

DRAFT FEASIBILITY REPORT FEASIBILITY ANALYSIS OF WATER SUPPLY FOR SMALL PUBLIC WATER SYSTEMS

**BENAVIDES-DUVAL COUNTY CONSERVATION
PWS ID# 0660001, CCN# P0527**

Prepared for:

THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



Prepared by:

**THE UNIVERSITY OF TEXAS BUREAU OF ECONOMIC GEOLOGY
AND
PARSONS**

Preparation of this report was financed by the Texas Commission on Environmental Quality through the Drinking Water State Revolving Fund Small Systems Assistance Program

AUGUST 2008

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AUGUST 2008

EXECUTIVE SUMMARY

INTRODUCTION

The University of Texas Bureau of Economic Geology (BEG) and its subcontractor, Parsons Transportation Group Inc. (Parsons), was contracted by the Texas Commission on Environmental Quality (TCEQ) to conduct a project to assist with identifying and analyzing alternatives for use by Public Water Systems (PWS) to meet and maintain Texas drinking water standards.

The overall goal of this project was to promote compliance using sound engineering and financial methods and data for PWSs that had recently recorded sample results exceeding maximum contaminant levels (MCL). The primary objectives of this project were to provide feasibility studies for PWSs and the TCEQ Water Supply Division that evaluate water supply compliance options, and to suggest a list of compliance alternatives that may be further investigated by the subject PWS for future implementation.

This feasibility report provides an evaluation of water supply alternatives for the Benavides-Duval County Conservation & Reclamation District (DCC&RD) PWS, ID #0660001, Certificate of Convenience and Necessity (CCN) #P0527, located in Duval County, Texas. The Benavides-DCC&RD PWS is located in Benavides, Texas. The PWS serves a population of 1,686 and contains 777 connections. The water source for the water system comes from two wells completed to depths of 502 feet and 550 feet in the Evangeline Aquifer.

The Benavides-DCC&RD PWS recorded arsenic concentrations between July 2006 and March 2007 of 0.0126 milligrams per liter (mg/L) and 0.0285 mg/L, which exceeds the MCL of 0.010 mg/L (USEPA 2008a; TCEQ 2004a). Therefore, the Benavides-DCC&RD PWS faces compliance issues under the water quality standards for arsenic.

Basic system information for the Benavides-DCC&RD PWS is shown in Table ES.1.

**Table ES.1 Benavides-DCC&RD PWS
Basic System Information**

Population served	1,686
Connections	777
Average daily flow rate	0.25 million gallons per day (mgd)
Peak demand flow rate	833.3 gallons per minute
Water system peak capacity	0.878 mgd
Typical arsenic range	0.0126 – 0.0285 mg/L

1 **STUDY METHODS**

2 The methods used for this project were based on a pilot project performed in 2004 and
3 2005 by TCEQ, BEG, and Parsons. Methods for identifying and analyzing compliance options
4 were developed in the pilot project (a decision tree approach).

5 The process for developing the feasibility study used the following general steps:

- 6 • Gather data from the TCEQ and Texas Water Development Board databases, from
7 TCEQ files, and from information maintained by the PWS;
- 8 • Conduct financial, managerial, and technical (FMT) evaluations of the PWS;
- 9 • Perform a geologic and hydrogeologic assessment of the study area;
- 10 • Develop treatment and non-treatment compliance alternatives which, in general, consist
11 of the following possible options:
 - 12 • Connecting to neighboring PWSs via new pipeline or by pumping water from a newly
13 installed well or an available surface water supply within the jurisdiction of the
14 neighboring PWS;
 - 15 • Installing new wells within the vicinity of the PWS into other aquifers with confirmed
16 water quality standards meeting the MCLs;
 - 17 • Installing a new intake system within the vicinity of the PWS to obtain water from a
18 surface water supply with confirmed water quality standards meeting the MCLs;
 - 19 • Treating the existing non-compliant water supply by various methods depending on the
20 type of contaminant; and
 - 21 • Delivering potable water by way of a bottled water program or a treated water dispenser
22 as an interim measure only.
- 23 • Assess each of the potential alternatives with respect to economic and non-economic
24 criteria;
- 25 • Prepare a feasibility report and present the results to the PWS.

