



\$2 Billion Question:

October 30, 2013

Will \$2 Million Water PAC Spawn a Perry Slush Fund?

Donors Tied to Water PAC Gave Governor \$7 Million Since 2009.

Water flows downhill to the ocean, while oceans of money flow uphill towards political power. So consider a conspiracy theory on the anniversary of JFK's assassination: Without wealthy construction giant Brown & Root, there would be no LBJ.

Speaker Joe Straus' Water Texas PAC raised \$2.1 million over the last two months to sell voters on next week's Proposition 6. It would use \$2 billion from the state's rainy day fund to finance water projects around the state.

Water Texas PAC got most of its money from the water-intensive Energy & Natural Resources sector and from construction interests eager for desalination and dam contracts (see below).

A major defect of Prop. 6 is that the lawmakers who proposed it this year also fired the Texas Water Development Board and directed Governor Perry to appoint three new people to oversee the proposed \$2 billion fund.

Rather than pick the state's best and brightest water wonks, Governor Perry appointed three

loyalists who already were Perry employees or appointees. [Perry's picks](#) include his own appointments director and two of his appointees to the Lottery Commission and Texas Commission on Environmental Quality.¹

Rick Perry is the consummate [crony capitalist](#). His Texas Enterprise Fund, Emerging Technology Fund and Cancer Prevention Research Institute of Texas all earned reputations as embarrassing political slush funds. Yet Texas lawmakers invited the governor to appoint three Perry puppets to control a \$2 billion water infrastructure fund. Notably absent are checks and balances to stop this from becoming the next political slush fund of a governor who would be president.

Water Texas PAC raised much of its money from corporations that cannot give directly to Texas candidates. The PACs and executives of companies that bankrolled Water Texas PAC have given Perry *\$6.8 million* since he ran for reelection in the 2010 election cycle.

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Top Water Texas PAC Contributors (Through Oct. 26, 2013)

Water TX PAC Amount	Contributor	Location	Interest	R. Perry Amount Since '09
\$375,000	Associated Gen'l Contractors of TX	Austin	Construction	\$0
\$250,000	Dow Chemical	Midland, MI	Energy/Nat'l Resources	\$10,000
\$129,043	Energy Future Holdings	Dallas	Energy/Nat'l Resources	\$205,000
\$80,000	Texas Oil & Gas Assn.	Austin	Energy/Nat'l Resources	\$35,000
\$75,000	ConocoPhillips	Houston	Energy/Nat'l Resources	\$22,000
\$51,500	Curtis Ford (Acme Services Co.)	Austin	Communications	\$0
\$50,000	American Natural Gas Alliance	Washington DC	Energy/Nat'l Resources	\$0
\$50,000	AT&T, Inc.	Austin	Communications	\$507,689
\$50,000	Occidental Petroleum	LA, CA	Energy/Nat'l Resources	\$5,000
\$46,071	Time Warner Cable	Houston	Communications	\$135,000
\$41,803	Texans for Joe Straus	San Antonio	Other	\$0
\$25,000	Apache Corp.	Houston	Energy/Nat'l Resources	\$0
\$25,000	Burlington Northern Santa Fe Co.	Fort Worth	Transportation	\$66,550
\$25,000	Chesapeake Operating, Inc.	Okla. City, OK	Energy/Nat'l Resources	\$36,000
\$25,000	Chevron Phillips Chemical Co	Woodlands	Energy/Nat'l Resources	\$5,000
\$25,000	General Motors Corp.	Washington DC	Transportation	\$0
\$25,000	Good Gov't Fund (Bass Family)	Fort Worth	Energy/Nat'l Resources	\$369,760
\$25,000	GTECH	Greenwich, CT	Misc. Business	\$0
\$25,000	H.E. Butt Grocery Co.	San Antonio	Misc. Business	\$100,000
\$25,000	Lyondell	Houston	Energy/Nat'l Resources	\$10,075
\$25,000	Republic National Distributing Co.	Houston	Misc. Business	\$0
\$25,000	TX Assn. of Builders	Lubbock	Construction	\$124,000
\$25,000	TX Beverage Assn.	Austin	Misc. Business	\$0
\$25,000	Valero Energy Corp.	San Antonio	Energy/Nat'l Resources	\$96,478
\$22,256	Texas Farm Bureau	Waco	Agriculture	\$60,000
\$21,086	Comcast Corp.	Philadel., PA	Communications	\$15,000
\$20,000	Anheuser-Busch Cos.	St. Louis, MO	Misc. Business	\$42,951
\$20,000	Koch Industries	Washington DC	Energy/Nat'l Resources	\$77,500
\$20,000	NRG Energy	Princeton, NJ	Energy/Nat'l Resources	\$20,000
\$15,000	Hillwood Alliance Group	Fort Worth	Real Estate	\$131,200
\$15,000	Toyota Motors	Erlanger, KY	Transportation	\$131,200
\$11,500	Am. Council of Engineering Co's	Austin	Construction	\$0
\$10,000	Allstate Insurance Co.	Northbrook, IL	Insurance	\$17,500
\$10,000	American Electric Power Co.	Columbus, OH	Energy/Nat'l Resources	\$55,000
\$10,000	Calpine Energy	Houston	Energy/Nat'l Resources	\$3,025
\$10,000	CenterPoint Energy, Inc.	Houston	Energy/Nat'l Resources	\$20,750
\$10,000	Cheniere Energy, Inc.	Houston	Energy/Nat'l Resources	\$0
\$10,000	Contran Corp.	Dallas	Finance	\$635,000
\$10,000	DCP Midstream LP	Denver, CO	Energy/Nat'l Resources	\$0
\$10,000	Friedkin Holdings, Inc.	Houston	Transportation	\$624,577
\$10,000	FTS International Services, LLC	Cisco	Energy/Nat'l Resources	\$50,000
\$10,000	International Paper	Washington DC	Agriculture	\$0
\$10,000	JPMorgan Chase Bank	Houston	Finance	\$30,000
\$10,000	Landry's Restaurants	Houston	Misc. Business	\$182,100
\$10,000	Lionstone Int'l, Inc.	Lake Bluff, IL	Misc. Business	\$0
\$10,000	NextEra Energy Resources LLC	Juno Beach, FL	Energy/Nat'l Resources	\$30,000
\$10,000	TX Chemical Council	Austin	Energy/Nat'l Resources	\$0
\$10,000	TX Electric Cooperatives, Inc.	Austin	Energy/Nat'l Resources	\$0
\$10,000	United Services Auto. Assn. Group	San Antonio	Insurance	\$136,626
\$10,000	Wholesale Beer Distributors of TX	Austin	Misc. Business	\$83,550

