

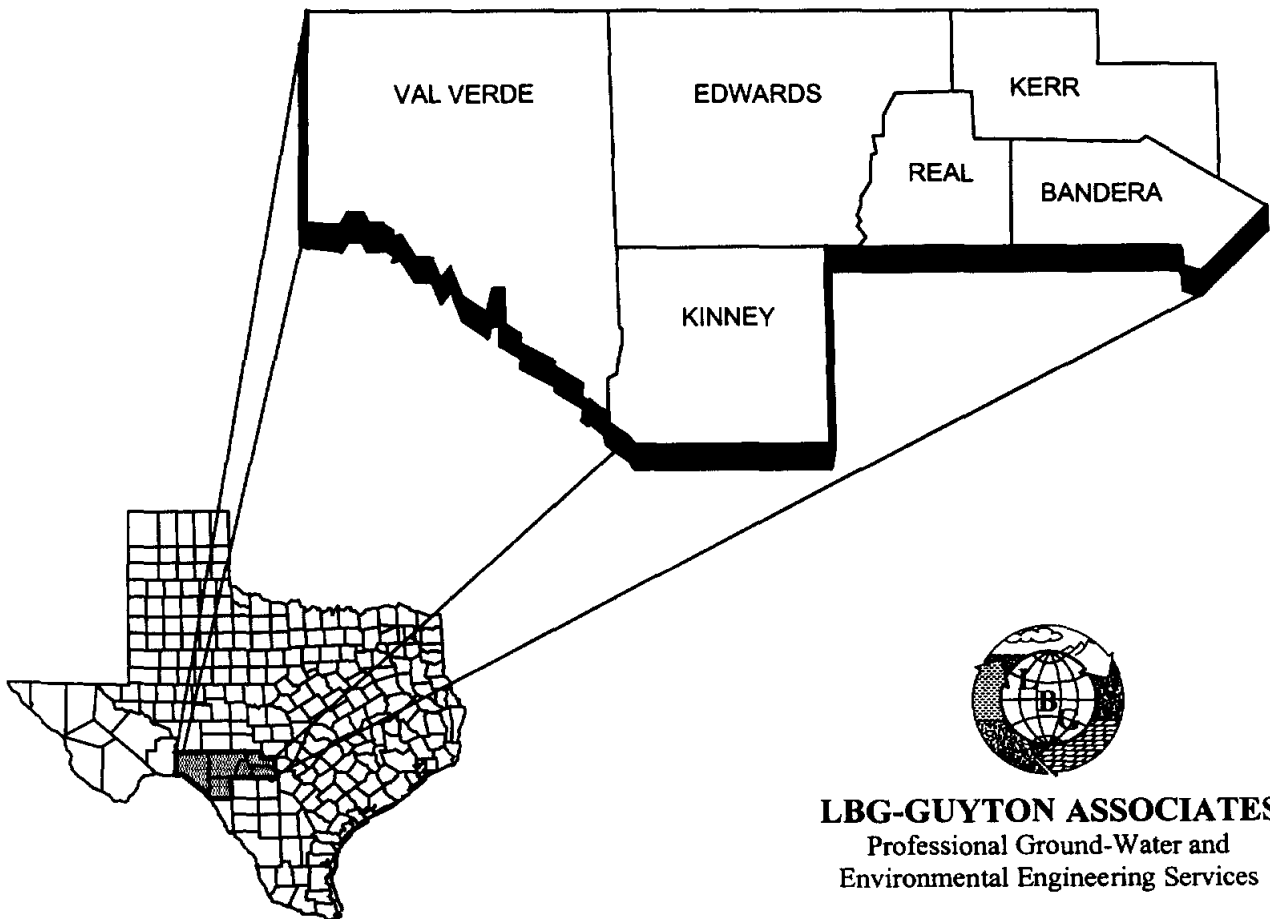
PLATEAU REGION INFRASTRUCTURE FINANCING REPORT