26 This basic approach is summarized in Figure ES.1.

27 **HYDROGEOLOGICAL ANALYSIS**

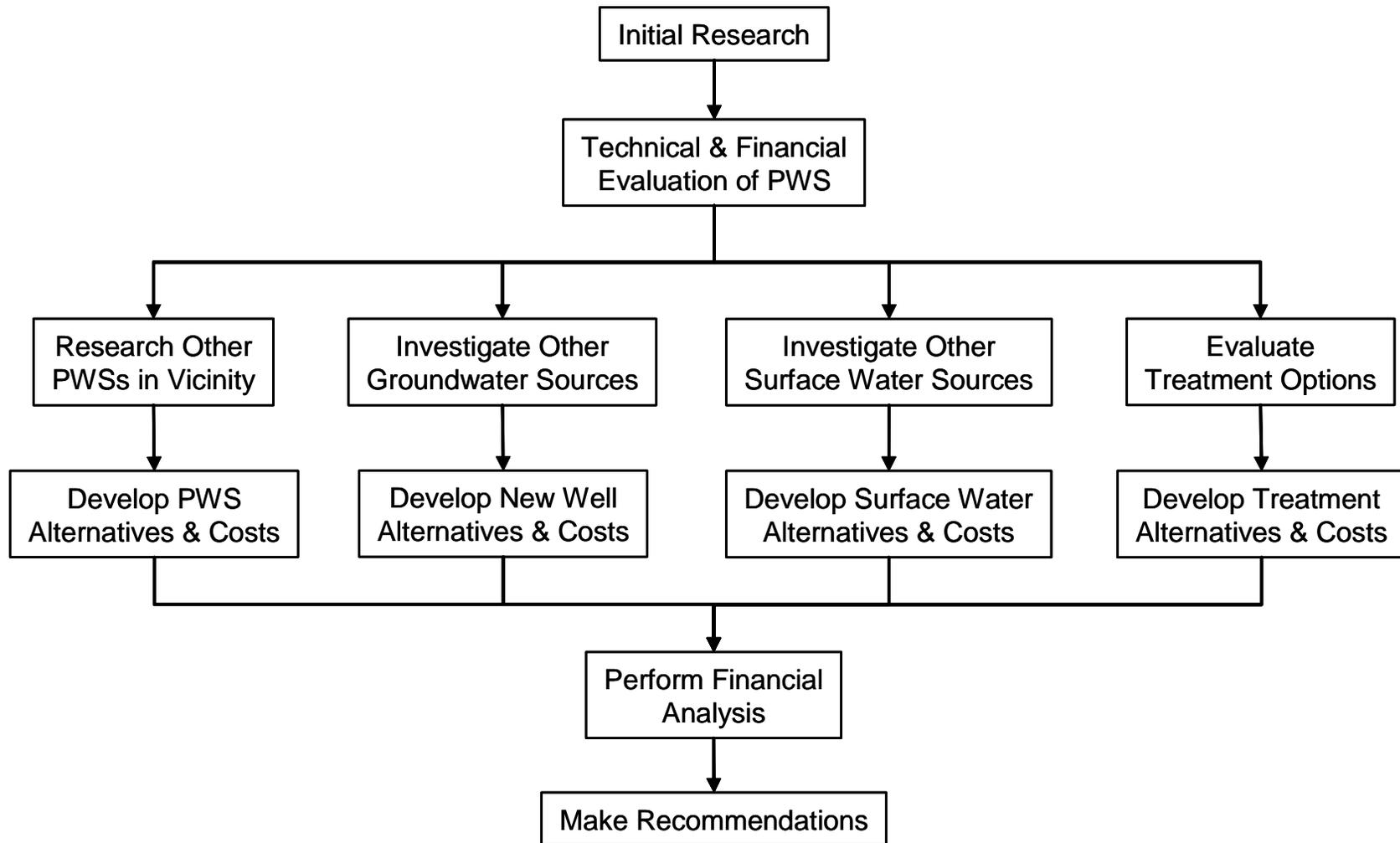
28 The Benavides-DCC&RD PWS obtains groundwater from the Evangeline subunit of the
29 Gulf Coast Aquifer. There are no wells within 6.2 miles of the PWS wells that have been
30 tested for arsenic content, so it is unclear whether the high levels of arsenic are localized near
31 the PWS wells or present throughout the area. The lack of information also eliminates the
32 possibility of suggesting nearby wells as potential alternative water sources.

