

Section 9
Water Infrastructure Funding Recommendations
[31 TAC §357.7(a)(14)]

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 region'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 South Central Texas Regional Water Planning Area, all municipal water user groups and wholesale water providers having water needs and recommended water management strategies in the Regional Water Plan with an associated capital cost were surveyed using the questionnaire provided by the TWDB. Individual municipalities and wholesale water providers were emailed a link to complete the survey online through the TWDB's website. They were also mailed a hardcopy of the survey so they could complete it by hand, if desired.

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

- **Planning, Design, and Permitting:** Costs were entered into this category if the entity wants 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 wants 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 wants 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 wants 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 Economically Distressed Areas Program (EDAP) eligibility criteria.
- **Disadvantaged:** Costs were entered into this category if the entity wants to participate in the 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 South Central Texas RWPG sent links to 24 municipal water user groups and wholesale water providers and received 10 responses, a 42 percent response rate. As shown in Table 9-1, the 10 responses represent about 99 percent of the estimated capital costs of water management strategies included in the Regional Water Plan. Of those responding, for which the total capital cost for facilities is \$6,727,772,325¹, the survey shows that approximately \$509.3 million (7.6 percent of the total capital costs) would be sought through the WIF-Deferred Program, approximately \$2.4 billion (35.0 percent of the total capital costs) would be sought through the WIF-Construction Program, and approximately \$653.3 million (9.7 percent of the total capital costs) would be sought through the State Participation Program. No responses indicated pursuit of funding through either the Rural Areas Funding Program or the EDAP Program. It is unclear how the remaining 47.7 percent of capital costs for survey respondents would be paid, but those costs could possibly be covered through local cash reserves, bonds, or private funding. Furthermore, it is unclear how the remaining one percent of the capital costs for those entities not responding to the survey would be financed. In summary, about 67 percent of

¹ As some recommended water management strategies and associated costs were modified in response to public comment on the Initially Prepared Plan and such modifications occurred after responses to the infrastructure financing survey were received, a small discrepancy exists in the total capital cost of facilities. On a percentage basis, this discrepancy is insignificant.

