NOTICE OF OPEN MEETING OF THE SOUTH CENTRAL TEXAS REGIONAL WATER PLANNING GROUP POLICY AND LEGISLATIVE RECOMMENDATIONS WORK GROUP

TAKE NOTICE that a meeting of the Policy and Legislative Recommendations Work Group, as established by the South-Central Texas Regional Water Planning Group (SCTRWPG), will be held on Thursday, September 12, 2024 at 10:00 AM both in person and virtually. The in-person meeting will be held at the San Antonio River Authority, 100 E Guenther, San Antonio, TX 78204. You can attend virtually on GoToMeeting at https://meet.goto.com/584811141. The following subjects will be considered for discussion and/or action at said meeting.

- 1. Review and Discuss Chapter 8 Revisions for Inclusion in the 2026 Regional Water Plan (RWP):
 - a. Discuss Work Group Suggestions for New Recommendations
 - b. Review and Discuss Updates to the Recommendations from the Previous 2021 RWP
- 2. Discussion and Appropriate Action Regarding Work Group Recommendations to the SCTRWPG to Chapter 8 for Inclusion in the 2026 RWP

Comments and submissions may be submitted through email to ccastillo@sariverauthority.org. Any written documentation can be sent to Curt Campbell Chair, South Central Texas Regional Water Planning Group, c/o San Antonio River Authority, Attn: Caye Castillo, 100 E. Guenther Street, San Antonio, TX 78204. Please direct any questions to Caye Castillo at (210) 302-4258.

DRAFT

CHAPTER 8: POLICY RECOMMENDATIONS AND UNIQUE SITES

South Central Texas Regional Water Plan

B&V PROJECT NO. 192335

PREPARED FOR

South Central Texas Regional Water Planning Group

9 SEPTEMBER 2024



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List of Abbreviations

DFC Desired Future Condition

GAM Groundwater Availability Model

GCD Groundwater Conservation District
GMA Groundwater Management Area

HB House Bill

MAG Modeled Available Groundwater

Region L South Central Texas Region

RWPG Regional Water Planning Group

SCTRWPA South Central Texas Regional Water Planning Area

SCTRWPG South Central Texas Regional Water Planning Group

TAC Texas Administrative Code

TCEQ Texas Commission on Environmental Quality

TPWD Texas Parks and Wildlife Department

TWC Texas Water Code

TWDB Texas Water Development Board

WAM Water Availability Model

WMS Water Management Strategy

WUG Water User Group

WWP Wholesale Water Provider

CHAPTER 8: POLICY RECOMMENDATIONS AND UNIQUE SITES

Chapter 31, Section 357.43 of the Texas Administrative Code (TAC) specifies that Regional Water Plans shall include recommendations on regulatory, administrative, or legislative issues. The South Central Texas (Region L) Regional Water Planning Group (SCTRWPG) establishes these recommendations to facilitate the orderly development, management, and conservation of water resources.

The following chapter provides recommendations for designation of ecologically unique river and stream segments, unique sites for reservoir construction, and any other recommendations that the SCTRWPG believes are needed and desirable to achieve the stated goals of state and regional water planning.

8.1 ECOLOGICALLY UNIQUE RIVER AND STREAM SEGMENTS

Regional Water Planning Groups (RWPGs) may choose to adopt recommendations in Regional Water Plans for all or parts of river and stream segments as being of unique ecological value, based on criteria defined in 31 TAC §358.2(6). The following subsections provide information regarding unique stream segments recommendations by the SCTRWPG.

8.1.1 Legislative Designation of Five Unique Stream Segments

In the 2011 and 2016 Region L Regional Water Plans, the SCTRWPG recommended five stream segments as having unique ecological value for designation by the Texas Legislature. In 2015, House Bill 1016 (HB 1016, 84th Texas Legislature) designated five river or stream segments as being of unique ecological value. The SCTRWPG is appreciative of legislative action in the form of HB 1016.