33 The source of arsenic is probably related to regional geology. Regional analyses suggest
34 that arsenic concentrations can change with well depth. Because the depth of the PWS wells

1 varies considerably, it is possible that one or more of the individual PWS wells contains
2 acceptable levels of arsenic. Testing each PWS well individually might indicate particular
3 wells with high or low arsenic concentrations. If one or more wells contain water with arsenic
4 concentrations below the MCL, it might be possible to meet the MCL for arsenic by increasing
5 the use of water from these wells and decreasing or discontinuing the use of water from wells
6 with high arsenic levels. In addition, if a relationship between arsenic concentrations and well
7 depth is found within the PWS wells, it might be possible to case portions of certain wells in
8 order to decrease arsenic levels.

1

Figure ES.1 Summary of Project Methods



1 COMPLIANCE ALTERNATIVES

2 Overall, the system had a good level of FMT capacity. The system had some areas that
3 needed improvement to be able to address future compliance issues; however, the system does
4 have many positive aspects, including dedicated and knowledgeable staff, effective utilization
5 of funding opportunities, recent meter replacement, and effective rate structures. Areas of
6 concern for the system included lack of long term capital planning for compliance and
7 sustainability, lack of compliance with arsenic standard, and need for additional operators.

8 There are several PWSs within 30 miles of Benavides-DCC&RD PWS. Many of these
9 nearby systems also have water quality problems, but there are some with good quality water.
10 In general, feasibility alternatives were developed based on obtaining water from the nearest
11 PWSs, either by directly purchasing water, or by expanding the existing well field. There is a
12 minimum of surface water available in the area. Alternatives for compliant water include
13 obtaining water from the City of Premont and the Falfurrias Utility Board.

14 Centralized treatment alternatives for arsenic removal have been developed and were
15 considered for this report; for example, reverse osmosis, iron-based adsorption and
16 coagulation/filtration. Point-of-use (POU) and point-of-entry treatment alternatives were also
17 considered. Temporary solutions such as providing bottled water or providing a centralized
18 dispenser for treated or trucked-in water, were also considered as alternatives.

19 Developing a new well close to Benavides-DCC&RD PWS is likely to be the best solution
20 if compliant groundwater can be found. Having a new well close to Benavides-DCC&RD
21 PWS is likely to be one of the lower cost alternatives since the PWS already possesses the
22 technical and managerial expertise needed to implement this option. The cost of new well
23 alternatives quickly increases with pipeline length, making proximity of the alternate source a
24 key concern. A new compliant well or obtaining water from a neighboring compliant PWS has
25 the advantage of providing compliant water to all taps in the system.

26 Central treatment can be cost-competitive with the alternative of new nearby wells, but
27 would require significant institutional changes to manage and operate. Similar to obtaining an
28 alternate compliant water source, central treatment would provide compliant water to all water
29 taps.

30 POU treatment can be cost competitive, but does not supply compliant water to all taps.
31 Additionally, significant efforts would be required for maintenance and monitoring of the POU
32 treatment units.

33 Providing compliant water through a central dispenser is significantly less expensive than
34 providing bottled water to 100 percent of the population, but a significant effort is required for
35 clients to fill their containers at the central dispenser.

1 **FINANCIAL ANALYSIS**

2 Financial analysis of the Benavides-DCC&RD PWS was performed using estimated
3 system expenses. Estimated values were used since financial data for the water system was
4 combined with the wastewater system. Table ES.2 provides a summary of the financial impact
5 of implementing selected compliance alternatives, including the rate increase necessary to meet
6 current operating expenses. The alternatives were selected to highlight results for the best
7 alternatives from each different type or category.

8 Some of the compliance alternatives offer potential for shared solutions. A group of PWSs
9 could work together to implement alternatives for developing a new groundwater source or
10 expanding an existing source, obtaining compliant water from a large regional provider, or for
11 central treatment. Sharing the cost for implementation of these alternatives could reduce the
12 cost on a per user basis.