**Table 9-1.
Summary of Responses to the Infrastructure Financing Survey**

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
Bexar Met Water District	Local Groundwater (Carrizo)	\$44,372,000	\$3,106,040	\$41,265,960	\$0	\$0	\$0
Bexar Met Water District	Local Groundwater (Trinity)	\$ 9,662,000	\$676,340	\$8,985,660	\$0	\$0	\$0
Bexar Met Water District	Medina Lake Firm-Up (ASR)	\$146,237,000	\$10,236,590	\$136,000,410	\$0	\$0	\$0
Canyon Regional Water Authority	Brackish Groundwater Desalination (Wilcox)	\$77,702,500	\$7,702,500	\$70,000,000	\$0	\$0	\$0
Canyon Regional Water Authority	CRWA Siesta Project	\$53,481,000	\$3,481,000	\$50,000,000	\$0	\$0	\$0
Canyon Regional Water Authority	CRWA Wells Ranch Project Phase II	\$12,375,000	\$0	\$12,375,000	\$0	\$0	\$0
Canyon Regional Water Authority	Hays/Caldwell PUA Project	\$94,771,913	\$4,500,000	\$30,000,000	\$0	\$0	\$0
Crystal Clear WSC	Local Groundwater (Carrizo)	\$33,754,000	\$4,500,000	\$29,254,000	\$0	\$0	\$0
Guadalupe-Blanco River Authority	GBRA Exelon Project	\$280,598,000	\$0	\$0	\$0	\$0	\$0
Guadalupe-Blanco River Authority	GBRA Lower Basin Storage	\$33,800,000	\$3,000,000	\$15,400,000	\$15,400,000	\$0	\$0
Guadalupe-Blanco River Authority	GBRA Mid-Basin (Surface Water)	\$546,941,000	\$4,000,000	\$271,470,500	\$271,470,500	\$0	\$0
Guadalupe-Blanco River Authority	GBRA New Appropriation (Lower Basin)	\$246,849,000	\$6,000,000	\$120,424,500	\$120,424,500	\$0	\$0
Guadalupe-Blanco River Authority	GBRA Simsboro Project	\$330,782,000	\$4,000,000	\$163,391,000	\$163,391,000	\$0	\$0
Guadalupe-Blanco River Authority	Storage Above Canyon Reservoir (ASR)	\$37,326,000	\$3,000,000	\$17,163,000	\$17,163,000	\$0	\$0
Kyle	Hays/Caldwell PUA Project	\$86,412,402	\$7,300,000	\$79,100,000	\$0	\$0	\$0
San Antonio Water System	Brackish Groundwater Desalination (Wilcox)	\$236,220,000	\$56,059,000	\$158,734,000	\$0	\$0	\$0
San Antonio Water System	Edwards Aquifer Recharge - Type 2 Projects	\$527,643,000	\$46,303,000	\$97,852,000	\$0	\$0	\$0
San Antonio Water System	LCRA/SAWS Water Project	\$1,986,684,000	\$0	\$0	\$0	\$0	\$0
San Antonio Water System	Regional Carrizo for SAWS	\$136,550,000	\$32,575,000	\$98,723,000	\$0	\$0	\$0
San Antonio Water System	Seawater Desalination	\$1,293,827,000	\$295,678,000	\$880,528,000	\$0	\$0	\$0
San Marcos	Hays/Caldwell PUA Project	\$110,013,010	\$11,900,000	\$32,500,000	\$65,500,000	\$0	\$0
Schertz-Seguin LGC	Brackish Groundwater Desalination (Wilcox)	\$15,540,500	\$0	\$0	\$0	\$0	\$0
Schertz-Seguin LGC	Regional Carrizo for SSLGC Project Expansion	\$28,189,000	\$0	\$0	\$0	\$0	\$0
SS WSC	Brackish Groundwater Desalination (Wilcox)	\$14,357,000	\$1,579,270	\$12,777,730	\$0	\$0	\$0
SS WSC	Local Groundwater (Carrizo)	\$29,537,000	\$3,658,330	\$25,787,670	\$0	\$0	\$0
Texas Water Alliance	TWA Regional Carrizo	\$314,148,000	\$0	\$0	\$0	\$0	\$0
Totals		\$6,727,772,325	\$509,255,070	\$2,351,732,430	\$653,349,000	\$0	\$0

Table 9-1. Summary of Responses to the Infrastructure Financing Survey (Concluded)

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
Benton City WSC*	Local Groundwater (Carrizo)	\$13,116,000					
County Line WSC*	Local Groundwater (Trinity)	\$20,562,000					
Floresville*	Local Groundwater (Carrizo)	\$2,344,000					
Goforth WSC*	Hays/Caldwell PUA Project	\$30,278,980					
Jourdanton*	Local Groundwater (Carrizo)	\$2,441,000					
Karnes City*	Local Groundwater (Carrizo)	\$3,430,000					
Kenedy*	Local Groundwater (Gulf Coast)	\$2,194,000					
Lockhart*	Local Groundwater (Carrizo)	\$24,246,000					
Luling*	Local Groundwater (Carrizo)	\$5,906,000					
McCoy WSC*	Local Groundwater (Carrizo)	\$11,606,000					
Mountain City*	Hays/Caldwell PUA Project	\$1,385,554					
Oak Hills WSC*	Local Groundwater (Carrizo)	\$ 259,000					
Polonia WSC*	Local Groundwater (Carrizo)	\$4,174,000					
Sunko WSC*	Local Groundwater (Carrizo)	\$1,375,000					
Totals		\$123,317,534					

* Did not respond.

the funds likely to be requested by respondents will be from the WIF Construction Program, with the remaining 19 percent and 14 percent from the State Participation and the WIF Deferred Programs, respectively.

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