

February 4, 2009

Ladies and Gentlemen:

As Texas' chief fiscal officer, I am committed to creating an environment that encourages the Texas economy to grow and thrive. One of my responsibilities is to analyze factors affecting the state's economy. Access to reliable sources of abundant clean water plays a key role in determining the future success of Texas' economy and the health of our citizens.

Our office presents the *Liquid Assets: The State of Texas' Water Resources*, which discusses the current and future water resources in Texas, the practical and policy barriers faced by local and state water planners and the possible funding mechanisms that could be tapped to develop our water resources. The report also provides information on the current status of water management strategies in the 16 water planning regions in the state. State and regional decision makers will be able to use this report as a tool to drive sound and prudent water policy in the state.

This report evaluates the progress Texas is making in securing water resources for the future. Texas' water resources are diverse and ever changing, since they are based upon climatic and demographic fluctuations. Drought is an ever-present concern in many parts of the state, leading to pressure on our water infrastructure. Texas' population is growing at nearly twice the national rate and it is estimated that by 2060 there will be more than 46 million people living in Texas, and the state will need ample water supplies to serve them. According to the Texas Water Development Board demand for water will increase 27 percent by 2060 and if demand is not met it could cost businesses and workers in the state approximately \$9.1 billion per year by 2010 and \$98.4 billion per year by 2060.

Our economy always has and always will rely on clean and abundant water supplies. In addition, state and local leaders must recognize that how they define ownership of groundwater could have enormous economic consequences for property owners statewide. Important financial decisions have been based on the belief by landowners that the water under their land is in fact their "property." A change in this system could have very significant and adverse financial consequences for individuals as well as for the economic vitality of the state. *Liquid Assets: The State of Texas' Water Resources* will help all Texas citizens understand the importance of reliable water resources and what is being done now and in the future to ensure those resources.

Our office stands ready to assist communities, businesses and lawmakers in their efforts to ensure our state has the necessary water resources to continue our way of life. Together we can guarantee that Texas' water resources remain plentiful for future generations.

Sincerely,

Susan Combs