June 1, 2002

PLATEAU REGION
INFRASTRUCTURE
FINANCING REPORT
GRANTS MANAGEMENT

Prepared for
Plateau Regional Water Planning Group

Funded by
Texas Water Development Board



PLATEAU REGION INFRASTRUCTURE FINANCING REPORT

INTRODUCTION

In January 2001, the Plateau Regional Water Planning Group adopted the Plateau Regional Water Plan. This plan represents a major step in securing water for the next fifty years for the counties in the Plateau Region including Bandera, Edwards, Kerr, Kinney, Real and Val Verde. The Plateau Regional Water Plan recommends 33 water supply strategies, with a total cost of \$66 million to implement the strategies. The recommendations made in the Plateau Regional Water Plan, along with water plans from the other 15 regions in the state, were then incorporated into the State Water Plan, which was adopted in December 2001 by the Texas Water Development Board.

As a follow-up to the State Water Plan, the 77th Legislature (Senate Bill 2) charged the Regional Water Planning Groups (RWPGs) with determining how political subdivisions all across Texas propose to pay for their identified future water infrastructure needs. Each RWPG was directed to develop an Infrastructure Financing Report (IFR) that contains the following primary objectives:

- To determine the number of political subdivisions with identified needs for additional water supplies that will be unable to pay for their water infrastructure needs without some form of outside financial assistance;
- To determine how much of the infrastructure costs in the regional water plans cannot be paid for solely using local utility revenue sources;
- To determine the financing options proposed by political subdivisions to meet future water infrastructure needs (including the identification of any State funding sources considered); and,
- To determine what role(s) the RWPGs propose for the State in financing the recommended water supply projects.

INFRASTRUCTURE FINANCING SURVEY PROCESS

Survey Process

There are two elements to the IFR: (1) surveys, and (2) the RWPG policy recommendation on the State's role in financing water infrastructure projects. For the first part, the Plateau RWPG surveyed all water user groups and major water providers having water needs and recommended water management strategies in the regional water plan. Entities identified to be surveyed were the City of Kerrville, the City of Leakey, and Aqua Source of Bandera County. Surveys for the County-other water user groups with needs were sent to the County Judges in Bandera and Kinney Counties. Results of these surveys are shown in Table 1. For the water user groups based on county aggregates, such as livestock or mining, where no political subdivision is responsible for the provision of water supplies, no survey was necessary. However, in these cases, the Plateau RWPG considered probable funding mechanisms for meeting those needs (see "Aggregate Use Considerations" section below). Identified aggregate water user groups with projected water needs are:

- Bandera County – mining
- Edwards County – irrigation, livestock
- Kerr County – irrigation, livestock, mining
- Kinney County – livestock
- Real County – mining
- Val Verde County – livestock, mining

The actual survey instrument (Appendix 1) includes four questions provided by the TWDB so that all responses statewide are consistent. A fifth question was added to the survey in which the entities were asked if the water management strategy identified matched their plans for meeting their water supply needs.

Surveys were mailed via first class U.S. Mail, and follow-up contacts were made by telephone and in person as necessary with each political subdivision surveyed at least

two times seeking a response to the survey (Appendix 2). The process used by the RWPG for considering responses for non-surveyed aggregate water needs is documented in the following section titled "Non-Surveyed Aggregate Water User Group Process".

Survey Summary

Of a total of 13 surveys sent to five entities, 10 were returned for a return rate of 77%. A summary of the contents of the surveys are described in the following section titled "MUNICIPAL AND RURAL SURVEY RESPONSE" and a summary of the results are tabulated in Table 1 at the end of the report. The following table summarizes the survey returns.

Entity Surveyed	Water-Use Category	No. of Surveys Presented	No. of Surveys Returned
City of Kerrville	Municipal	5	5
City of Leakey	Municipal	1	0
Bandera County Judge	County Other	3	3
Aqua Source – Bandera County	County Other	2	0
Kinney County Judge	County Other	2	2
Total		13	10

Policy Statement

For the second element of the IFR, Senate Bill 2 (77th Texas Legislature) required the RWPG to develop a policy statement(s) that answers the following question:

What is the proper role(s) for the State in financing water supply projects identified in the approved regional water plans? (Paraphrased from TWC §16.053(q)(2) added in Senate Bill 2, 77th Texas Legislature, Regular Session)

For completing this element, Senate Bill 2 required that the RWPG give particular attention to proposed increases in the level of *State Participation* in funding for regional

water supply projects to meet needs beyond the reasonable financing capability of local governments, regional authorities, and other political subdivisions involved in building water infrastructure. Prior to developing its funding statement, the Plateau RWPG reviewed state funding programs and funding policy issues developed during the first regional planning period. The RWPG then developed the comprehensive state funding recommendation included in the following section titled "State Role in Financing Water Supply Projects".

