

**HOUSE OF REPRESENTATIVES  
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Natural Resources  
For HB 2701

Compiled on: Tuesday, April 4, 2023 2:35 PM

Note: Comments received by the committee reflect only the view of the individual(s) submitting the comment, who retain sole responsibility for the content of the comment. Neither the committee nor the Texas House of Representatives takes a position on the views expressed in any comment. The committee compiles the comments received for informational purposes only and does not exercise any editorial control over comments.

---

Hearing Date: April 4, 2023 8:00 AM

Rogelio Rodriguez  
Water Finance Exchange  
San Antonio, TX

My name is Rogelio Rodriguez and I serve as the Director of the Infrastructure Fund for the Water Finance Exchange. Water Finance Exchange (WFX), a 501(c)(3), is a trusted intermediary that works closely with Texas communities to address the water infrastructure funding shortage. I am submitting our comments FOR HB 2701 by Representative Guillen. We appreciate the innovative thinking this bill brings to the solutions for water in our state.

Texas has more than 10,000 water and wastewater systems. Many are in need of critical infrastructure to continue providing reliable safe drinking water to Texas residents. With the state's focus on ensuring rural communities have every opportunity to catch up and address infrastructure there remains the need for a systematic proven approach to truly impact the future of these communities in a way that will offer long term stability, affordability and resilience in water infrastructure. HB 2701 is an extremely positive step to help these underserved communities have every option available to them. Taking advantage, where appropriate, of regionalization opportunities can spur a paradigm shift in how smaller and rural systems address necessary infrastructure, reduce cost through economies of scale and shared resources and better compete for the limited availability of funding.

Regionalization remains a very attractive approach for public leaders, but impediments and lack of facilitation add to the burden of accomplishing that goal. HB 2701 will enable the creation of a PUA whose purpose will be to facilitate regionalization through an optional membership process. The PUA, under HB 2701, will not have taxing or cross collateralization authority but will have a clear exit process and decision making by those utilities who chose to join the PUA. The PUA is a facilitating entity which utilities can elect to employ to regionalize if they so choose to. These factors make a PUA an attractive option for utilities. The PUA in its structure will provide additional benefits and opportunities to seek and to effectively deploy funding but only inasmuch as those funding opportunities already exist and a utility has the option to join to if they have been overlooked or underfunded. The PUA does not create added funding opportunities only allows a pathway for utilities to access funding under current rules and guidance.

HB 2701 will provide an excellent additional means of support it makes the important PUA vehicle available to communities, but does not mandate regionalization or consolidation. Many times, utilities are in need of that support as in additional administrative capacity, operational ideas or financial metrics for community transparency, the PUA will provide these resources much further into the future once IJJA, IRA and other monies that are currently available have long since been spent. The PUA can be an important contributing factor to the long-term success of rural utilities.