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature adequately fund the Texas Commission on Environmental Quality (TCEQ) and other entities in monitoring the water quality of the five river and stream segments designated as being of unique ecological value within the South Central Texas Regional Water Planning Area (SCTRWPA).

Other Recommendation: None.

8.1.2 Recognition of Potential Additional Stream Segments of Unique Ecological Value

The SCTRWPG believes that designating ecologically unique stream segments raises public awareness and voluntary stewardship that can result in the preservation of the character and environmental function of these segments. The SCTRWPG recognizes the ecologically significant stream segments designated by Texas Parks and Wildlife Department (TPWD) in July 2005. The SCTRWPG shall consider these stream segments as a guide for recommending additional stream segments of unique ecological value for future legislative designation.

Legislative Recommendation: The SCTRWPG recommends increased TWDB funding to be allocated for future planning cycles to conduct analyses necessary for designation of additional stream segments as segments of unique ecological value.

Other Recommendation: None.

8.2 UNIQUE SITES FOR RESERVOIR CONSTRUCTION

Regional Water Plans may include RWPG recommendations to designate sites of unique value for construction of reservoirs, based on criteria defined in 31 TAC §358.2(7). At this time, the SCTRWPG does not recommend any unique reservoir sites for inclusion in the 2026 Region L Regional Water Plan.

Legislative Recommendation: None.

Other Recommendation: None.

8.3 OTHER POLICY AND LEGISLATIVE RECOMMENDATIONS

8.3.1 Funding Water Projects for a Growing Region

8.3.1.1 Project Studies and Implementation

The SCTRWPA is located in one of the fastest growing regions of the United States. Region L comprises 21 counties with a current population of 3.0 million people. Based on board-approved projections from the Texas Water Development Board (TWDB), the population is projected to increase to 3.9 million people in 2030, 4.7 million people by 2040, and 7.6 million people by the end of the 50-year planning horizon in 2080. Water User Groups (WUGs) and wholesale water providers (WWPs) have the responsibility of meeting the water needs of these future Texans.

Legislative Recommendation: In order to meet the water needs of the State and to support the growing population and economy, the SCTRWPG recommends the Texas Legislature allocate funding to state and local governmental entities to support studies of innovative water management strategies (WMSs) and implementation of water supply projects.

Other Recommendation: None.

8.3.1.2 Lengthening Financing Terms

The price of water has increased tremendously over the past 30 years, raising utility concerns regarding water affordability for rate payers. The TWDB's current loan and funding programs have 30-year financing terms available. However, many of these projects have a project life greater than 50 years, placing the financial burden on rate payers now when it would be used by future rate payers. Lengthening the financing terms to 40 or 50 years would mean utilities would pay for these projects over a longer period of time, which could enable utilities more flexibility to ensure affordable rates for residents.

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature pass legislation that enables the TWDB loan and funding programs to provide 40- and 50-year financing terms, in addition to the current 30-year financing term available. This lengthened financing term would allow payment for projects over a longer period of time, which could help with water affordability.

Other Recommendation: None.

8.3.2 Sponsorship and Implementation of Irrigation Strategies

The SCTRWPG finds that, given the complexity of the factors that influence decisions regarding the development of agricultural water supplies (e.g., commodity prices; variability of quality and quantity of local, privately-owned water resources; broad geographic distribution of needs; and other economic considerations of individual agricultural producers) as well as the lack of appropriate WUGs or WWPs to serve as sponsors of WMSs meant to address irrigation needs, it is not practical for the SCTRWPG to develop WMSs designed to develop new water supplies or infrastructure for agricultural water users for projected irrigation water shortages and substantially limits the SCTRWPG's ability to conceive of and evaluate discrete strategies to supply water for future water needs in many cases.

The SCTRWPG recognizes one of the obstacles encountered by RWPGs and irrigation water users in developing WMSs to supply water for irrigation needs is the lack of an eligible sponsor for potential WMSs.

Legislative Recommendation: None.

