Valley Water Summit
Public/ Private Partnerships for Financing Water Supply Projects

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February 23, 2005
Public-Private Partnerships

**Tax Incentives:** fosters private investment in modern infrastructure development, including transportation and water projects.

**Modernization of Infrastructure Financing:** develops creative public/private partnerships to help finance major projects in areas such as water and wastewater.
EPA estimates the needs for water and wastewater are in the hundreds of billions.

**Challenges:**

- Aging Infrastructure;
- Shrinking Budgets; and
- Increased Demands.
Public and Private Sector Strengths

Public Sector:
- Legal Authority;
- Protection of Procurement Policies;
- Broad prospective/balance the competing goals to meet public needs;
- Personnel – dedicated but constrained; and
- Capital resources and underutilized assets.

Private Sector:
- Management Efficiency;
- Newer Technologies;
- Workplace Efficiencies;
- Cash Flow Management;
- Personnel Development; and
- Shared Resources.
Public-Private Partnerships

Advantages:

- Maximizes the use of each sector’s strength
- Reduced development risk
- Reduced public capital investment
- Mobilizes excess or underutilized assets
- Improved efficiencies/quicker completion

Common Factors:

- Shared Resources
- Shared Risks
- Mutual Rewards
The Private Sector’s Criteria

- A genuine pressing need – does the public really want the project?
- Enabling legislation in place?
- Reasonable development timeframe?
- Financially feasible (public, user fees, etc.)?
- Unsolicited proposal authority w/set timeframes?
- Program simplification and enhancements
- Management and shared risks
- Political climate
- Public sector procurement path
- Market evaluation
- Environmental evaluation
- Solid partnership philosophy
Keys to Successful Public-Private Partnerships

Statutory and Political Leadership
Organizational Structure
Detailed Business Plan
Stakeholder Support
Pick Your Partner Carefully
Someone has to be responsible for the Public-Private Partnership Organization.

Both organizations should:

- be dedicated (tied to the purpose of the partnership); and
- have dedicated and trained personnel to monitor implementation.
All Public-Private Partnerships should have a detailed business plan (contract) that is performance oriented.

Business Plan/ Contract should include:

- specific milestones and goals;
- reporting of metrics and frequency; and
- dispute resolution procedures.
Stakeholder support requires open and frank discussion and knowing and understanding the facts.

**Stakeholder Support:**

- public sector
- private sector
- environmental sector
- end users
- competing interests
When entering a public-private partnership, you should pick your partner carefully.

Establishing a Partnership:

- verify experience (technical capability);
- verify financial capability; and
- select “best value.”