

Section 9
Report to the Legislature on
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 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 Brazos G Regional Water Planning Area, all 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 (Exhibit 9-A). For individual cities the survey was mailed to either the mayor or the 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.

9.4 Survey Responses

The Brazos G RWPG mailed survey packages to 29 municipal water user groups and received 10 responses, a 34 percent response rate. Copies of the completed surveys and related documentation are included in Exhibit 9-B. As shown in Table 9-1, the 10 responses represent about 89 percent of the estimated capital costs of water management strategies included in the

Table 9-1.
Summary of Survey Responses

| Name of Political Subdivision | Recommended Project/Strategy | Implementation Date | Capital Cost to be Paid by Political Subdivision | Planning on the Implementing Recommended Strategy? (Y/N) | Cash Reserves | Bonds | Bank Loans | Govt. Programs (Federal) | Govt. Programs (State) | Other |
|-------------------------------|--|---------------------|--|--|---------------------|----------------------|------------|--------------------------|------------------------|---------------------|
| Brazos River Authority | BRA System Operation | 2007 | \$ 221,630,000 | Y | \$4,432,600 | \$128,545,400 | \$0 | \$44,326,000 | \$44,326,000 | \$0 |
| Brazos River Authority | Groundwater Development | 2015 | \$ 238,641,000 | Y | \$4,772,820 | \$138,411,780 | \$0 | \$47,728,200 | \$47,728,200 | \$0 |
| Brazos River Authority | Lake Granger Augmentation | 2045 | \$ 303,288,000 | Y | \$6,065,760 | \$175,907,040 | \$0 | \$60,657,600 | \$60,657,600 | \$0 |
| Childress Creek WSC | Purchase water from City of Clifton | 2007 | \$ 2,299,000 | Y | \$229,900 | \$0 | \$0 | \$0 | \$2,069,100 | \$0 |
| City of Abilene | Water Supply from WCB SOP | 2007 | \$ 99,027,500 | Y | \$0 | \$40,601,275 | \$0 | \$18,815,225 | \$39,611,000 | \$0 |
| City of Cedar Park | Purchase water from LCRA | 2025 | \$ 81,748,000 | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| City of Round Rock | Reuse | 2007 | \$ 6,369,000 | Y | \$0 | \$4,776,750 | \$0 | \$0 | \$636,900 | \$855,350 |
| City of Round Rock | LCRA/BRA Alliance | 2015 | \$ 101,336,000 | Y | \$0 | \$76,002,000 | \$0 | \$0 | \$10,133,900 | \$15,200,400 |
| City of Round Rock | Lake Granger Augmentation | 2045 | \$ 83,642,581 | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Johnson County SUD | Reuse from Trinity River Authority | 2025 | \$ 79,257,000 | Y | \$2,377,710 | \$37,250,790 | \$0 | \$0 | \$39,628,500 | \$0 |
