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July 30, 2016

Karen Guz, Presiding Chair
Water Conservation Advisory Council
c/o Texas Water Development Board
1700 North Congress
Austin, Texas 78701

Submitted to: WCAC@twdb.texas.gov

Re: 3rd Draft - Water Conservation Advisory Council
Report to the 85th Texas Legislature

Dear Ms. Guz:

The Texas Oil & Gas Association (“TXOGA”) is a non-profit corporation representing the interests of the oil and natural gas industry in the State of Texas. Founded in 1919 and currently representing more than 5,000 members, TXOGA is the largest and oldest petroleum organization in Texas. The membership of TXOGA produces in excess of 90 percent of Texas’ crude oil and natural gas, operates nearly 100 percent of the state’s refining capacity and is responsible for the vast majority of the state’s pipelines. The oil and natural gas industry not only produces the products we use every day; it anchors our state’s economy. In 2015 Texas’ oil and natural gas industry paid \$13.8 billion in taxes and royalties that directly fund our schools, roads and emergency services.

TXOGA appreciates the opportunity to provide input on the 3rd draft of the Water Conservation Advisory Council’s (“WCAC”) Report to the 85th Texas Legislature. Most of our comments are focused on the “Manufacturing and Electric Power Generation Water Conservation” section of the report. However, our members do have one general suggestion to include the percentage of water used by each water user category to help put the report into proper context.

Texas petroleum refineries account for 28% of the state’s manufacturing output. Each of the 27 refineries in our state are unique, complex and multi-operational facilities with distinctive water needs and operations. While each facility is different, over the last two decades Texas refiners have reduced water usage by 30% through:

- Evolving water management practices;
- Water treatment & technology development;
- Utilization of alternative sources;
- Collaboration within industrial sector; and
- Collaboration at the local, regional and state level.

TXOGA members are concerned with this version of the report as it fails to recognize the great progress that has been made by refiners and the entire manufacturing sector in reducing water usage. While we understand excluding the many graphs that were in Draft 2, TXOGA suggests that the facts demonstrated by those graphs be included in the report, such as:

- Manufacturing water use for the six largest sectors has decreased steadily from 1997 to 2013 while output revenue has increased steadily (Figure 9, Draft 2 WCAC Report to the 85th Legislature);
- Gallons per dollar of output has decreased nearly linearly over that time period by 70% (Figure 10, Draft 2 WCAC Report to the 85th Legislature); and
- Overall water usage by the six largest sectors has decreased and is trending downward (Figure 11, Draft 2 WCAC Report to the 85th Legislature).

Given these facts, the statement in Draft 3 that “opportunities for improved efficiency and water conservation, though, are widespread” is inconsistent and our members suggest that it be omitted from the report. Further, TXOGA asks that WCAC reconsider the “council suggestion” that “all industrial water users consider completing a water audit to identify and document all water coming into the facility and how and when that water is consumed on site.” Our members know how much water is purchased and know the amount of water used and consumed in their processes. Further, refiners and other manufacturers participate in the Texas Water Development Board’s annual water use survey, file water conservation plans as required by statute and utilize industry trade groups to develop and refine best practices.

TXOGA appreciates your careful consideration of our comments and recommendations. Should you have any questions, please contact Cory Pomeroy at cpomeroy@txoga.org.

Sincerely,



Todd Staples, President
Texas Oil and Gas Association

cc: Robert Mace, Texas Water Development Board
Karl Fennessey, WCAC Representative for Refining & Chemical Manufacturing
CJ Tredway, WCAC Representative for Mining and Recovery of Minerals