13 **Table ES.2 Selected Financial Analysis Results**

Alternative	Funding Option	Average Annual Water Bill	Percent of MHI
Current	NA	\$366	1.7
To meet current expenses	NA	\$369	1.7
Purchase Water from Premont	100% Grant	\$768	3.6
	Loan/Bond	\$1,653	7.7
Nearby well within approximately 1 mile	100% Grant	\$369	1.7
	Loan/Bond	\$423	2.0
Central treatment	100% Grant	\$498	2.3
	Loan/Bond	\$658	3.1
Point-of-use	100% Grant	\$1,204	5.6
	Loan/Bond	\$1,303	6.1
Public dispenser	100% Grant	\$547	2.6
	Loan/Bond	\$554	2.6

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ACRONYMS AND ABBREVIATIONS

°F	degrees Fahrenheit
µg/L	Micrograms per liter
AA	activated alumina
AFY	acre-feet per year
ANSI	American National Standards Institute
APU	arsenic package unit
BEG	Bureau of Economic Geology
CCN	Certificate of Convenience and Necessity
CD	Community Development
CDBG	Community Development Block Grants
CFR	Code of Federal Regulations
DCC&RD	Duval County Conservation & Reclamation District
DWSRF	Drinking Water State Revolving Fund
EDAP	Economically Distressed Areas Program
EDR	Electrodialysis reversal
FMT	Financial, managerial, and technical
GAM	Groundwater Availability Model
gpd	gallons per day
gpm	Gallons per minute
IX	Ion exchange
MCL	Maximum contaminant level
mg/L	Milligram per liter
mgd	Million gallons per day
MHI	Median household income
NMEFC	New Mexico Environmental Financial Center
NPDWR	National Primary Drinking Water Regulations
NURE	National Uranium Resource Evaluation
O&M	Operation and Maintenance
ORCA	Office of Rural Community Affairs
Parsons	Parsons Transportation Group, Inc.
POE	Point-of-entry
POU	Point-of-use
PWS	Public Water System
RFP	Revolving Fund Program
RO	Reverse osmosis
RR	rural route
RUS	Rural Utilities Service

RWAF	Rural Water Assistance Fund
SDWA	Safe Drinking Water Act
STEP	Small Towns Environment Program
TAC	Texas Administrative Code
TCEQ	Texas Commission on Environmental Quality
TDS	total dissolved solids
TSS	total suspended solids
TWDB	Texas Water Development Board
USEPA	United States Environmental Protection Agency
VOC	volatile organic compound
WAM	Water Availability Model
WEP	Water and Environment Program