Prior to submission of the draft IFR to the TWDB, the RWPG adopted the draft IFR at a meeting posted and held in accordance with the Texas Open Meetings Act, with a copy of all materials presented or discussed available for public inspection prior to and following the meeting held on April 24, 2002.

MUNICIPAL AND RURAL SURVEY RESPONSE

Only two communities in the Plateau Region, Kerrville and Leakey, were projected to have future water-supply needs; while Bandera and Kinney Counties were identified as having rural-domestic shortages. Aqua Source in Bandera County is the only private water-supply company with projected needs. In each of these cases, water supply sources were available; however, additional infrastructure was needed.

The City of Kerrville strategies to meet their future needs include: 1) increased water treatment and ASR capacity; 2) additional wells in a remote well field; 3) purchase of raw water from UGRA; and 4) obtaining additional or modifying existing water rights. The city expects to be able to fund only about a third to none at all of the costs for these strategies. Suggested funding options include rate increases, State funding, and debt.

The City of Leakey's supply shortage does not go into effect until approximately 2030. Additional municipal wells are anticipated to provide the needed additional supply. The city did not respond to the survey. Likewise, Aqua Source is expected to meet the future supply needs of the rural communities it serves by increasing well capacities and adding additional wells. Aqua Source also did not respond to the survey.

Rural-domestic water needs in Bandera and Kinney Counties are a result of population growth and the subsequent need to drill additional private wells to supply this growth. Surveyed County Judges indicated that the drilling of these wells will be funded by private individuals moving into the county and is not the responsibility of county government. The Bandera County Judge stated that counties are in need of additional enabling legislation to effectively manage growth and enhance the sustained quality and security of their aquifers.

The Kinney County Judge suggested the need to consider conversion of irrigation-use water to domestic use as deemed appropriate by the Kinney County Groundwater Conservation District and applicable agricultural producers. The Judge also recommended state assistance in improving: 1) watershed and brush control management, 2) municipal delivery systems, 3) irrigation delivery systems, and 4) irrigation management strategies.

NON-SURVEYED AGGREGATE WATER USER GROUP PROCESS

Aggregate water user groups within the Plateau Region with projected water supply needs are expected to use private funding to cover the cost of developing the additional water supply infrastructure necessary to maintain their specific activity. Profit-driven economics will dictate whether or not this expenditure takes place. The RWPG members discussed each aggregate category and considered the actual path that a private owner would take in the likelihood that expansion became necessary. There was no expectation that owners would rely on any other source of funding than their own private sources. The following responses were thus developed for each aggregate water user group with an identified supply need.

Bandera County Mining

Capital Cost: \$18,000

Strategy Name:

#10-7 Additional private wells

Probable Funding Mechanism:

Mining companies will privately finance the drilling and completion of a sufficient number of additional water wells necessary to met their anticipated water-supply needs.

Edwards County Irrigation

Capital Cost: \$80,000

Strategy Name:

#69-1 Additional private wells

#69-2 Expanded use of existing wells

#69-3 Conservation technology and equipment

Probable Funding Mechanism:

Irrigation water-supply shortages are primarily the result of insufficient available surface water during drought periods. Switching to existing private water wells will primarily generate the desired additional water. If individual irrigators do not currently have existing wells, they have the option to privately finance the drilling of new wells. If economically feasible, the individual irrigators are expected to involve conservation techniques including the purchase and use of more conservation compatible equipment.

Edwards County Livestock

Capital Cost: \$70,000

Strategy Name:

#69-4 Expanded use of existing wells

#69-5 Additional private wells

Probable Funding Mechanism:

Livestock water-supply shortages are primarily the result of insufficient available surface water during drought periods. Switching to existing private water wells will primarily generate the desired additional water. If individual Livestock ranchers do not currently have existing wells, they have the option to privately finance the drilling of new wells.

