



## Region F Water Planning Group

Freese and Nichols, Inc.  
LBG-Guyton Associates, Inc.  
Alan Plummer Associates, Inc.

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## 9 INFRASTRUCTURE FINANCING RECOMMENDATIONS

This plan has identified about \$1.2 billion in improvements (2002 dollars) needed by 2060 to meet the projected water demands in Region F. In response to potentially significant increases in state and local financial contributions for water infrastructure projects, the Texas Legislature requested that an infrastructure financing survey be conducted as part of the regional water planning process to better assess the State's role in financing the identified water projects. This chapter identifies the portion of capital improvements recommended for Region F that will require outside financial assistance and identify potential financing sources.

### 9.1 Surveys

The Region F consultants sent a survey about potential funding options as part of the strategy approval process. This survey was part of a package sent to municipal water user groups for comment and approval of strategies. The package included a description of the strategy, the impacts of the strategy and the costs of the strategy in addition to the financing survey. The descriptions of the strategies are the basis for the Chapter 4 of this plan. These packages were mailed out at various times in the planning process to 11 entities representing 31 water user groups in Region F with identified needs.

No attempt was made to survey needs for aggregated demands unless a specific entity could be identified as the sponsor of the strategy. Aggregated demands include County Other in the municipal category, as well as county-wide demands for irrigation, manufacturing, and steam-electric power generation. There are no identified needs for livestock. For the purposes of this plan, it can be assumed that financing for the irrigation conservation strategy will come primarily from state programs, while needs associated with manufacturing and steam-electric power generation will be met entirely with private funds.

One of the major strategies in the current Region F plan is the subordination strategy. Implementation of this strategy meets most of the municipal needs in Region F. Implementation and cost of this strategy is uncertain at this time. Therefore municipalities with needs that are

completely met by the subordination strategy were not surveyed as part of the planning process. Also, entities that have needs that are solely the result of contract expiration were not surveyed unless implementing a new contract was associated with infrastructure improvements.

Ten responses were obtained from the surveyed entities. Richland SUD declined to return a survey because they were uncertain how to meet standards for radionuclides. Table 9.1-1 summarizes the results of the survey. Table 9.1-1 gives a more detailed summary of the responses. The actual responses to the survey may be found in Appendix 9A.

Most survey respondents did not identify specific programs that would be used for financing. Federal funds seem to be a popular financing method for smaller communities, with state programs preferred by larger entities. Appendix 9B contains a summary of possible options for financing projects in Region F.

**Table 9.1-1**  
**Summary of Infrastructure Financing Surveys**

<b>Source of Funding</b>	<b>Cost</b>	<b>Percentage</b>
Cash Reserves	\$8,391,898	2%
Bonds	\$104,194,800	26%
Bank Loans	\$0	0%
Federal Programs	\$10,897,830	3%
State Programs	\$2,248,220	1%
Other	\$1,383,372	0%
Not Specified	\$268,289,650	68%
<i>Total Capital Costs</i>	<i>\$395,405,770</i>	<i>100%</i>

**Table 9.1-2  
Results of Infrastructure Financing Surveys**

Entity	Representing Water User Groups	Percentage						Cost							Comments	
		Cash Reserves	Bonds	Bank Loans	Federal Programs	State Programs	Other	Cash Reserves	Bonds	Bank Loans	Federal Programs	State Programs	Other	Not Specified		Total
City of Andrews	Andrews	50%			10%	40%		\$2,189,150	\$0	\$0	\$437,830	\$1,751,320	\$0	\$0	\$4,378,300	
	Andrews County Other (partial)															
City of Ballinger	Ballinger							\$0	\$0	\$0	\$0	\$0	\$0	\$1,980,000	\$1,980,000	Returned survey but did not specify programs
	Runnels County Other (partial)															
	Runnels County Manufacturing (partial)															
CRMWD	Big Spring	Yes	Yes		Yes	Yes		X	X	\$0	X	X	\$0	\$263,355,930	\$263,355,930	Indicated programs but did not identify specific percentages
	Howard County Manufacturing (partial)															
	Coahoma															
	Ector County UD															
	Odessa															
	Ector County Manufacturing (partial)															
	Snyder															
	Scurry County Other (partial)															
Stanton																
City of Bronte	Bronte Village	10%			90%			\$170,260	\$0	\$0	\$1,532,340	\$0	\$0	\$0	\$1,702,600	
City of Eden	Eden	12%					88%	\$179,918	\$0	\$0	\$0	\$0	\$1,319,402	\$0	\$1,499,320	Other specified as State and Federal grants
	Concho County Other (partial)															
City of Menard	Menard	5%			90%		5%	\$63,970	\$0	\$0	\$1,151,460	\$0	\$63,970	\$0	\$1,279,400	ORCA water improvements
	Menard County Other (partial)															
City of Midland	Midland	5%	90%		5%			\$5,788,600	\$104,194,800	\$0	\$5,788,600	\$0	\$0	\$0	\$115,772,000	
	Midland County Other (partial)															
	Midland County Manufacturing (partial)															
Richland SUD	Richland SUD							\$0	\$0	\$0	\$0	\$0	\$1,293,720	\$1,293,720	Declined to fill out survey	
City of Robert Lee	Robert Lee				80%	20%		\$0	\$0	\$0	\$1,987,600	\$496,900	\$0	\$0	\$2,484,500	TWDB loans and/or grants, Texas Community Development Grant Program
	Coke County Other (partial)															
City of San Angelo	San Angelo	10%	40%		50%			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	TWDB State Revolving Funds & TWDB Demonstration Grants
	Tom Green County Other (partial)															
	Tom Green County Manufacturing															
City of Winters	Winters							\$0	\$0	\$0	\$0	\$0	\$0	\$1,660,000	\$1,660,000	Survey not returned. Strategy implementation date after 2020.
	Runnels County Other (partial)															
	Runnels County Manufacturing (partial)															
<b>Total</b>								<b>\$8,391,898</b>	<b>\$104,194,800</b>	<b>\$0</b>	<b>\$10,897,830</b>	<b>\$2,248,220</b>	<b>\$1,383,372</b>	<b>\$268,289,650</b>	<b>\$395,405,770</b>	