| Lee County WSC | Carrizo-Wilcox Aquifer Development | 2007 | \$ 1,762,000 | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| North Central Texas MWA | Lake Creek Diversion | 2007 | \$ 18,222,000 | Y | \$911,100 | \$6,559,920 | \$0 | \$4,191,060 | \$6,559,920 | \$0 |
| Palo Pinto County MWD #1 | Lake Palo-Pinto OCR | 2035 | \$ 19,314,000 | Y | \$4,249,080 | \$15,064,920 | \$0 | \$0 | \$0 | \$0 |
| West Central Texas MWD | West Central Brazos System Optimization Plan | 2007 | \$ 99,027,500 | Y | \$0 | \$40,601,275 | \$0 | \$18,815,225 | \$39,611,000 | \$0 |
| | Totals | | \$1,355,563,581 | | \$25,038,970 | \$663,721,150 | \$0 | \$194,533,310 | \$290,961,820 | \$16,155,750 |
| DID NOT RESPOND | | | | | | | | | | |
| Aqua WSC | Carrizo-Wilcox Aquifer Development | 2015 | \$ 1,047,000 | | | | | | | |
| Chisholm Trail SUD | Lake Granger Augmentation | 2045 | \$ 18,518,000 | | | | | | | |
| City of Bryan | Wastewater Reuse | 2045 | \$ 6,485,000 | | | | | | | |
| City of Bryan | Carrizo-Wilcox Aquifer Development | 2045 | \$ 2,384,286 | | | | | | | |
| City of College Station | Wastewater Reuse | 2035 | \$ 2,358,000 | | | | | | | |
| City of College Station | Carrizo-Wilcox Aquifer Development | 2015 | \$ 33,380,000 | | | | | | | |
| City of Florence | Groundwater Development | 2025 | \$ 803,500 | | | | | | | |
| City of Gliddings | Carrizo-Wilcox Aquifer Development | 2025 | \$ 2,099,000 | | | | | | | |
| City of Groesbeck | Carrizo-Wilcox Aquifer Development | 2055 | \$ 566,000 | | | | | | | |
| City of Liberty Hill | Purchase from LCRA | 2007 | \$ 10,217,000 | | | | | | | |
| City of Martin | Bushy Creek Reservoir | 2007 | \$ 6,301,610 | | | | | | | |
| City of Meridian | Purchase water from City of Clifton | 2007 | \$ 2,261,000 | | | | | | | |
| City of Rising Star | Voluntary Redistribution | 2007 | \$ 50,000 | | | | | | | |
| City of Rising Star | Nitrate Treatment | 2007 | \$ 694,000 | | | | | | | |
| City of Strawn | Purchase from Eastland Co. WSD | 2015 | \$ 1,488,262 | | | | | | | |
| City of Sweetwater | Champion Well Field | 2007 | \$ 17,060,471 | | | | | | | |
| City of Sweetwater | Wastewater Reuse | 2007 | \$ 2,115,000 | | | | | | | |
| City of Throckmorton | Midway Pipeline Project | 2007 | \$ 2,465,337 | | | | | | | |
| City of Valley Mills | Purchase water from City of Clifton | 2007 | \$ 3,916,000 | | | | | | | |
| City of Waco | Wastewater Reuse | 2007 | \$ 34,143,000 | | | | | | | |
| City of Walnut Springs | Purchase water from City of Clifton | 2007 | \$ 3,991,000 | | | | | | | |
| Southwest Miami WSC | Carrizo-Wilcox Aquifer Development | 2025 | \$ 2,079,000 | | | | | | | |
| Wickson Creek SUD | Carrizo-Wilcox Aquifer Development | 2007 | \$ 6,556,796 | | | | | | | |
| | Total | | \$ 160,979,252 | | | | | | | |