Kerr County Irrigation

Capital Cost: \$320,000

Strategy Name:

#133-17 Additional private wells

#133-18 Expanded use of existing wells

#133-19 Conservation technology and equipment

Probable Funding Mechanism:

Irrigation water-supply shortages are primarily the result of insufficient available surface water during drought periods. Switching to existing private water wells will primarily generate the desired additional water. If individual irrigators do not currently have existing wells, they have the option to privately finance the drilling of new wells. If economically feasible, the individual irrigators are expected to involve conservation techniques including the purchase and use of more conservation compatible equipment.

Kerr County Livestock

Capital Cost: \$252,000

Strategy Name:

#133-20 Expanded use of existing wells

#133-21 Additional private wells

#133-22 Expanded use of existing wells

#133-23 Additional private wells

Probable Funding Mechanism:

Livestock water-supply shortages are primarily the result of insufficient available surface water during drought periods. Switching to existing private water wells will primarily generate the desired additional water. If individual Livestock ranchers do not currently have existing wells, they have the option to privately finance the drilling of new wells.

Kerr County Mining

Capital Cost: \$18,000

Strategy Name:

#133-24 Additional private wells

Probable Funding Mechanism:

Mining companies will privately finance the drilling and completion of a sufficient number of additional water wells necessary to met their anticipated water-supply needs.

Kinney County Livestock

Capital Cost: \$366,000

Strategy Name:

#136-3 Expanded use of existing wells

#136-4 Additional private wells

Probable Funding Mechanism:

Livestock water-supply shortages are primarily the result of insufficient available surface water during drought periods. Switching to existing private water wells will primarily generate the desired additional water. If individual Livestock ranchers do not currently have existing wells, they have the option to privately finance the drilling of new wells.

Real County Mining

Capital Cost: \$18,000

Strategy Name:

#193-5 Additional private wells

Probable Funding Mechanism:

Mining companies will privately finance the drilling and completion of a sufficient number of additional water wells necessary to met their anticipated water-supply needs.

Val Verde County Livestock

Capital Cost: \$144,000

Strategy Name:

#233-1 Expanded use of existing wells

#233-2 Additional private wells

Probable Funding Mechanism:

Livestock water-supply shortages are primarily the result of insufficient available surface water during drought periods. Switching to existing private water wells will primarily generate the desired additional water. If individual Livestock ranchers do not currently have existing wells, they have the option to privately finance the drilling of new wells.

Val Verde County Mining

Capital Cost: \$20,000

Strategy Name:

#233-3 Additional private wells

Probable Funding Mechanism:

Mining companies will privately finance the drilling and completion of a sufficient number of additional water wells necessary to met their anticipated water-supply needs.

STATE ROLE IN FINANCING WATER SUPPLY PROJECTS

This section contains the Plateau RWPG's response to the following question:

What is the proper role(s) for the State in financing water supply projects identified in the approved regional water plans? (Paraphrased from TWC §16.053(q)(2) added in Senate Bill 2, 77th Texas Legislature, Regular Session)

The Plateau Regional Water Planning Group (PRWPG) acknowledges that the availability and accessibility of adequate funds to finance identified infrastructure needs is essential to the health, welfare, and economic vitality of the region and the state. To achieve a level of infrastructure stability, the PRWPG supports the financing policy recommendations set forth in the *Water for Texas – 2002 State Water Plan*. Specific issues of concern to the PRWPG include the following:

- A centralized office should be designated to access information pertaining to all state and federal funding programs. The function of this office would not be to distribute funds, but rather to assist potential recipients in identifying appropriate fund sources. Where appropriate, the office should identify potential sources that can be matched with greatest effect and at least cost to the consumer.
- It is expected that many water sources used to meet future supply needs will be located at ever increasing distances from demand centers. A significant influence on cost to the consumer for these supplies arises in the expense of transportation. The State should continue its efforts to identify the most economical means of moving water from its source to its final destination.
- The State legislature should increase the availability of infrastructure financing funds for water suppliers/users and should assume approximately 80 percent of new infrastructure cost.

