

Section 9

Report to the Legislature on Water Infrastructure Funding Recommendations

9.1 Introduction

Senate Bill 2 (77th Texas Legislature) requires that an Infrastructure Financing Report (IFR) be incorporated into the regional water planning process. In order to meet this requirement, each regional water planning group (RWPG) is required to examine the funding needed to implement the water management strategies and projects identified and recommended in the planning area's 2011 regional water plan.

9.2 Objectives of the Infrastructure Financing Report

The primary objective of the Infrastructure Financing Report is to determine the financing options proposed by political subdivisions to meet future water infrastructure needs (including the identification of any State funding sources considered).

9.3 Methods and Procedures

For the Brazos G Regional Water Planning Area, all municipal water user groups and wholesale water providers having water needs and recommended water management strategies in the initially prepared regional plan with an associated capital cost were surveyed using the questionnaire provided by the TWDB (Exhibit 9-A). Individual municipalities and wholesale water providers were emailed a link to complete the survey online through the TWDB's website.

For each project with an identified capital cost, the survey respondents were asked to enter only the amounts that they wish to receive from the TWDB program listed below:

- **Planning, Design, and Permitting:** Costs were entered into this category if the entity wanted to participate in the WIF-Deferred Program. The WIF-Deferred Program offers subsidized interest and deferral of principal and interest for up to 10 years for planning, design, and permitting costs.
- **Acquisition and Construction:** Costs were entered into this category if the entity wanted to participate in the WIF-Construction Program. The WIF-Construction Program offers subsidized interest for all construction costs, including planning, acquisition, design, and construction.

- **Excess Capacity:** Costs were entered into this category if the entity wanted to participate in the State Participation Program. State Participating funding offers partial interest and principal deferral for the incremental cost of project elements which are designed and built to serve needs beyond 10 years.
- **Rural:** Costs were entered into this category if the entity wanted to participate in the Rural Areas Funding Program. Rural Areas funding offers grants and 0% interest loans for service areas which are not in a Metropolitan Statistical Area (MSA) and in which the population does not exceed 5,000. The service area must also meet EDAP eligibility criteria.
- **Disadvantaged:** Costs were entered into this category if the entity wanted to participate in the Economically Distressed Areas Program (EDAP). EDAP offers funding through grants and loans for service areas within a project which meet the EDAP eligibility criteria. Eligibility for the TWDB's EDAP requires that the median household income of the area to be served by the proposed project be less than 75% of the Texas median household income (\$39,927), as shown in the 2000 Census. EDAP eligibility also requires adoption of Model Subdivision rules by the appropriate planning entities.

9.4 Survey Responses

The Brazos G RWPG sent links to 61 municipal water user groups and wholesale water providers and as of August 12, had received 23 responses, a 38 percent response rate. As shown in Table 9-1, the 23 responses represent about 82 percent of the estimated capital costs of water management strategies included in the Regional Water Plan. Of those responding, for which total capital costs are \$2,073,130,098, the survey shows that approximately \$216.9 million (10.5 percent of the total capital costs) would be financed through the WIF-Deferred Program, approximately \$941.5 million (45.4 percent of the total capital costs) would be financed through the WIF-Construction Program, approximately \$167.1 million (8.1 percent of the total capital costs) would be financed through the State Participation Program, approximately \$10 million (0.5 percent of the total capital costs) would be financed through the Rural Areas Funding Program, and approximately \$62.5 million (3.0 percent of the total capital costs) would be financed through the EDAP Program. It is unclear how the remaining 32.5 percent of capital costs for survey respondents would be paid, but those costs could possibly be covered through

local cash reserves. It is also important to note that it is unclear how the remaining 18 percent of the capital costs for those entities not responding would be financed.

Note that these survey results represent responses to recommended water management strategies included in the initially prepared plan. In response to public and agency comments regarding the initially prepared plan, several recommended water management strategies were either modified, replaced or removed from the plan. The reader is referred to the TWDB for survey results updated after August 12, 2010.

Table 9-1.
Summary of Responses to the Infrastructure Financing Survey*
(responses as of August 12, 2010)