Regional Water Plan. Of those responding, for which total capital costs are \$1,355,563,581, the survey shows that approximately \$23 million (1.5 percent of the total capital costs) would be paid from local cash reserves. Approximately \$663.7 million (43.8 percent of the total capital costs) would be financed through bonds, \$194.5 million (12.8 percent of the total capital costs) would be paid with Federal Government programs, \$291 million (19.2 percent of the total capital costs) would be financed through State Government programs, and \$16.2 million (1.1 percent of the total capital costs) would be financed through other means. Some entities did not provide quantifiable responses to the survey due to concerns about data accuracy and the potential for the amounts given to be taken out of context. It is also important to note that it is unclear how the remaining 21.6 percent of the capital costs (\$328,131,833) (for those entities not responding or indicating that they would not implement the recommended plan) 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.

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

| | |
|-------------------------|--|
| ABILENE | Possible sources of State funding include the State Participation Fund, Drinking Water SRF, TWDB Fund II, Water Infrastructure Fund, and the Rural Water Assistance Fund. |
| BRAZOS RIVER AUTHORITY | See comments in Exhibit 9-B. |
| CEDAR PARK | The projected shortages in this plan are incorrect for Cedar Park. Cedar Park's water demand projections are for 18,600 acft/yr at full build out, which will result in a shortage of only 600 acft/yr. |
| CHILDRESS CREEK WSC | We are not prepared to implement a plan in 2007. Our needs probably need to be addressed around 2010 to 2015. We will however work with Region G and other Bosque County entities in implementing the plan, whatever the date. |
| JOHNSON COUNTY SUD | An engineering study is currently ongoing to search for alternative sources in the Trinity Basin to meet the future needs of our system in the Trinity Basin. |
| LEE COUNTY WSC | See comments in Exhibit 9-B. |
| NORTH CENTRAL TEXAS MWA | The TWDB's State Participation Program is needed to interim ownership of one-half of the additional water supply in excess of the existing customers' long-term needs. |
| ROUND ROCK | Does not plan on implanting the Lake Granger Augmentation project. |
| WEST CENTRAL TEXAS MWD | Possible sources of State funding include the State Participation Fund, Drinking Water SRF, TWDB Fund II, Water Infrastructure Fund, and the Rural Water Assistance Fund. |

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Exhibit 9-1
TWDB IFR Survey Form

Exhibit 9-B
IFR Survey Form Responses

INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

Abilene

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|---|---------------------|---|-----------------|
| Conservation | 2007 | \$0 | G2.1 |
| Water Supply from WCBSOP | 2007 | \$99,027,500 | G12.1, G26, G28 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Cost of Capital Improvements | | \$99,027,500 | |

Are you planning to implement the recommended projects/strategies? Yes xx No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s)¹ by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|---------------------|-------------|
| Cash Reserves | | |
| Bonds (General Obligation and Contract Revenue) | \$40,027,500 | |
| Bank Loans | | |
| Federal Government Programs | \$19,000,000 | |
| State Government Programs; i.e.: TWDB Funding Sources | \$40,000,000 | |
| Other | | |
| Total (Sum should equal 100 %) | \$99,027,500 | |

¹ Funding source refers to the initial capital funds needed to construct or implement a project, not the means of paying off loans or bonds used for the construction or implementation.

If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)

(See TWDB web site www.twdb.state.tx.us/Assistance.)

- | | |
|-----------------------------------|--------------------------------------|
| * State Participation Fund | * Water Infrastructure Fund |
| * Drinking Water SRF | * Rural Water Assistance Fund |
| * TWDB Fund II | |

Person Completing this form:

Tommy O'Brien

Name

Director Water Utilities

Title

325-676-6416

Phone No.

Please Return by October 21, 2005 to
 Ms. Teresa Clark
 Brazos River Authority
 P.O. Box 7555
 Waco, TX 76714

INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

Johnson County SUD

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|---|---------------------|---|----------------|
| Conservation | 2007 | \$0 | G2.1 |
| Reuse from Trinity River Authority | 2025 | \$79,257,000 | G11 |
| | | | |
| | | | |
| | | | |
| Total Cost of Capital Improvements | | \$79,257,000 | |

Are you planning to implement the recommended projects/strategies? Yes No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)

Engineering study is currently ongoing to search for alternative source options in the Trinity Basin to meet the future needs of our system in the Trinity basin.

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s) by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|-------------------|-------------|
| Cash Reserves | | <i>3%</i> |
| Bonds (General Obligation and Contract Revenue) | | <i>47%</i> |
| Bank Loans | | |
| Federal Government Programs | | |
| State Government Programs; i.e.: TWDB Funding Sources | | <i>50%</i> |
| Other | | |
| Total (Sum should equal 100 %) | | |

* Funding source refers to the initial capital funds needed to construct or implement a project, not the means of paying off loans or bonds used for the construction or implementation.

If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)

(See TWDB web site www.twdb.state.tx.us/Assistance.)

To be determined later

Person Completing this form:

Terry Kelley
Name

General Manager
Title

817-645-6646
Phone No.