- It is obvious that the state and federal agencies cannot bear the total cost of future infrastructure requirements. A major portion of these costs must be assumed locally. Therefore, consumption use fees must increase accordingly. As fees increase, a greater level of conservation is likely to follow. Under no circumstances should utility revenues be obtained through income or property taxes. Also, to prevent negative impact to local economies, utilities should not be burdened with a greater percentage of the cost than they currently bear. Likewise, a sliding scale for consumptive use fees should be established by utilities such that lower-income water consumers will not be costed out of an adequate safe drinking-water supply.
- The State should step up its efforts to assist water utilities in identifying and repairing water distribution leaks. It is recognized that a number of communities in the Plateau Region, and likely throughout the state, experience significant losses through pipeline leaks. Fixing this problem is usually significantly less expensive than developing and treating additional supplies.
- The State should assist water users in improving inefficient water use and development of more conservative practices.
- The RWPG supports the use of “Private Activity Bonds” for generating additional infrastructure financing revenues.
- The RWPG also encourages the State to assist in the establishment of an interstate pipeline network to transport water.

TABLE 1. PLATEAU REGION INFRASTRUCTURE FINANCE SURVEY RESULTS

Name	Strategy	Capital Cost	Strategy Implementation Date	How much can entity afford from current revenue source?	If Accessing State Program, how much can entity afford from current revenue source?	How much is entity unable to pay for the strategy?	Remarks
CITY OF KERRVILLE	ADDITIONAL WELLS IN REMOTE WELL FIELD	\$7,512,000	2000	\$0	\$0	\$0	Rate increase, State funding, debt
CITY OF KERRVILLE	INCREASED WATER TREATMENT CAPACITY	\$7,080,000	2000	\$2,500,000	\$0	\$4,550,000	Rate increase, State funding, debt
CITY OF KERRVILLE	INCREASED WATER TREATMENT CAPACITY	\$6,250,000	2000	\$2,500,000	\$0	\$3,750,000	Rate increase, State funding, debt
CITY OF KERRVILLE	OBTAIN ADDITIONAL / MODIFY EXISTING WATER RIGHTS	\$0	2000	\$300,000	\$0	Amount above \$300,000	Rate increase, State funding
CITY OF KERRVILLE	PURCHASE RAW WATER FROM UGRA	\$0	2000	\$0	\$0	All costs associated	Rate increase, State funding
CITY OF LEAKEY	ADDITIONAL WELLS	\$48,000	2030	NR	NR		Survey not returned
BANDERA COUNTY-OTHER	ADDITIONAL PRIVATE DOMESTIC WELLS	\$637,000	2000	NA	NA	NA	Privately funded
BANDERA COUNTY-OTHER	ADDITIONAL PRIVATE DOMESTIC WELLS	\$37,744,000	2000	NA	NA	NA	Privately funded
BANDERA COUNTY-AQUA SOURCE	ADDITIONAL SYSTEM WELLS	\$180,000	2000	NR	NR	NR	Survey not returned
BANDERA COUNTY-AQUA SOURCE	EXPANDED USE OF EXISTING WELLS	\$0	2000	NR	NR	NR	Survey not returned
BANDERA COUNTY-OTHER	ADDITIONAL PRIVATE WELLS	\$3,521,000	2000	NA	NA	NA	Privately funded
KINNEY COUNTY-OTHER	ADDITIONAL PRIVATE WELLS	\$714,000	2000	NA	NA	NA	Privately funded
KINNEY COUNTY-OTHER	ADDITIONAL PRIVATE WELLS	\$888,000	2000	NA	NA	NA	Privately funded
BANDERA COUNTY-MINING	ADDITIONAL WELLS	\$18,000	2000	AC	AC	AC	Privately funded
KERR COUNTY-MINING	ADDITIONAL WELLS	\$18,000	2000	AC	AC	AC	Privately funded
REAL COUNTY-MINING	ADDITIONAL WELLS	\$18,000	2000	AC	AC	AC	Privately funded
VAL VERDE COUNTY-MINING	ADDITIONAL WELLS	\$20,000	2000	AC	AC	AC	Privately funded
EDWARDS COUNTY-IRRIGATION	ADDITIONAL WELLS	\$80,000	2000	AC	AC	AC	Privately funded
EDWARDS COUNTY-IRRIGATION	CONSERVATION TECHNOLOGY AND EQUIPMENT	\$0	2000	AC	AC	AC	Privately funded
EDWARDS COUNTY-IRRIGATION	EXPANDED USE OF EXISTING WELLS	\$0	2000	AC	AC	AC	Privately funded
KERR COUNTY-IRRIGATION	ADDITIONAL WELLS	\$320,000	2000	AC	AC	AC	Privately funded
KERR COUNTY-IRRIGATION	CONSERVATION TECHNOLOGY AND EQUIPMENT	\$0	2000	AC	AC	AC	Privately funded
KERR COUNTY-IRRIGATION	EXPANDED USE OF EXISTING WELLS	\$0	2000	AC	AC	AC	Privately funded
EDWARDS COUNTY-LIVESTOCK	ADDITIONAL WELLS	\$70,000	2000	AC	AC	AC	Privately funded
EDWARDS COUNTY-LIVESTOCK	EXPANDED USE OF EXISTING WELLS	\$0	2000	AC	AC	AC	Privately funded
KERR COUNTY-LIVESTOCK	ADDITIONAL WELLS	\$192,000	2000	AC	AC	AC	Privately funded
KERR COUNTY-LIVESTOCK	EXPANDED USE OF EXISTING WELLS	\$0	2000	AC	AC	AC	Privately funded
KERR COUNTY-LIVESTOCK	ADDITIONAL WELLS	\$60,000	2000	AC	AC	AC	Privately funded
KERR COUNTY-LIVESTOCK	EXPANDED USE OF EXISTING WELLS	\$0	2000	AC	AC	AC	Privately funded
KINNEY COUNTY-LIVESTOCK	ADDITIONAL WELLS	\$386,000	2000	AC	AC	AC	Privately funded
KINNEY COUNTY-LIVESTOCK	EXPANDED USE OF EXISTING WELLS	\$0	2000	AC	AC	AC	Privately funded
VAL VERDE COUNTY-LIVESTOCK	ADDITIONAL WELLS	\$144,000	2000	AC	AC	AC	Privately funded
VAL VERDE COUNTY-LIVESTOCK	EXPANDED USE OF EXISTING WELLS	\$0	2000	AC	AC	AC	Privately funded

