

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 included in the 2006 regional water plan. 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 January 2006 regional water plan.

9.2 Objectives of the Infrastructure Financing Report

The primary objectives of the Infrastructure Financing Report are as follows:

- 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.

9.3 Methods and Procedures

For the Coastal Bend Regional Water Planning Area, municipal water user groups having water needs and recommended water management strategies in the regional plan with an associated capital cost were surveyed using the questionnaire provided by the TWDB, included in Appendix M.¹ For individual cities the survey was mailed to either the mayor or the assistant (city) manager.

The surveys were mailed via first class U.S. Mail, along with supporting documentation that summarized the water management strategies included in the regional plan for that entity. Follow-up phone calls and emails were conducted with cities who did not respond by the initial deadline.

9.4 Survey Responses

The Coastal Bend RWPG mailed three survey packages — one to the City of Corpus Christi, one to San Patricio Municipal Water District; and one to the City of Lake City.

¹ Based on TWDB guidance, surveys were sent to wholesale water provider if their customers showed shortages.

Responses were received from the City of Corpus Christi and SPMWD. Copies of the completed surveys and related documentation are included in Appendix M. As shown in Table 9-1, the two responses represent about 99.7 percent of the estimated capital costs of water management strategies included in the Coastal Bend Regional Water Plan. Of those responding, for which total capital costs are \$54 million², the survey shows that approximately \$49 million (90 percent of the total capital costs) would be financed through bonds. Approximately \$5 million (9.7 percent of the total capital costs) would be financed through State Government programs. According to SPMWD, the only project that would be funded and completed by the District would be the Gulf Coast Aquifer supply, and all other projects will be funded through water rates with the City of Corpus Christi providing initial funding. It is also important to note that it is unclear how the remaining 0.3 percent of the capital costs (\$186,000 for those who did not respond to the survey) would be financed. Table 9-2 provides a brief summary of responses from all utilities that provided written comments.

With respect to the role of the State in financing the recommended water supply projects, significant State participation is required in order to provide adequate funding for the implementation of water management strategies in the plan.

² The total water supplied by all water management strategies exceeds projected water needs and it is anticipated that not all water management strategies will be implemented. Total cost is based on average unit cost of strategies (\$621/acft) and amount of water needed to meet projected water demands.

Table 9-1. Summary of Survey Responses for Coastal Bend Region (Region N)

Name of Political Subdivision	Recommended Project/Strategy	Implementation Date	Total Capital Cost to be paid by Political Subdivision	ID # from DB07	Planning on Implementing the recommended Strategy? (Y/N)	If 'no' explanation of how they will meet future water needs.	% Other	% Government Programs - State	TOTAL % (should be 100%)	Name of Contact Person	Title	Phone		
City of Corpus Christi	Reclaimed Wastewater Supplies;	Current	\$54,285,504 ^a	N5	Y									
	Gulf Coast Aquifer Supplies;	By 2010		N7	Y									
	Ganwood Pipeline;	By 2030		N14	Y									
	Voluntary Redistribution and USCOE Nueces Feasibility Projects;	By 2020; full implementation by 2040		N12	Y				10%	90%	100%	Ronald Massey	Assistant City Manager Public Works/Utility	361-826-3217
	Stage II Lake Texana	By 2060		N13	Y									
San Patricio Municipal Water District	Reclaimed Wastewater Supplies;	Current	\$54,285,504 ^a	N5	N ^b	Indirect participation in project (see note).								
	Gulf Coast Aquifer Supplies;	By 2010		N7	Y				100%					
	Ganwood Pipeline;	By 2030		N14	N ^b		Indirect participation in project (see note).							
	Voluntary Redistribution and USCOE Nueces Feasibility Projects;	By 2020; full implementation by 2040		N12	N ^b		Indirect participation in project (see note).							
	Stage II Lake Texana	By 2060		N13	N ^b		Indirect participation in project (see note).							
DID NOT RESPOND														
Lake City	Drill Additional Well- Gulf Coast Aquifer Supplies	By 2020	\$186,000	N7										

^a The total water supplied by all water management strategies exceeds projected water needs and it is anticipated that not all water management strategies will be implemented. Total cost is based on average unit cost of strategies and amount of water needed to meet projected water demands.

^b Note: Although SPMWD may receive water supply from recommended projects, these projects would be funded through water rates from all raw water customers with the

Table 9-2.
Survey Responses — Comments and Proposed Options
Coastal Bend Regional Water Planning Area

City of Corpus Christi	The total cost of capital improvements was discounted 10% to account for State Participation Program portion of funding Texana Stage II.
San Patricio Municipal Water District	Only the Gulf Coast Aquifer supply project would be funded and completed by the District. If project moves forward, funding would come from private bond placement.