Other Recommendation: The SCTRWPG recommends that the TWDB evaluate revisions to the regional water planning rules and guidance to allow entities other than WUGs and WWPs to serve as sponsors of WMSs related solely to irrigation and to receive funding to implement WMSs designed to address irrigation water needs.

Other Recommendation: None.

8.3.3 Groundwater

8.3.3.1 Groundwater Management

The SCTRWPG respects the rules and regulations of groundwater conservation districts (GCDs), as it does those of all other subdivisions of the state and state agencies. The SCTRWPG respects the decision of the Texas Supreme Court that groundwater is a private property right (Chapter 36 of the Texas Water Code [TWC]). The SCTRWPG believes that all rules adopted by GCDs pursuant to administrative procedures established under Chapter 36 of the TWC should be based on standards of rationality, equity, and scientific evidence to support the achievement of desired future conditions (DFCs) established by a groundwater management area (GMA). The SCTRWPG supports the use of aquifer monitoring programs implemented by GCDs within a GMA to evaluate achievement of and compliance with DFCs.

The SCTRWPG recognizes that the development of brackish groundwater resources is an important water supply strategy in meeting the state's projected water demands.

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature support the development of brackish groundwater resources as an important water supply strategy by funding additional studies and research to assess the quality, quantity, and treatability of potential supplies, providing financial assistance for brackish groundwater supply projects, and promoting efficient permitting of these projects by regulatory agencies.

Other Recommendation: The SCTRWPG recommends the TWDB included the following explanatory note in the state water plan and database at appropriate locations:

"For each groundwater management area (GMA) within the region, the representatives of the member groundwater conservation district (GCDs) have adopted desired future conditions (DFCs) for the relevant aquifers. To ensure consistency with the DFCs, TWDB limits groundwater availability for each aquifer to the associated modeled available groundwater (MAG) for planning purposes. This water planning limitation has resulted in reductions to the yield of existing groundwater supplies and future groundwater supplies (as water management strategies [WMSs]) in this plan. This result should not be misconstrued as a recommendation of the SCTRWPG to the associated GCDs to make any adjustments to the associated DFC or to TWDB to make any adjustment to the associated MAG. The SCTRWPG recognizes and supports the ability of permit holders to exercise their rights to beneficial use of groundwater in accordance with their permits. The SCTRWPG recognizes and supports the authority and responsibility of GCDs to manage groundwater resources to achieve DFCs."

8.3.3.2 Notice of Groundwater Projects

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature develop a process requiring WMS sponsors to provide public notice to county officials describing the WMSs with a groundwater source within the county where the potential WMS is located.

Other Recommendation: None.

8.3.3.3 Groundwater Availability Model Updates

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature provide adequate funding to the TWDB to revise and improve, at a minimum, on a 10-year basis, the groundwater availability models (GAMs) used to develop DFCs and determine modeled available groundwater (MAG) estimates.

Other Recommendation: The SCTRWPG recommends the TWDB initiate a program that provides the necessary information, technical expertise, and experience to update and improve the GAMs on a 10-year basis to support the permitting efforts of GCDs, the joint planning efforts of GMAs, and the regional water planning efforts of the RWPGs.

8.3.4 Surface Water

8.3.4.1 Surface Water Availability Model Updates

Although a new drought of record has not occurred for the Guadalupe-San Antonio Basin since the 1950s, appropriate updates to the related Water Availability Models (WAMs) would increase the simulation period by at least 50 percent and facilitate development of improved estimates of channel losses and missing streamflow records (especially those during the drought of record) throughout the watersheds. Furthermore, an extension of the Guadalupe-San Antonio WAM naturalized flow set would enhance the permitting process by providing additional hydrologic data used in the determination of the attainment frequencies associated with freshwater inflow regimes.