NA = Non Applicable. Entity surveyed (County Judge) is not responsible for implementing this strategy. Total capital costs will likely be incurred by private citizens or business owners.

NR = No Response. Entity did not respond to survey.

AC = Aggregate Category. Regional Planning Group provided a response in the text of this report.

APPENDIX 1
WATER INFRASTRUCTURE FINANCE SURVEY

Name of Political Subdivision: _____

Water Management Strategy Name: _____

Capital Cost: _____

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ _____.

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ _____.

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ _____.

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider?

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy.

APPENDIX 2

SURVEY RECIPIENT CONTACT DOCUMENTATION

Survey recipient: Bandera County
Date survey mailed: February 22, 2002
Date of first follow-up contact: February 26, 2002
Method of contact: Telephone (830) 796-3781
Person contacted: County Judge Richard A. Evans
Date of second follow-up contact: March 21, 2002
Method of contact: Telephone
Person contacted: Ms. Ann Wallen
Date survey received: March 25, 2002

Survey recipient: Kinney County
Date survey mailed: February 22, 2002
Date of first follow-up contact: February 26, 2002
Method of contact: Telephone (830) 563-2401
Person contacted: County Judge Herbert Senne
Date survey received: March 1, 2002

Survey recipient: City of Kerrville
Date survey mailed: February 22, 2002
Date of first follow-up contact: February 26, 2002
Method of contact: Telephone (830) 792-8380
Person contacted: Mr. Kevin Laughlin
Date survey received: April 15, 2002

Survey recipient: City of Leakey
Date survey mailed: February 22, 2002
Date of first follow-up contact: February 26, 2002
Method of contact: Telephone (830) 232-6765
Person contacted: Mr. Larry Chisum (call not returned)
Date of second follow-up contact: April 19, 2002
Method of contact: Telephone (830) 232-6727
Person contacted: Mr. Larry Chisum (call not returned)
Date of third follow-up contact: April 19, 2002
Method of contact: Telephone (830) 232-5304
Person contacted: Judge Sansom (requested help in making contact)
Date survey received: Survey not returned

