Summary of EA-proposed draft policy recommendations for inclusion in the Draft 2027 State Water Plan

Board Work Session

February 4, 2026

State water planning - Texas Water Code § 16.051:

"The state water plan shall provide for the orderly development, management, and conservation of water resources and preparation for and response to drought conditions, in order that sufficient water will be available at a reasonable cost to ensure public health, safety, and welfare; further economic development; and protect the agricultural and natural resources of the entire state....The state water plan shall be a guide to state water policy. The plan shall include legislative recommendations that the board believes are needed and desirable to facilitate more voluntary water transfers."

Process background

- These policy recommendations were developed as part of a process that included input from across the agency
- **All these policy recommendations would either directly or indirectly impact regional and state water planning**
- These policy recommendations are partially informed by, but not based directly on, RWPG recommendations
- Certain policy recommendations may also be included in parallel as part of the agency LAR (possible EIR) and the Board's Legislative Priorities Report

Timeline for 2-phase state water plan

February 4, 2026: Work Session to discuss draft policy recommendations

Early March 2026: EA must complete Draft 2027 State Water Plan (Phase I) for Board review

April 16, 2026: Board consideration to post Draft 2027 State Water Plan, including the full policy recommendation chapter, for public comment

July 2026: Anticipated Board adoption of the 2027 State Water Plan (just prior to making 2026 SWIFT commitments)

Fall 2026: Board consider an amendment to enrich the 2027 State Water Plan prior to January 5, 2027 statutory deadline

Unique stream segments and unique reservoir site designations *(also to be included in Draft SWP policy chapter)*

TWC § 16.051(e) "The plan shall include legislative recommendations that the board believes are needed and desirable to facilitate more voluntary water transfers. The plan shall identify river and stream segments of unique ecological value and sites of unique value for the construction of reservoirs that the board recommends for protection under this section."

This authority also relates to the state's general interest in reservoir development as codified in the Texas Constitution- Article 3, Section 49-d(a)

- Anticipate 5 unique stream segment recommendations from RWPGs

- Anticipate 4 unique reservoir site recommendations from RWPGs

Draft policies being considered today

1. Comparative study to identify best planning-focused water availability model option
2. Remove Interregional Planning Council Requirements
3. Improve resources and clarity for groundwater policy-making
4. Require consideration of drought conditions in development of DFCs
5. Establish a single, statewide groundwater well-identification system
6. Socioeconomic analysis tool to support joint groundwater planning
7. Remove TWDB from subjective Interregional Conflict Identification and Resolutions
8. Conduct alternative versions of socioeconomic analyses of impacts of water shortages
9. Financial assistance for private entities
10. Remove Requirement of Infeasible Strategy Assessment Amendments
11. Drought Contingency Plan Data Availability

Legislative Recommendation 1: Comparative study to identify best planning-focused water availability model option for RWPGs' use

"The Legislature should consider appropriating funds and directing TWDB to conduct a contracted study comparing existing and emerging river basin modelling approaches for long-range water supply planning. **The goal would recommend the most appropriate model framework for TWDB, with the expectation of subsequent appropriations, to develop a comprehensive set of water supply** planning **models for use by the RWPGs and others.** Models evaluated could include potential development of a 'Planning Water Availability Model (P-WAM)' along with other established physically-based rainfall-runoff and routing models.

The recommended approach should incorporate additional watershed information; evaluate past and future watershed changes on water supply; support automation for large numbers of scenario simulations; and produce richer probabilistic outputs to reduce uncertainties and strengthen decision-making in regional and state water planning.

Importantly, TCEQ WAM Run3 would continue to function as a regulatory check required in the planning process, especially for all proposed projects."

Existing modeling tools are inadequate for long-range water supply planning:

- Surface water availability evaluations for the regional plans rely on modifying models that were built for a permitting framework, not planning
- Regional water plans look 50 years ahead whereas currently Water Availability Models (WAMs) are necessarily grounded in static, historical hydrology datasets
- Over time, observed flow patterns increasingly diverge from historically modeled flows, especially under evolving watershed conditions
- Firm yield estimates are based on a repeat of a single hydrologic (drought) history and do not quantify supply reliability or risks based on a range of plausible futures
- New droughts of record continue to occur, underscoring the limits of relying on a fixed historical sequence that doesn't quantify reliability

Water supply planners seek better planning tools:

- Most planning regions seek approval to use their limited resources to modify the WAMs to better approximate future real-world drought conditions
- These adjustments largely aim to
  - better represent actual exercise of existing water rights/basin operations
  - avoid overstating shortages
  - reflect newly identified drought stress
- Much of the focus is on better understanding the reliability of existing – permitted - supplies, not on evaluating new water rights

A study-first approach offers a prudent first step:

- A comparative study is a low-risk, high-value entry point for evaluating modern planning model options
- Any recommended approach would strictly preserve roles & authorities by
  - remaining complementary, not competitive with, existing regulatory models
  - remaining entirely separate from regulatory decision-making, regardless of the chosen modeling framework
- Contracted, expert-led evaluation of options with
  - early and ongoing stakeholder input
  - high degree of transparency
- Studying the options reduces uncertainty before committing additional resources

This incremental approach to support RWPGs would:

- Signal an intent to modernize water planning tools without disrupting or interfering water rights administration
- Move planning toward risk-based, reliability-focused analyses, consistent with modern water resources practice
- Improve confidence in large major water supply investment decisions by making it easier to focus water supply investment where risks are real and avoid overbuilding where they aren't
- Provide a consistent set of models designed for long-term, statewide water planning

Planning-focused models aren't intended to replace regulatory tools or recalculate firm yields; they would fill a critical gap by giving decision-makers a clearer view of future supply reliability, especially for existing water rights.