Note: Above contributors supplied 88% of Water Texas PAC money and 60% of related Perry money.

Water Texas PAC got almost half of its money from the Energy and Natural Resources industry, dominated by water-intensive frackers, power plants and petrochemical plants. Another 22 percent of the PAC’s money came from construction interests eager to bid on contracts for dams and desalination plants.

Conservation is the cheapest, most efficient solution to Texas’ water crisis. Yet Prop. 6’s drafters pledged only that overseers of the \$2 “shall undertake to apply” 20 percent of the money to conservation.

Conservation is politically unsavory for two reasons. First, it imposes water belt-tightening on regular Texans as well as the powerful, thirsty interests behind Water Texas PAC: frackers, power plants, chemical plants and developers. Second, conservation favors a smaller scale that involves small businesses that don’t drive our crony-capitalist state. Without Brown & Root, there’s no LBJ.

Fracking and natural gas interests are notable among the deep pockets funding Water Texas PAC. Texas has not been up front about the volumes of water that frackers pump into the ground. The [Texas Observer](#) recently found that frackers in just three counties over South Texas’ Eagle Ford Shale already consume half the amount of water that the state predicted that all 24 Eagle-Ford counties will use for fracking when production peaks there in 10 years.

Endorsed by the Sierra Club, Prop. 6 creates strange bedfellows. Water Texas PAC collected \$500 from [Environment Texas](#) and \$25,000 from a current environmental bogeyman: [TransCanada Keystone Pipeline](#).

Fast-growth Texas has serious water issues. Prop. 6 could’ve been a no-brainer for voters five days after Halloween. Lawmakers instead created a monster when they reconstituted the Texas Water Development Board to look just like the next gubernatorial slush fund.

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Water-Bond Money by Interest

Amount	Interest Group
\$962,543	Energy/Nat’l Resources
\$462,500	Construction
\$194,499	Miscellaneous Business
\$173,657	Communications
\$75,000	Transportation
\$20,500	Lawyers & Lobbyists
\$50,165	Unidentified
\$47,256	Agriculture
\$43,803	Other
\$22,500	Finance
\$20,000	Real Estate
\$20,000	Insurance
\$7,000	Health
\$2,500	Computers/Electronics
\$2,101,923	TOTAL

Notes

¹ Director of Governmental Appointments Bech Bruun, Lottery Commissioner Mary Ann Williamson and Environmental Quality Commissioner Carlos Rubinstein.