Survey recipient: Aqua Source (Bandera County)
Date survey mailed: February 22, 2002
Date of first follow-up contact: February 26, 2002
Method of contact: Telephone (512) 847-2972 Lakewood office
Telephone (512) 670-7625 Pflugerville office
Person contacted: Mr. Craig Sherwood (call not returned)
Date of second follow-up contact: April 19, 2002
Method of contact: Telephone (512) 847-2972 Lakewood office
Person contacted: Mr. Craig Sherwood (call not returned)
Date survey received: Survey not returned

APPENDIX 3
TWDB DRAFT REPORT COMMENTS

1. The survey results were not summarized.
2. The report does not include copies of the raw survey results. Please include copies of raw survey results.
3. The report does not include a summary of the number of survey responses or survey response rate. Please briefly summarize survey responses.
4. The report did not include any discussions on the proper role for the state in financing water supply projects, however, It is the Contract Manager's understanding that this subject will be discussed at the May 23, 2002 Regional Water Planning Group meeting. Please include this information in the Final Report.
5. The data table was prepared in accordance with Contract No. 2002-483-438.

**APPENDIX 4
COPIES OF SURVEYS**

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: City of Kerrville

Water Management Strategy Name: Strategy #133-5B Increased water treatment plant and ASR capacity

Capital Cost: \$7,050,000

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ 2,500,000 .

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ 0.00 .

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ 4,550,000 .

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

- Rate Increase

- The City would consider all state funding

sources available.

- Debt.

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: City of Kerrville

Water Management Strategy Name: Strategy #133-5A Increased water treatment plant capacity

Capital Cost: \$6,250,000

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ 2,500,000.

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ 0.00.

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ 3,750,000.

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

- Rate increase

- State funding

- Dept.

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

Yes

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: City of Kerrville

Water Management Strategy Name: Strategy #133-4 Additional wells in a remote well field

Capital Cost: \$7,512,000

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ 0.00.

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ 0.00.

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ All cost associated.

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

- Rate increase

- State funding

- Dept.

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

Yes

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: City of Kerrville

Water Management Strategy Name: Strategy #133-1 Obtain additional or modify existing water rights

Capital Cost: No cost estimated

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ 300,000.

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ 0.00.

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$. Any amount above \$300k

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

- Rate increase

- Any state funding

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

Yes

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: City of Kerrville

Water Management Strategy Name: Strategy #133-2 Purchase raw water from UGRA

Capital Cost: No cost estimated

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ 0.00.

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ 0.00.

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ All cost associated

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

- Rate increase

- Any State funding

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

Yes

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: **Bandera County**

Water Management Strategy Name: **Strategy #10-3 Guadalupe River Basin
Additional private domestic wells**

Capital Cost: **\$637,000**

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ N/A.

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ N/A.

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ N/A.

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

N/A

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

BANDERA COUNTY HAS ALREADY IMPLEMENTED

MINIMUM LOT SIZES AND REQUIRES A WATER

AVAILABILITY STUDY BEFORE A NEW SUBDIVISION

CAN BE APPROVED, WITHOUT MORE ENACTING

LEGISLATION COUNTIES ARE UNABLE TO MANAGE

GROWTH WITH ANY EFFECTIVENESS. THE ABILITY TO

REQUIRE PUBLIC WATER SYSTEMS WITH THE ACCOMPANYING

RESTRICTIONS AND REPORTING REQUIREMENTS FOR DEVELOPMENTS

WOULD GREATLY ENHANCE THE SUSTAINED QUALITY AND SECURITY
OF OUR AQUIFER,

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: **Bandera County**

Water Management Strategy Name: **Strategy #10-4 San Antonio River Basin
Additional private domestic wells**

Capital Cost: **\$37,744,000**

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ N/A.

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ N/A.

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ N/A.

