



Power Thirsty:

February 22, 2013

Industrial Users, Urban Sprawl Drive Big Texas Water Projects

The top organized interests pushing water infrastructure projects in Texas in recent years have been industrial water consumers and the industries that build and sell new homes.

In the 2011 dress rehearsal that preceded the current water-infrastructure push, H2O4Texas PAC spent \$330,100 helping to pass a constitutional amendment to finance such projects with state bonds. The *Austin American-Statesman*¹ recently reported on a TPJ analysis that finds that 62 percent of that PAC’s money came from industrial water consumers.

Propelled by water-thirsty frackers, energy and petrochemical industries gave \$197,000 to H2O4Texas. Another industrial water drinker, Texas Instruments, also gave.

Residential real estate interests provided 17 percent of the PAC’s funding. Trade groups representing homebuilders and Realtors

gave \$54,500 to promote new subdivisions in a parched, fast-growth state.

H2O4Texas PAC derived 12 percent of its funding from the bottled-water industry, which fears renewed attempts to finance water projects with a [bottled-water tax](#).

Two years after voters authorized the Texas Water Development Board to issue state bonds lawmakers now propose letting that same board tap the state’s Rainy Day Fund to make up to \$2 billion in water-project loans.²

Interests that Floated H2O4Texas PAC in 2011

Total	Share	Interest	Top Contributor
\$142,500	43%	Oil & Gas	TX Oil & Gas Assn.
\$40,000	12%	Bottled Water	TX Beverage Assn.
\$29,500	9%	Construction	TX Assn. of Homebuilders
\$29,500	9%	Electricity	Reliant Energy
\$25,000	8%	Chemicals	Dow Chemical Corp.
\$25,000	8%	Real Estate	TX Assn. of Realtors
\$10,100	3%	Lawyers/Lobbyists	R. Bruce LaBoon
\$10,000	3%	Bond Companies	First Southwest Co.
\$10,000	3%	Waste	Harold Simmons
\$7,500	2%	Computer Chips	TX Instruments
\$1,000	0%	Water Utilities	Aqua Water Supply Corp.
\$330,100	100%	TOTAL	

All H2O4Texas PAC Contributors

Amount	Contributor	City
\$115,000	TX Oil & Gas Assn. PAC	Austin
\$30,000	TX Beverage Assn., Inc.	Austin
\$25,000	TX Assn. of Realtors Issues PAC	Austin
\$15,000	Dow Chemical Corp. PAC	Midland, MI
\$15,000	TX Assn. of Builders PAC	Austin
\$13,500	American Council of Engineering Co's TX	Austin
\$10,000	Apache Corp.	Houston
\$10,000	First Southwest Co.	Dallas
\$10,000	Nestle Waters North America, Inc.	Greenwich, CT
\$10,000	Harold C. Simmons (Contran Corp.)	Dallas
\$10,000	TX Chemical Council PAC	Austin
\$8,000	Energy Future Holdings PACs	Dallas
\$7,500	TX Instruments PAC	Dallas
\$6,500	Reliant Energy PAC	Houston
\$5,100	R. Bruce LaBoon (Locke Lord Bissell & Liddell)	Fredericksburg
\$5,000	American Coalition for Clean Coal Electricity	Washington
\$5,000	American Electric Power Co.	Columbus, OH
\$5,000	Assn. of Electric Companies of TX, Inc.	Austin
\$5,000	El Paso Energy Service Co.	Houston
\$5,000	Tejon Exploration Co.	Abilene
\$5,000	Valero PAC	San Antonio
\$2,500	Allen Boone Humphries LLP	Houston
\$2,500	Vinson & Elkins TX	Houston
\$2,500	XCEL Energy	Amarillo
\$1,000	Aqua Water Supply Corp.	Bastrop
\$1,000	Holt Co. of TX	San Antonio
\$330,100	TOTAL	

The 26 contributors that bankrolled H2O4Texas PAC also gave state political candidates almost \$8.3 million during the 2010 and 2012 election cycles. Governor Rick Perry captured more than \$1 million of this money; Attorney General Greg Abbott also approached the \$1 million mark, surpassing Lieutenant Governor David Dewhurst and Speaker Joe Straus.

