

## **Description of Uvalde Water Project**

### **General**

The Uvalde Water Project proposed by Southwest Texas Water Resources L.P. (“STWR”) is a tool to improve the management of the Edwards Aquifer. By avoiding further concentration of pumping in the San Antonio Pool, there will be less pressure on the environmentally critical San Marcos Springs and Comal Springs.

The Uvalde Water Project involves the creation of a water company based in Uvalde County to develop, finance and operate a well field in Uvalde County and a regional water pipeline from Uvalde County to Bexar County. Well field locations have been selected to avoid the recharge zone, risk of water contamination from both known sources and surface activities, or interfere with other pumpers in the Uvalde Pool. Alternative routes for the regional pipeline have been identified that avoid habitat of listed endangered species, known and potential cultural resource sites, center pivot locations, and population centers, as well as other technical factors to assure a well-designed and reliable project.

The Uvalde Water Project will be privately-financed. There will be no state or federal funding required.

### **Role of EARIP**

The Edwards Aquifer Recovery Implementation Program (“EARIP”) can consider assisting the project by recognizing and disseminating information regarding the Uvalde Water Project’s environmental benefits. As discussed below, the Uvalde Water Project requires legislation. While the legislation must address a host of issues, the EARIP could consider recommending that the Texas Legislature take notice of the project’s environmental benefits as a resource management tool during its deliberations.

### **How spring flow is supplemented**

**Source water.** The Uvalde Pool is the most productive pool of water in the Edwards and separated from the San Antonio Pool and downstream springs by the Knippa Gap. Accessing Edwards water through the Uvalde Pool and transporting the water via pipeline to San Antonio will avoid increased pumping in the San Antonio Pool.

The Edwards Aquifer Authority (“EAA”) recognized the environmental benefits of pumping from the Uvalde Pool versus the San Antonio Pool in its recently enacted regulation governing Cibolo Creek transfers. Moving pumping from Uvalde County to east of Cibolo Creek requires a 5:1 ratio (4 acre feet must be placed in trust to offset the damaging effects of moving pumping from Uvalde east), while moving pumping from Bexar County to east of

Cibolo Creek requires a 3:1 ratio (3 acre feet must be placed in trust to offset the damaging effects of moving pumping from Bexar County east). The regulatory finding implies that pumping in Uvalde has only 60% of the impact on springs as pumping in Bexar County. Therefore, the Uvalde Water Project provides superior supplementation for springflows.

**Supplementation.** The Uvalde Water Project is a tool to improve the management of the Edwards Aquifer. If the project is implemented, Edwards permits originating in the San Antonio Pool will be subject to less frequent cutbacks through the EAA's Critical Period Management rules.

### **Other implications and considerations.**

**Water Quality.** The project's water is Edwards Aquifer water.

**Cost.** The water conveyed through the project would be based on Uvalde Pool permits owned or controlled by municipal water users in the San Antonio Pool and STWR. The capital investment for the infrastructure of the project is estimated at \$250 million for a project capacity of 40,000 acre feet per year. Project infrastructure would be privately financed and does not require any state or federal taxpayer funding. The anticipated cost of delivered water compares favorably with other project alternatives under consideration by municipal water users.

**Impact on Irrigated Agriculture.** The project will be mostly based on under-utilized Edwards permits in the Uvalde Pool. Groundwater pumping in Uvalde County peaked in the mid-1980s at 150,000 acre feet per year. Trend pumping today is less than half that amount. The declining trend in groundwater pumping mostly reflects the adoption of sprinkler irrigation, with reductions in irrigated acreage representing a secondary factor. There are sufficient permits in the Uvalde Pool to meet current water demands in addition to making 40,000 acre feet of water available to the Uvalde Water Project.

The Uvalde Water Project will also provide a new, long-term and recurring income stream for participants in STWR long-term leasing of permits in the Uvalde Pool. By strengthening balance sheets, the project will enhance the economic viability of agriculture.

**Impact on Local Economy.** The Uvalde Water Project will provide a significant long-term economic stimulus for Uvalde County through the operation of the new water company, water rights owners' new income stream, and construction of the company's well field and regional pipeline. The new water company and additional income stream for agriculture will generate 74 to 121 new jobs/year and increase annual economic output in Uvalde County by \$15 million. The project's construction activity will generate 173 new jobs and increase economic output in Uvalde County by \$44 million.

**Legislation.** The Uvalde Water Project requires a change in the Edwards Aquifer Authority Act. STWR has initiated a legislative effort since 2009 seeking a limited exemption from the current pipeline prohibition with protections and provisions to address local concerns. STWR proposes that the EAA be granted regulatory powers to administer the exemption to assure that projects qualifying for the exemption achieve the Legislature's objectives. See the letter from Mr. Maurice Rimkus to Mr. Ken Armbrister, dated December 9, 2008 for the history of the pipeline prohibition under existing law (attached).

## **References**

Uvalde Water Project Website: [www.uvaldewaterproject.com](http://www.uvaldewaterproject.com).