Legislative Recommendation: Periodic updates to the Guadalupe-San Antonio and Nueces WAMs should be performed at least every 10 years so that hydrologic data included in the models is within 10 years of the current date. The SCTRWPG recommends the Texas Legislature fund the TCEQ to update the WAMs for the Guadalupe-San Antonio River Basin and Nueces River Basin to include the most-recent available hydrologic data, and continue allocating funding to update the WAMs on a 10-year basis.

Other Recommendation: The SCTRWPG recommends the TCEQ design and implement a systematic process for WAM updates, which would document any changes and associate those changes with official numbered versions of each of the WAMs.

8.3.5 Conservation and Water Loss

8.3.5.1 Municipal Conservation and Sustainable Landscapes

The SCTRWPG appreciates and supports recently passed legislation (Senate Bill 28, Senate Joint Resolution 75, and Senate Bill 30) by the 88th Texas Legislature to establish and fund a statewide water public awareness program. These actions will most certainly further general mainstream municipal conservation efforts. The SCTRWPG also recognizes that additional steps need to be taken to promote sustainable landscapes, thereby substantially reducing the quantities of water used (and potentially wasted) for municipal landscape irrigation.

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature provide funding for new residential community standards focused towards sustainable landscaping principles and use of recycled water and/or harvested rainwater for irrigation, public education regarding sustainable landscape development (including public demonstration gardens) and incentives/rebates to encourage adoption of sustainable landscaping measures such as, but not limited to, non-native turfgrass and landscaping replacement, xeriscaping, and rainwater harvesting.

Other Recommendation: The SCTRWPG encourages and recommends communities within Region L to adopt and/or incentivize efforts to promote sustainable landscaping practices, where feasible.

8.3.5.2 Water Loss and Non-Revenue Water

Non-Revenue Water (NRW) and water loss accounts for 21% of water use within Region L. NRW represents the amount of treated, potable water that does not generate revenue for the water system because of apparent losses, real losses, and/or unbilled consumption. Real losses make up 18.3% of the water loss within Region L, which is the physical loss of water through leakage on mains or service lines, or tank over-flows.

8.3.5.2.1 Funding Water Loss Mitigation Efforts

Water distribution leakage (real losses) accounts for 18.3% of the 21% of NRW and water loss within Region L, according to annual water loss audits submitted to the TWDB. Mitigation of real losses is accomplished through repair of leaking pipes, management of water system pressure to prevent real losses, and asset management of pipelines that have a higher likelihood of failure because of a pipeline's age, material, or other factors.

Additionally, water systems with older infrastructure have higher water loss. Older systems also have more service lines that are made of lead, which are the primary source of harmful exposure in drinking water. Incentivizing and funding utilities to replace old, leaking lead pipes could benefit not just water loss but public health.

Legislative Recommendation No. 1: The SCTRWPG recommends the Texas Legislature expand water loss auditing education and assistance programs (especially for smaller systems) as well as funding grant and loan opportunities for leak detection and repair programs, particularly for smaller systems to perform water loss mitigation efforts that would minimize and prevent water distribution leakage (real losses).

Legislative Recommendation No. 2: The SCTRWPG recommends that water loss mitigation funding be prioritized to identify and replace lead service lines, which can protect public health by preventing lead exposure through drinking water.

Other Recommendation: None.

8.3.5.2.2 Improving Data Accuracy Through Validation

The TWDB quantifies water losses through annual water loss audits, which are required to be submitted annually by retail water suppliers with more than 3,300 connections or with an active financial obligation with the TWDB. Data accuracy is critical to understanding where to prioritize water loss mitigation efforts. According to the American Water Works Association (AWWA), data accuracy is improved through validation efforts and water audit methods. These can be performed by TWDB's Water Loss Audit Team (beginning in 2025), or utilities may elect to have their audits validated by a person proficient with water validation methodologies. The TWDB will perform water loss audit validations, but current funding would not enable them to annually validate all ~4,000 entities required to submit water loss audits. Additional funding would help expand the program and maximize benefits, especially for rural entities who may not have funding to perform utility-led validations.