The only rank-and-file lawmaker to claim more than \$100,000 from H2O4Texas sources was Senator Troy Fraser. Senate Natural Resources Committee Chair Fraser has suggested that the Texas Water Development Board is not up to the task of overseeing \$1 billion in infrastructure loans. Fraser is urging his fellow part-time

legislators to sack the board's part-time appointees and to replace them with full-time professionals.³ This would allow Fraser's boyhood friend, Governor Perry, to handpick a new board to oversee a huge new pot of state funds.

Lawmakers are growing skeptical of state programs that often appear to be gubernatorial slush funds (i.e. the [Texas Enterprise Fund](#), the Emerging Technology Fund and the Cancer Prevention and Research Institute of Texas). This time legislators should invest more time in advance to design tough safeguards that might prevent the proposed water-project bank from becoming Texas' next political slush fund.

**Top Recipients of Money from Donors to H2O4Texas PAC
(Jan. 2009 through Dec. 2012)**

Amount	Recipient	Office Held or Sought	Top H2O4Texas Contributor
\$1,094,578	Rick Perry	Governor	Harold Simmons
\$948,500	Greg Abbott	Attorney Gen'l	Harold Simmons
\$461,306	David Dewhurst	Lt. Governor	Harold Simmons
\$355,192	Joe Straus	Speaker	Harold Simmons
\$232,000	Susan Combs	Comptroller	TX Oil & Gas
\$166,500	Barry Smitherman	Railroad Com.	Harold Simmons
\$155,000	Todd Staples	Agricult. Com.	Harold Simmons
\$153,000	Jerry E. Patterson	Land Com.	Harold Simmons
\$106,693	Troy Fraser	S-24	Energy Future Holdings
\$89,707	Kelly G. Hancock	S-9	Harold Simmons
\$88,000	Dan Branch	H-108	Harold Simmons
\$79,852	Warren D. Chisum	Railroad Com.	TX Oil & Gas
\$68,237	David J. Porter	Railroad Com.	Harold Simmons
\$68,115	Juan 'Chuy' Hinojosa	S-20	Allen Boone Humphries
\$67,083	Glenn A. Hegar, Jr.	S-18	Allen Boone Humphries
\$67,000	D. Bryan Hughes	H-5	Harold Simmons
\$66,810	Robert Lee Nichols	S-3	Allen Boone Humphries
\$62,500	Kay Bailey Hutchison	Governor	Valero
\$61,750	Tommy Williams	S-4	TX Assn. of Homebuilders
\$60,500	Bob Deuell	S-2	TX Oil & Gas
\$58,500	John J. Carona	S-16	Harold Simmons
\$57,750	Garnet F. Coleman	H-147	Harold Simmons
\$57,500	Christi L. Craddick	Railroad Com.	TX Oil & Gas
\$57,500	Carlos I. Uresti	S-19	TX Oil & Gas
\$57,277	Royce West	S-23	Allen Boone Humphries
\$57,250	Todd A. Hunter	H-32	TX Oil & Gas
\$53,000	John Whitmire	S-15	Allen Boone Humphries
\$50,000	George P. Bush	Birthright	Harold Simmons
\$49,000	Kelton G. Seliger	S-31	TX Oil & Gas
\$48,800	'Chuck' Hopson	H-11	TX Oil & Gas
\$48,691	Dan Patrick	S-7	Allen Boone Humphries
\$47,905	Kirk P. Watson	S-14	Allen Boone Humphries
\$45,500	Craig Estes	S-30	TX Oil & Gas
\$45,250	Charles L. Geren	H-99	Valero
\$45,000	Byron Curtis Cook	H-8	Valero
\$44,752	Harvey Hilderbran	H-53	Energy Future Holdings
\$44,250	Shelton, Mark M.	S-10	TX Oil & Gas
\$42,000	E. 'Jeff' Wentworth	S-25	Harold Simmons
\$41,550	Larry Taylor	S-11	TX Oil & Gas

Notes:

¹ "Money Drives Water Projects," *Austin American-Statesman*, February 19, 2013.

² "Senate Starts Work on \$2B Water Plan," *Dallas Morning News*, February 13, 2013.

³ "Water Board Faces Ouster," *Austin American-Statesman*, February 13, 2013.