Please Return by October 21, 2005 to

Ms. Tercsa Clark
Brazos River Authority
P.O. Box 7555
Waco, TX 76714

INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

Brazos River Authority

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|--|---------------------|---|----------------|
| BRA System Operation | 2007 | \$221,630,000 | HG01BRASYS |
| Groundwater Development (Carrizo-Wilcox) | 2015 | \$238,641,000 | G15.1 |
| BRA System Operation - Lake Granger Augmentation | 2045 | \$303,288,000 | G5 |
| Chloride Control Projects (not studied) | | | |
| | | | |
| Total Cost of Capital Improvements | | \$763,559,000 | |

Are you planning to implement the recommended projects/strategies? Yes X* No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)

* See Attached

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s)¹ by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|-------------------|-------------|
| Cash Reserves | | 2 |
| Bonds (General Obligation and Contract Revenue) | | 58 |
| Bank Loans | | |
| Federal Government Programs | | 20 |
| State Government Programs; i.e.: TWDB Funding Sources | | 20 |
| Other | | |
| Total (Sum should equal 100 %) | | 100 |

¹ Funding source refers to the initial capital funds needed to construct or implement a project, not the means of paying off loans or bonds used for the construction or implementation.

If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)

(See TWDB web site www.twdb.state.tx.us/Assistance.)

State Participation for excess capacity in regional systems.

Person Completing this form:

David C. Wheelock

Water Services Manager

254-761-3158

Name

Title

Phone No.

Please Return by October 21, 2005 to

Ms. Teresa Clark

Brazos River Authority

P.O. Box 7555

Waco, TX 76714

BRAZOS RIVER AUTHORITY
INFRASTRUCTURE FINANCING SURVEY ATTACHMENT
October 20, 2005

BRA System Operation: BRA is pursuing implementation of this strategy and anticipates receiving its water right permit for System Operation prior to 2010 at a cost of approximately \$5 - \$7 million. The estimated capital cost of \$221,630,000 shown in the Infrastructure Financing Survey for this strategy appears to be a summation of costs for infrastructure related to various intake, transmission, and treatment systems as detailed in Volume II of the Plan. Implementation of these systems and associated costs will be incurred at various points later in the 55-year planning period.

Groundwater Development (Carrizo-Wilcox): The Groundwater Development (Carrizo-Wilcox) project is a potential alternative to the BRA System Operation – Lake Granger Augmentation Project (See attached BRA comments on Initially Prepared Plan). It is unlikely that both projects would be implemented on the scale shown here. BRA is not currently pursuing implementation of this stand-alone project.

BRA System Operation – Lake Granger Augmentation: This project includes development of approximately 30,000 af/year of groundwater to use conjunctively with surface water from Lake Granger. BRA is pursuing implementation.

**BRAZOS RIVER AUTHORITY
DETAILED COMMENTS ON JUNE 2005 INITIALLY PREPARED
BRAZOS G REGIONAL WATER PLAN**

VOLUME I

SECTION 4A. – DEMAND/SUPPLY COMPARISON

Page 4A-13: Table 4A-6

- Regarding footnote 1 associated with Little River System, suggest listing or referencing another appropriate section of the report that details the future demand of 31,000 acre-feet (who, how much?) associated with the increase from 210,023 in 2040 to 241,023 in 2050.
- Regarding footnote 1 associated with Main Stem/Lower Basin System (Brazos G) suggest listing or referencing another appropriate section of the report that details how much of the projected demands are existing contracts/customers and how much/who are future demands met by BRA System Operations in Region G.
- Regarding footnote 2 associated with Main Stem/Lower Basin System (Region H), suggest final coordination with Region H and BRA to accurately list these demands so that there is consistency between the two plans.

SECTION 4C. – WATER SUPPLY PLANS

Page 4C-250, Section 4C.36.14: Liberty Hill WSC is in discussion with BRA on the possible purchase of water from Lake Stillhouse Hollow and participation in the WCRWL. Suggest coordination with Liberty Hill on adding this source of water as an alternative supply.

