SWIFT funds water infrastructure projects already identified in the State Water Plan – projects like water loss control and conservation programs.

The remaining 50% must go towards other programs in the Texas Water Fund, including, among others, the Flood Infrastructure Fund, Clean and Drinking Water State Revolving Funds, Economically Distressed Areas Program, and the Rural Water Assistance Fund. A portion of the funds *must* be used on projects that repair or replace aging and leaking water and wastewater infrastructure. Most importantly, private for-profit entities *may not* apply for funding from any of these funds or programs. Only public utilities, local governments, non-profit water supply corporations, and water supply systems may apply.

I've heard there will be no oversight or accountability. Is that true? No. Funding will be subject to the legislative appropriations process each budget cycle and will be distributed via the TWDB's existing financial assistance programs. The TWDB oversight allows for transparency and public input – but it is up to Texans to participate. Public involvement will be essential to ensure that projects under the NWSTF, SWIFT, and the other funds are chosen and implemented responsibly.

Will it help me and my family? Yes. Communities across Texas grapple with not enough water – or far too much water – boil water notices, leaking pipes, old infrastructure, failing wastewater systems, and water rates that continue to creep higher. Prop 4 will invest \$1 billion every year into solutions to these challenges, all without raising our taxes. The grants and low-interest loans provided to communities will help them address these issues, ideally without them then needing to cause water and wastewater rates to skyrocket.

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We encourage all Texans to join us in voting for Proposition 4.