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature provide adequate funding for the TWDB Water Loss Audit team to validate the ~4,000 utilities who are required to submit annual water loss audits.

Other Recommendation: None.

8.3.6 Innovative Strategies

8.3.6.1 Assistance for Alternative Rangeland Management

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature increase funding to the Texas State Soil and Water Conservation Board for the purpose of studying the effectiveness of proven rangeland management practices.

Other Recommendation: None.

8.3.6.2 One Water

In recent years, municipalities have begun to view water resources from a holistic, system-wide approach, known as One Water. One Water is a decentralized concept that views all water resources as valuable. The majority of laws and regulations in Texas are not structured in such a way as to encourage or incentivize One Water approaches. In December 2019, the Meadows Center for Water and the Environment published a report entitled, *Regulatory Impediments to Implementing One Water in Texas*. According to the 2019 Meadows Center Report:

One Water projects are still not the norm. This is, in part, due to the current regulatory framework's inability to accommodate more innovative water reuse strategies, where the risk to public health is significant or not well understood. For example, federal drinking water regulations are necessary to protect public drinking water supplies, but they create onerous regulatory hurdles for smaller, onsite systems that may seek to use alternative sources, such as rainwater. Additionally, although onsite non-potable reuse of blackwater is a hallmark of the One Water approach, existing regulations in Texas make it extremely difficult for developers to construct onsite blackwater reuse systems. Finally, the lack of regulations that govern water reuse in Texas could actually stymie the development of One Water projects as developers often prefer clear regulatory and permitting paths over case-by-case decision making by regulators.

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature review existing state laws regarding rainwater, non-potable on-site reuse, direct potable reuse, and blackwater reuse systems to enable and incentivize implementation of One Water Projects.

Other Recommendation: The SCTRWPG recommends the TWDB and TCEQ (1) financially support research for determining appropriate technology and risk mitigation approaches necessary to significantly expand One Water with appropriate protections for the public, environment, and worker health, in consideration of and with respect to impacts on existing water rights; and (2) assist the funding and development of incentive programs to advance One Water in Texas.

8.3.7 Water Quality

The primary focus of the regional water planning process is to ensure that water supplies are identified in sufficient quantity to meet future water demands; however, the SCTRWPG recognizes that the quality of those water supplies is also important to protect. Protecting groundwater and surface water supplies from contamination not only helps to reduce the cost to treat water to public drinking water standards, but also reduces pollutants that may harm the ecological health of the basin.

Legislative Recommendation: None.

Other Recommendation: The SCTRWPG recommends the TCEQ and local governments promote practices and/or regulations to avoid or mitigate threats to water quality in surface water and groundwater sources.

8.3.8 Water Data Collection

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature fully fund the cooperative, federal-state-local program of basic water data collection, including (1) stream gages-

quantity and quality; (2) groundwater monitoring-water levels and quality; (3) hydrographic surveys and sediment accumulation in reservoirs; (4) water surface evaporation rates; (5) water use data for all WUGs; (6) population projections; and (7) Clean Rivers Program.

Other Recommendation: None.

8.3.9 Consideration of Climate Variability in Regional Water Planning

Regional Water Plans are based on drought of record conditions using historical data; however, climate models indicate the potential for an increase in the number of dry days with increased evaporation along with more intense rainfall events which impacts water supply and demand. Historically, the TWDB has not used climate models to predict impacts to future water resources in Texas because forecasting tools have not been able to provide the resolution needed for water planning. The SCTRWPG recognizes that down-scaling of climate models is becoming more sophisticated, and the results are being considered in other planning efforts and models (including WAMs). Similar incorporation into future regional water plans is needed to ensure meeting customer demand under climate enhanced drought conditions.

Legislative Recommendation: The SCTRWPG recommends the Texas Legislature fund relevant studies and down-scaled regional models to incorporate available climate variability into the Regional Water Planning process.

Other Recommendation: The SCTRWPG recommends the TWDB to reassess available climate models and consider incorporating them into regional water planning.