Pages 4C-263 & 264, Sections 4C.38.1.1 & 2: Suggest noting that the shortages stated for the Lake Aquilla System are based on a supply/contract amount comparison as opposed to a supply/demand comparison. Also suggest noting that the 2060 supply (yield) value used in the report is based on estimates of sedimentation resulting from a 1995 hydrographic survey of the lake. More recent modeling and hydrographic survey data has indicated lower sedimentation rates, which, if sustained, will result in a greater supply availability from Lake Aquilla. BRA is actively monitoring sedimentation in this reservoir and has participated in programs aimed at reducing the sediment load to the reservoir.

Page 4C-265, Section 4C.38.2.1: Suggest noting here that the shortages stated for the BRA Little River System are based on a supply/contract amount comparison as opposed to a supply/demand comparison, and that they also assume a demand from new contracts of 31,000 acft/yr by 2040 (see related comment above regarding page 4A-13, Table 4-6).

Page 4C-267, Table 4C.38-3: Suggest detailing the new supply resulting from BRA Systems Operation (Lake Granger Conjunctive Use Project) into its surface water (26,127 acft/yr) and groundwater (28,263 acft/yr) components as was done in Table ES-3 in the Executive Summary. Also suggest listing the stand alone Groundwater Development strategy (35,000 acft/yr) as an alternative as opposed to recommended.

Page 4C-267: Section 4C.38.3.1 – Suggest final coordination with BRA and Region H on values reported as shortages in this section and in Table 4C.38-4 (see related comment above regarding page 4A-13, Table 4-6).

INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

Cedar Park

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|---|---------------------|---|----------------|
| Conservation | 2007 | \$0 | G2.1 |
| Purchase water from LCRA | 2025 | \$81,748,000 | G11.2 |
| | | | |
| | | | |
| | | | |
| Total Cost of Capital Improvements | | \$81,748,000 | |

Are you planning to implement the recommended projects/strategies? Yes No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)
plan are incorrect for Cedar Park. The projected shortages in this plan are incorrect for Cedar Park. Cedar Park's projections are for 18,600 ac-ft at full build out. A shortage of only 600 ac-ft

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s)¹ by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|-------------------|-------------|
| Cash Reserves | | |
| Bonds (General Obligation and Contract Revenue) | | |
| Bank Loans | | |
| Federal Government Programs | | |
| State Government Programs; i.e.: TWDB Funding Sources | | |
| Other | | |
| Total (Sum should equal 100 %) | | |

¹ Funding source refers to the initial capital funds needed to construct or implement a project, not the means of paying off loans or bonds used for the construction or implementation.

If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)

(See TWDB web site www.twdb.state.tx.us/Assistance.)

Person Completing this form:

Kenneth Wheeler
Name

Utility Treatment Mgr.
Title

512-258-4121
Phone No.

Please Return by October 21, 2005 to

Ms. Teresa Clark
Brazos River Authority
P.O. Box 7555
Waco, TX 76714

OCT 19 AM 10:33

ext. 6350

RECEIVED

INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

Childress Creek WSC

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|---|---------------------|---|----------------|
| Purchase water from City of Clifton | 2007 | \$2,299,000 | G14.1 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Cost of Capital Improvements | | \$2,299,000 | |

Are you planning to implement the recommended projects/strategies? Yes No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)
We are not prepared to implement a plan in 2007. Our needs probably need to be addressed around 2010 - 2015. We will however work with Region G and other Bosque County entities in implementing the plan whatever the date.

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s)¹ by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|---------------------|--------------|
| Cash Reserves | <i>as available</i> | <i>10 %</i> |
| Bonds (General Obligation and Contract Revenue) | | |
| Bank Loans | | |
| Federal Government Programs | | |
| State Government Programs; i.e.: TWDB Funding Sources | | <i>90 %</i> |
| Other | | |
| Total (Sum should equal 100 %) | | <i>100 %</i> |

¹ Funding source refers to the initial capital funds needed to construct or implement a project, not the means of paying off loans or bonds used for the construction or implementation.