Name of Political Subdivision	Recommended Project/Strategy	Capital Cost to be paid by Political Subdivision)	Planning, Design, and Permitting	Acquisition and Construction	Excess Capacity	Rural	Disadvantaged
Abilene	Cedar Ridge Reservoir	\$ 285,214,000	\$86,240,000	\$198,974,000	\$0	\$0	\$0
Abilene	Increase Treatment Capacity	\$ 49,304,000	\$14,188,000	\$35,116,000	\$0	\$0	\$0
Bistone MWSD	Limestone County Carrizo-Wilcox Aquifer Development	\$ 12,277,000	\$1,000,000	\$11,277,000	\$0	\$0	\$0
Brazos River Authority	Allens Creek Reservoir	\$ 66,825,720	\$0	\$15,000,000	\$15,000,000	\$0	\$0
Brazos River Authority	Belton to Stillhouse Pipeline	\$ 36,038,000	\$8,000,000	\$25,000,000	\$0	\$0	\$0
Brazos River Authority	Brazos Saltwater Barrier	\$ 44,470,739	\$0	\$35,000,000	\$0	\$0	\$0
Brazos River Authority	Coryell County Reservoir (BRA System)	\$ 37,489,000	\$10,000,000	\$24,000,000	\$0	\$0	\$0
Brazos River Authority	Freeport Desalination	\$ 255,699,000	\$0	\$255,000,000	\$0	\$0	\$0
Brazos River Authority	Groundwater/Surface Water Conjunctive Use (Lake Granger Augmentation)	\$ 643,928,000	\$0	\$126,000,000	\$142,000,000	\$0	\$0
Brazos River Authority	Stonewall, Kent, and Garza Chloride Control Project	\$ 163,226,000	\$40,000,000	\$100,000,000	\$0	\$0	\$0
Brazos River Authority	Storage Reallocation of Federal Reservoirs - Lake Aquilla	\$ 11,447,000	\$0	\$0	\$10,000,000	\$0	\$0
Bryan	Wastewater Reuse	\$ 6,485,000	\$1,500,000	\$9,352,000	\$0	\$0	\$0
Central Texas WSC	BRA Supply Through the EWCRWTS	\$ 15,169,822	\$450,000	\$4,000,000	\$100,000	\$2,000,000	\$1,000,000
Chisholm Trail SUD	Regional Surface Water Supply to Williamson County from Lake Travis	\$ 13,264,000	\$0	\$0	\$0	\$0	\$0
Cross Country WSC	Interconnection of City of Waco System with Neighboring Communities	\$ 7,090,000	\$0	\$0	\$0	\$0	\$0
Georgetown	Increase Treatment Capacity	\$ 50,722,000	\$1,000,000	\$9,500,000	\$0	\$0	\$0
Godley	BRA SWATS Expansion	\$ 6,651,000	\$0	\$0	\$0	\$0	\$0
Granbury	Increase Treatment Capacity	\$ 31,314,000	\$500,000	\$15,000,000	\$0	\$0	\$0
Groesbeck	City of Groesbeck Off-Channel Reservoir	\$ 10,412,000	\$2,412,000	\$8,000,000	\$0	\$0	\$0
Johnson County SUD	Purchase from Water Provider	\$ 62,828,000	\$6,507,590	\$14,041,925	\$0	\$0	\$0
Jonah Water SUD	BRA Supply Through the EWCRWTS	\$ 5,053,238	\$0	\$0	\$0	\$0	\$0
Kosse	Additional Carrizo Aquifer Development	\$ 824,000	\$0	\$0	\$0	\$0	\$824,000
Lorena	Wastewater Reuse	\$ 5,649,170	\$0	\$0	\$0	\$0	\$0
Marlin	Brushy Creek Reservoir	\$ 39,690,000	\$4,690,000	\$35,000,000	\$0	\$0	\$0
North Central Texas MWA	Millers Creek Augmentation	\$ 46,948,000	\$2,000,000	\$222,000	\$0	\$8,000,000	\$9,000,000
Palo Pinto MWD #1	New Water Treatment Plant	\$ 35,822,000	\$14,328,800	\$0	\$0	\$0	\$21,493,200
Palo Pinto MWD #1	Turkey Peak Reservoir	\$ 50,227,000	\$20,090,800	\$0	\$0	\$0	\$30,136,200
Southwest Milam WSC	Additional Carrizo Aquifer Development	\$ 14,008,000	\$0	\$0	\$0	\$0	\$0
Sweetwater	Expansion of Champion Well Field	\$ 15,015,000	\$0	\$0	\$0	\$0	\$0
Temple	Increase Treatment Capacity	\$ 45,870,000	\$4,000,000	\$21,000,000	\$0	\$0	\$0
Throckmorton	Midway Pipeline Project	\$ 3,096,409	\$0	\$0	\$0	\$0	\$0
Western Hills WS	Additional Trinity Aquifer Development	\$ 1,073,000	\$0	\$0	\$0	\$0	\$0
		\$2,073,130,098	\$216,907,190	\$941,482,925	\$167,100,000	\$10,000,000	\$62,453,400

*Note: The survey responses presented are related to water management strategies and capital costs included in the Initially Prepared 2011 Plan. As a result of public and agency comments on the Initially Prepared 2011 Plan, some strategies and capital costs have been modified in the final 2011 Plan, and those changes are not necessarily reflected here.

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