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

N/A

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

DANDERA COUNTY HAS ALREADY IMPLEMENTED MINIMUM
LOT SIZES AND REQUIRES A WATER AVAILABILITY STUDY BEFORE
A NEW SUBDIVISION CAN BE APPROVED WITHOUT MORE
ENACTING LEGISLATION, COUNTIES ARE UNABLE TO MANAGE
GROWTH WITH ANY EFFECTIVENESS. THE ABILITY TO REQUIRE
PUBLIC WATER SYSTEMS WITH THE ACCOMPANYING RESTRICTIONS
AND REPORTING REQUIREMENTS FOR DEVELOPMENTS WOULD GREATLY
ENHANCE THE SUSTAINED QUALITY AND SECURITY OF OUR AQUIFER.

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: **Bandera County**

Water Management Strategy Name: **Strategy #10-6 Nueces River Basin
Additional private domestic wells**

Capital Cost: **\$3,521,000**

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ N/A.

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ N/A.

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ N/A.

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

N/A

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

BANDERA COUNTY HAS ALREADY IMPLEMENTED MINIMUM
LOT SIZES AND REQUIRES A WATER AVAILABILITY STUDY BEFORE
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PUBLIC WATER SYSTEMS WITH THE ACCOMPANYING RESTRICTIONS
AND REPORTING REQUIREMENTS FOR DEVELOPMENTS WOULD GREATLY
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WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: Kinney County

Water Management Strategy Name: Strategy #136-1 Nueces River Basin
Additional private domestic wells

Capital Cost: \$714,000

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ NOT APPROPRIATE

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ NOT APPROPRIATE

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ N/A.

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

N/A

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

Proposed strategy described does in part match plans. However,

the conversion of water currently used to irrigate various

agricultural crops to domestic use as deemed appropriate by the

Kinney County Groundwater Conservation District, and the

applicable agricultural crop producer(s) is also a realistic strategy.

ADDITIONAL STRATEGIES SHOULD INCLUDE:

- 1) Watershed treatment measures which enhance water infiltration rather than overland flow (flooding). Measures should include accelerated brush control coupled with sound grazing management principles.
- 2) Improved delivery systems of water within the corporate city limits.
- 3) Improved irrigation water delivery systems for agricultural land currently used for crop production.
- 4) Improved irrigation water management strategies which align with proven technology.

WATER INFRASTRUCTURE FINANCING SURVEY

Instructions: For each of the recommended strategies in the regional water plan to meet your water needs, please fill in the water management strategy name and cost. Answers to the following questions should be provided for each strategy. Use a new sheet for each water management strategy.

Name of Political Subdivision: Kinney County

Water Management Strategy Name: Strategy #136-2 Rio Grande River Basin
Additional private domestic wells

Capital Cost: \$868,000

1. Using current utility revenue sources, including implementing necessary rate and tax increases, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above?

The political subdivision can afford to pay \$ NOT APPROPRIATE

2. If you could access the State Participation Program, how much of the capital cost is the political subdivision able to pay for the water management strategy identified above using current utility revenue sources, including implementing necessary rate and tax increases?

The political subdivision can afford to pay \$ NOT APPROPRIATE

3. How much of the capital cost is the political subdivision unable to pay for the water management strategy identified above?

The political subdivision cannot afford to pay \$ N/A.

4. For the costs the political subdivision cannot pay, what option(s) is proposed? What, if any, state funding sources would the political subdivision consider? (Use additional sheets, if necessary)

N/A

5. Does the water management strategy described in the attached material match your plans for meeting your water supply needs? If not, please describe your proposed strategy (use additional sheets if necessary).

Proposed strategy described does in part match plans. However,
the conversion of water currently used to irrigate various
agricultural crops to domestic use as deemed appropriate by the
Kinney County Groundwater Conservation District, and the
applicable crop producer(s) is also a realistic strategy.

ADDITIONAL STRATEGIES SHOULD INCLUDE:

- 1) Watershed treatment measures which enhance water infiltration rather than overland flow (flooding). Measures should include accelerated brush control coupled with sound grazing management principles.
- 2) Improved delivery systems of water within the corporate city limits.
- 3) Improved irrigation water delivery systems for agricultural land currently used for crop production.
- 4) Improved irrigation water management strategies which align with proven technology.