Legislative Recommendation 2: Remove Interregional Planning Council requirements

"The legislature should consider repealing TWC §16.052 to eliminate the Interregional Planning Council, whose functions have become largely duplicative of more recent legislative mandates regarding TWDB coordination efforts. Removing this requirement would reduce administrative burden and align the planning process with newer directives focused on multi-regional water supply development and financial assistance programs."

Legislative Recommendation 3: Improve resources and clarity for groundwater policy-making (3 parts)

a) “The Legislature should consider appropriating funds and resourcing TWDB with funding and staff needed to develop and provide a set of regional predictive groundwater modeling scenarios (such as maintaining current aquifer conditions, high-stress conditions with low recharge and high pumping, and low-stress conditions with high recharge and low pumping) to groundwater management areas (GMAs) for consideration in joint groundwater planning, ahead of each groundwater planning round to support more informed decision-making by groundwater conservation districts (GCDs) that are often lacking the resources to produce these scenarios.

Legislative Recommendation 3: continued

b) “The Legislature should consider requiring groundwater conservation districts to consider predictive modeling scenarios provided by the TWDB in joint planning.

c) “The Legislature should consider removing the “total estimated recoverable storage” from desired future condition (DFC) consideration requirements and references to “total recoverable storage capacity” in TWC Chapter 36. Recoverable storage volumes are conceptual and not a broadly practical measure of groundwater recoverability and have, as a result, introduced unreasonable expectations and confusion.”

Legislative Recommendation 4: Require consideration of drought conditions in development of DFCs

"The legislature should consider requiring all groundwater conservation districts to explicitly evaluate drought conditions, for each aquifer, in establishing DFCs and document in the DFC explanatory report how drought conditions were considered in joint planning."

Legislative Recommendation 5: Establish a single, statewide groundwater well-identification system

"The legislature should consider adopting a statewide policy that requires the use of a common well-identification system – for organizing well data that is already normally collected - across all groundwater-related databases; and direct [and resource] the TWDB to create and maintain a centralized and publicly available well inventory database that can be used to link together all Texas' existing groundwater databases through a common well-identification system to facilitate more seamless and efficient data exchanges and improve groundwater management and decision-making."

Legislative Recommendation 6: Socioeconomic analysis tool to support joint groundwater planning

"The legislature should consider appropriating funds and resourcing TWDB with funding and staff needed to develop a standardized socioeconomic impact analysis tool for use in joint groundwater planning to support the assessment of socioeconomic impact considerations required for establishing DFCs."

Legislative Recommendation 7: Redefine TWDB's role in interregional conflict identification and resolution

"The legislature should consider defining an interregional conflict in the regional water planning process specifically and solely as an overallocation of planned use of water supply. Under the current planning process, recurring conflicts based on 'potential significant adverse impacts' are problematic and require detailed technical information that is typically only available during the permitting phase—not at the planning stage. Making such determinations within the long-term state-level planning process is premature and risks permanently eliminating viable water supply projects. A clear statutory definition focused exclusively on overallocation will ensure consistency, protect critical water supply options, and maintain the integrity and focus of the planning process."

Legislative Recommendation 8: Conduct alternative versions of socioeconomic analyses of impacts of water shortages

"The legislature should consider resourcing and directing TWDB to develop an alternative socioeconomic impact analysis model and tool that better reflects the long-term implications of not implementing the SWP – particularly in high-growth areas. The model should be capable of simulating the cumulative, long-term impacts of persistent water shortages such as building moratoriums and other economic shifts that would result from failure to implement water supply projects associated with population growth. It should incorporate dynamic economic factors that the current simplified static analysis cannot model."

Legislative Recommendation 9: Financial assistance for private entities

"The legislature should consider statutory language to restrict circumstances in which private entities can obtain financial assistance from TWDB. Such clarified intent could be reflected in the statutory definitions of political subdivision."

Legislative Recommendation 10: Remove requirement of infeasible strategy assessment amendments

"The legislature should consider saving regional water planning groups significant time and resources by removing the requirement in TWC §16.053(h)(10) that planning groups amend their previously adopted plans to remove any newly identified infeasible strategies or projects. Any projects identified as infeasible since adoption of the previous plan will still be addressed in the next regional plan - either removed or modified (typically by adjusting timing) to ensure feasibility."

Legislative Recommendation 11: Drought Contingency Plan data availability*

"The legislature should consider resourcing TCEQ with funding and staff and require TCEQ to publicly post, in a statewide downloadable format (e.g., searchable PDFs), Drought Contingency Plans (DCP) and any reported implementation performance data from drought contingency plans for all required entities or at minimum for retail public water supplier with 3,300 or more connections and wholesale public water suppliers with municipal use in order to improve statewide implementation of DCPs."

*continuing to coordinate with TCEQ on this item


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