



Invest Texas Council (ITC) is a policy-oriented organization founded to champion public-private partnerships (or “P3s”) across economic sectors. ITC is focused on advancing policies – grounded in fundamental principles of good governance and sound economics – to support private sector investment in infrastructure projects.

At a time when Texas is seeing record population growth, declining water supplies and continued persistent drought, it is more apparent than ever that water remains the limiting factor as it relates to maintaining and growing our vibrant Texas economy. Texas is to be commended for the creative and attractive public funding sources it has developed, including the SWIFT. Substantial funding via the Bipartisan Infrastructure Law (BIL or IIJA) will soon be available via the State Revolving Funds for water projects. These public supported funds have and will provide for the development of water infrastructure strategies – but these funding sources are not without limit. Fact is, there is not sufficient public funding available to meet all Texas water needs. The enhancement and resiliency of our water systems, and other infrastructure projects through private investment could not be more pressing. ITC and our advisory board of distinguished former elected officials, former state agency executives, and business leaders see private investment as the key to Texas’ future success.

Only with private investment and innovation can Texas provide the infrastructure necessary to support future population growth and economic development. Public revenue sources alone will not be enough to support the needs of the estimated 51 million individuals residing in Texas in 2070.

According to the 2022 State Water Plan the estimated capital cost to design, construct, and implement the more than 2,400 recommended water management strategy projects by 2070 is \$80 billion in 2018 dollars, without accounting for future inflation. If strategies are not implemented, approximately one-quarter of Texas’ population in 2070 would have less than half the municipal water supplies they will require during a drought of record. If Texas does not implement the water supply strategies and projects in the state water plan, a severe drought could cause \$110 billion of economic damages in 2020, increasing to \$153 billion per year by 2070.

With our state’s growing population, we need to look beyond traditional funding mechanisms and the issuance of public debt to meet demands. Utilization of P3s will put real dollar amounts to the amount of taxpayer funds that could be saved if state and local leaders look to these alternative project delivery methods. P3s also provide many benefits beyond the economic. P3 water projects have shown increased operational efficiency, improved public safety with better

planning, and efficiency in project completion. They also provide an avenue to decrease state liability, and attract more private investment in the state. Costs have and will continue to rise in areas such as construction, water development and treatment and supplies in our current economy. The utilization of private financing, with public partnership, is the most cost-effective solution to these issues facing the state.

We thank you for your consideration.

The Honorable Ron Simmons, Chair
Invest Texas Council

Carlos Rubinstein
Invest Texas Council