If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)

(See TWDB web site www.twdb.state.tx.us/Assistance.)

We will use any state program available to us.

Person Completing this form:

Calvin Zuerter
Name

President
Title

254.675.2603
Phone No.

Please Return by October 21, 2005 to
 Ms. Teresa Clark
 Brazos River Authority
 P.O. Box 7555
 Waco, TX 76714

**Lee County Water Supply Corp.
P.O. Box 8
1598 South Leon St
Giddings, TX 78942
Office 979-542-6213
Fax 979-542-7014**

November 1, 2005

**Ms. Teresa Clark
Brazos River Authority**

Lee County Water Supply Corp. sincerely apologizes for our tardiness with this form, how ever I believe the information we will provide you with will be of some consequent.

Lee County WSC began a study in early 1999 on the development of the Carrizo-Wilcox, after our P.E.R. (Preliminary Engineering Report) and other studies necessary for funding through the USDA-RD,we began construction on this project finishing in 2003.

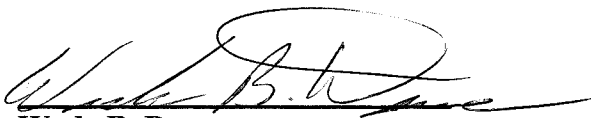
In the later part of 2003 Lee County WSC began production of these wells, sense this time all production from the Queen City has been discontinued.

At this time approximately 84.6% of our entire production comes from the Carrizo-Wilcox Aquifer with 15.6% coming from the Sparta.

At any given time Lee County WSC can serve its entire CCN with water from the Carrizo-Wilcox due to some good foresight by those in charge of this project.

We here at Lee County WSC are reporting our monthly water levels to the Lost Pines Ground Water District as to better manage the Aquifer.

**Respectfully;
Lee County Water supply Corp.**



**Wade B. Dane
Assistant Manager**

INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

Lee County WSC

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|---|---------------------|---|----------------|
| Carrizo-Wilcox Aquifer Development | 2007 | \$1,762,000 | G15.1 |
| Carrizo-Wilcox Aquifer Development "Wells" | 2003 | 1,271,099 | |
| Plant Facilities | 2003 | 1,911,702 | |
| Total Cost of Capital Improvements | | 3,182,801 | |
| Total Cost of Capital Improvements | | \$1,762,000 | |

Are you planning to implement the recommended projects/strategies? Yes No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)
See letter attached.

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s)¹ by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|-------------------|-------------|
| Cash Reserves | | |
| Bonds (General Obligation and Contract Revenue) | | |
| Bank Loans | | |
| Federal Government Programs | USDA-RD | 100% |
| State Government Programs; i.e.: TWDB Funding Sources | | |
| Other | | |
| Total (Sum should equal 100 %) | | 100% |

¹ Funding source refers to the initial capital funds needed to construct or implement a project, not the means of paying off loans or bonds used for the construction or implementation.

If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)
 (See TWDB web site www.twdb.state.tx.us/Assistance.)

Person Completing this form:

Wade B. Spivey
 Name

Asst. Mgr.
 Title

919-542-6213
 Phone No.

Please Return by October 21, 2005 to
 Ms. Teresa Clark
 Brazos River Authority
 P.O. Box 7555

INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

North Central Texas MWA

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|---|---------------------|---|----------------|
| Lake Creek Diversion w/ a Priority Calls Agreement with BRA | 2007 | \$18,222,000 | G28 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Cost of Capital Improvements | | \$18,222,000 | |

Are you planning to implement the recommended projects/strategies? Yes No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s)¹ by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|-------------------|-------------|
| Cash Reserves | Exist. Cust. | 5 |
| Bonds (General Obligation and Contract Revenue) | New Cust. | 36 |
| Bank Loans | | |
| Federal Government Programs | Grants | 23 |
| State Government Programs; i.e.: TWDB Funding Sources | Participation | 36 |
| Other (Devine Intervention) | | |
| Total (Sum should equal 100 %) | | 100 |

¹ Funding source refers to the initial capital funds needed to construct or implement a project, not the means of paying off loans or bonds used for the construction or implementation.

