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For-Profit Companies Play a Big Role In Texas Water Planning.

Until recently, Texas' state water plan wasn't much to look at.

Essentially a catalog of more than 3,000 water supply projects across the state that some government or another hoped to build, it was seen as nothing more than a wish list, compiled from the work of 16 regional planning groups every five years.

That changed in 2013 when lawmakers — with Texas voters' approval — put \$2 billion from the state's savings account toward actually building some of the projects. That also put a spotlight on the Texas Water Development Board, a once-obscure agency charged with state water planning.

But the water plan's new prominence is also highlighting how involved private engineering and consulting firms are in deciding what the state needs. The state water board paid such firms a total of \$13.7 million for their work in putting together the most recent state water plan, with close to half of that going to the decades-old company Freese & Nichols.

The private hand has advantages and disadvantages, observers and experts say. Some worry that paying private firms to do water planning creates an inherent conflict.

"Critics would suggest that these folks operate out of 'enlightened self-interest,'" said Ron Kaiser, a professor of water policy at Texas A&M University. "They're going to push projects that have big infrastructure. ... They might then have staff that could bid on these projects."

The potential for conflict is bigger now that private consultants are also in charge of scoring the water projects and giving them a ranking in the plan, said Mary Kelly, an Austin-based water lawyer. The Legislature called for the ranking in 2013.

"It's really punting a pretty important decision to a contractor" to let private firms do the ranking, Kelly said. She worries that firms used to working on reservoir projects, for instance, won't give as good of a score to a brackish water desalination plant, or a conservation initiative.

But Jody Puckett, director of Dallas Water Utilities, said the role of private firms is smaller than critics think. "It's kind of like when you make pasta, you have to run it through the mill to make spaghetti. That's their role."

Puckett is chair of the Dallas Fort-Worth region's water planning group, and said it's the group that makes final decisions about what projects end up in the water plan — not the consultants. And there's no guarantee those same consultants will get design contracts or any other work for those same projects, because they have to go through competitive bidding to get that work.

"I can see how someone might want to connect the dots, but I don't think they're necessarily connected at all," Puckett said.

Whether or not they like the system, few involved in Texas water planning think there's a better way to run it. There's not enough staff in state or local governments to do the work private firms perform.

"There's a level of expertise with firms like ours," said Preston Dillard, who is a contractor in Dallas-area water planning with the firm Alan Plummer Associates. "The advantages are, you're involving the professionals that have experience in working with water systems."

And as the drought has reached a new level in Texans' consciousness, firms that used to always recommend new reservoirs, water treatment plants or big pipeline projects are starting to think differently, said Ken Kramer, water resources chairman of the Sierra Club's Lone Star Chapter.

For instance, he said, both firms that do consulting work for the Dallas area — Freese & Nichols and Alan Plummer Associates — now do work on conservation and water reuse projects, something that may have been unthinkable a few decades earlier.

"You're seeing a little bit of an evolution," Kramer said. "But it's definitely a slow evolution. It's not a revolution yet."

Still, concern about the private sector's role exists at the state level, too. After the Legislature slashed the state budget in 2011, the water development board lost most of its funding dedicated to helping model groundwater across the state.

That forced individual groundwater conservation districts to contract out the modeling work to engineering and consulting firms. And the data they collect is important: It often serves as the basis for deciding how much water can be sustainably pumped from an aquifer.

In a [recent report](#), the Legislative Budget Board recommended against such a system. Districts need to use a more "standard approach" in getting their data, the report said. Otherwise, they risk "non-uniform data collection practices and methodologies ... compromising the accuracy of this process."

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