If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)

(See TWDB web site www.twdb.state.tx.us/Assistance.)

The TWDB's State Participation Program is needed for interim ownership of one-half of the additional water supply in excess of the existing customers long-term needs.

Person Completing this form:

Dolan Moore

Name

Brazos River Authority

Gen. Mgr.

Title

(940) 422-4051

Phone No.

Please Return by October 21, 2005 to

Ms. Teresa Clark
Brazos River Authority
P.O. Box 7555
Waco, TX 76714

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INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

Palo Pinto County MWD #1

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|---|---------------------|---|----------------|
| Lake Palo Pinto Off-Channel Reservoir | 2035 | \$19,314,000 | G13.5 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Cost of Capital Improvements | | \$19,314,000 | |

Are you planning to implement the recommended projects/strategies? Yes No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s)¹ by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|-------------------|-------------|
| Cash Reserves | X | 22 |
| Bonds (General Obligation and Contract Revenue) | X | 78 |
| Bank Loans | | |
| Federal Government Programs | | |
| State Government Programs; i.e.: TWDB Funding Sources | | |
| Other | | |
| Total (Sum should equal 100 %) | | 100 |

¹ Funding source refers to the initial capital funds needed to construct or implement a project, not the means of paying off loans or bonds used for the construction or implementation.

If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)

(See TWDB web site www.twdb.state.tx.us/Assistance.)

Person Completing this form:

Scott Blasor

Name

Secretary

Title

(940)328-7712

Phone No.

Please Return by October 21, 2005 to

Ms. Teresa Clark
 Brazos River Authority
 P.O. Box 7555
 Waco, TX 76714

INFRASTRUCTURE FINANCING SURVEY

To Obtain Financing Information from Water Suppliers with Water Needs

Brazos G Regional Water Planning Group

Water Supplier (WUG or WWP)

Round Rock

| Recommended Project/Water Management Strategy | Implementation Date | Capital Cost to be Paid by Water Supplier | ID # from DB07 |
|--|---------------------|---|----------------|
| Conservation | 2007 | \$0 | G2.1 |
| Reuse | 2007 | \$6,369,000 | G3 |
| LCRA/BRA Alliance | 2015 | \$101,336,000 | G11.2 |
| BRA System Operation - Lake Granger Augmentation | 2045 | \$83,642,581 | G5 |
| | | | |
| | | | |
| Total Cost of Capital Improvements | | \$191,347,581 | |

Are you planning to implement the recommended projects/strategies? Yes No

If "no," please describe how you will meet your future water needs? (Use additional pages if needed.)

LCRA/ BRA Alliance - Yes

Lake Granger Augmentation - No

If 'yes', how do you plan to finance the proposed total cost of capital improvements identified by the Brazos G Regional Water Planning Group, as listed above?

Please indicate:

- (1) Funding source(s)¹ by checking the corresponding row(s), and
- (2) Percent share of the total cost to be met by each funding source.

| Potential Funding Sources | Source to be Used | Percent (%) |
|---|-------------------|-------------|
| Cash Reserves | | |
| Bonds (General Obligation and Contract Revenue) | X | 75% |
| Bank Loans | | |
| Federal Government Programs | | |
| State Government Programs; i.e.: TWDB Funding Sources | X | 10% |
| Other Impact Fees | X | 15% |
| Total (Sum should equal 100 %) | | 100% |

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If state government programs are to be utilized for funding, indicate the programs and the provisions (shares) of those programs. (Attach additional pages if needed.)

(See TWDB web site www.twdb.state.tx.us/Assistance.)

Person Completing this form:

John Clark
Name

Director of Utilities 512-341-3146

Title

Phone No.

Please Return by October 21, 2005 to

Ms. Teresa Clark
Brazos River Authority
P.O. Box 7555
Waco, TX 76714