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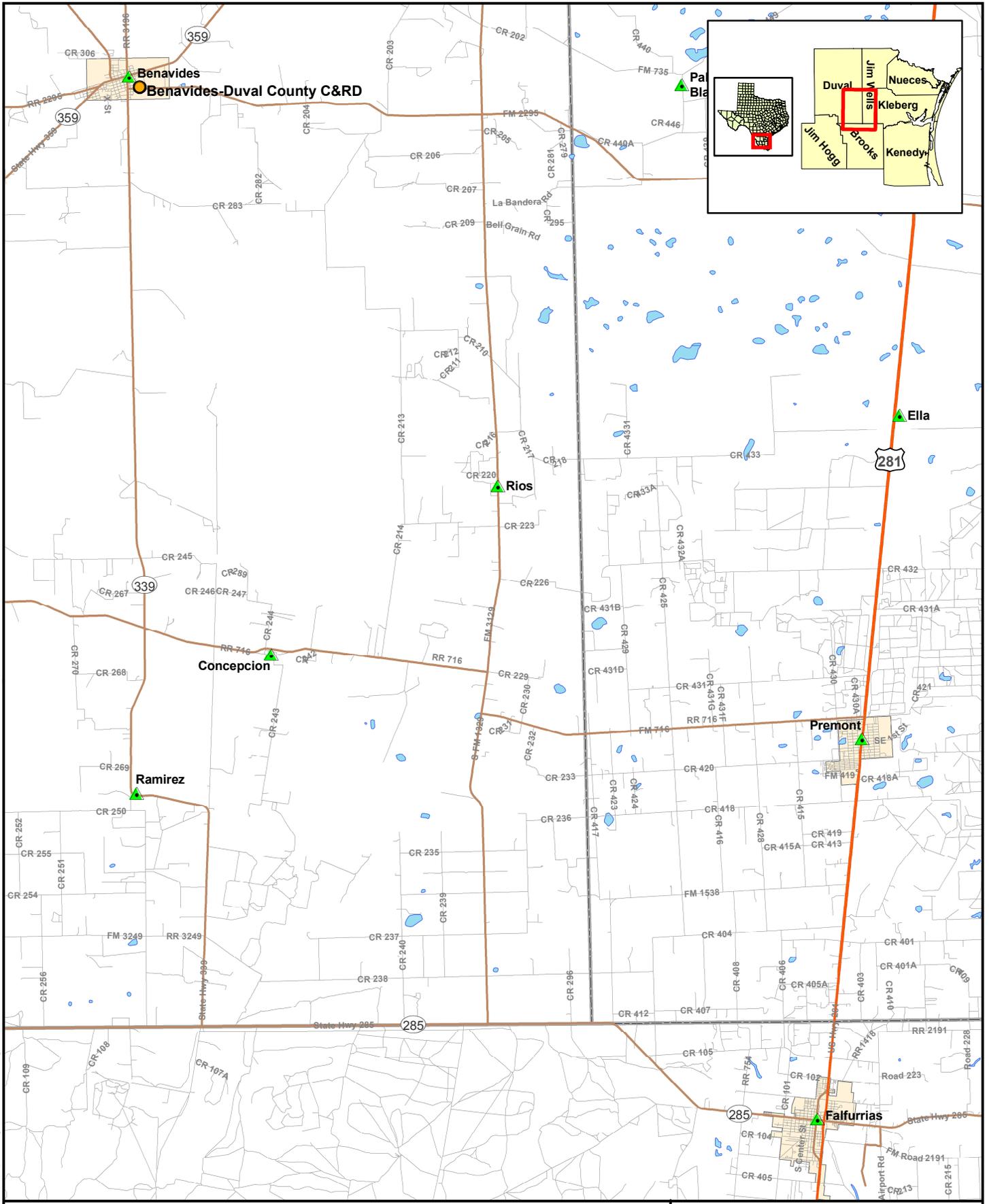
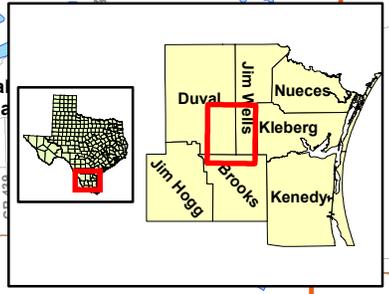
SECTION 1 INTRODUCTION

The University of Texas Bureau of Economic Geology (BEG) and its subcontractor, Parsons Transportation Group Inc. (Parsons), were contracted by the Texas Commission on Environmental Quality (TCEQ) to assist with identifying and analyzing compliance alternatives for use by Public Water Systems (PWS) to meet and maintain Texas drinking water standards.

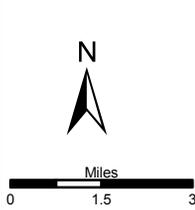
The overall goal of this project is to promote compliance using sound engineering and financial methods and data for PWSs that have recently had sample results that exceed maximum contaminant levels (MCL). The primary objectives of this project are to provide feasibility studies for PWSs and the TCEQ Water Supply Division that evaluate water supply compliance options, and to suggest a list of compliance alternatives that may be further investigated by the subject PWS with regard to future implementation. The feasibility studies identify a range of potential compliance alternatives, and present basic data that can be used for evaluating feasibility. The compliance alternatives addressed include a description of what would be required for implementation, conceptual cost estimates for implementation, and non-cost factors that could be used to differentiate between alternatives. The cost estimates are intended for comparing compliance alternatives, and to give a preliminary indication of potential impacts on water rates resulting from implementation.

It is anticipated the PWS will review the compliance alternatives in this report to determine if there are promising alternatives, and then select the most attractive alternative(s) for more detailed evaluation and possible subsequent implementation. This report contains a decision tree approach that guided the efforts for this project, and also contains steps to guide a PWS through the subsequent evaluation, selection, and implementation of a compliance alternative.

This feasibility report provides an evaluation of water supply compliance options for the Benavides-Duval County Conservation & Reclamation District (DCC&RD) PWS, PWS ID# 0660001, Certificate of Convenience and Necessity (CCN) #P0527, located in Duval County, hereinafter referred to in this document as the “Benavides-DCC&RD PWS.” Recent sample results from the Benavides-DCC&RD PWS exceeded the MCL for arsenic of 0.010 milligrams per liter (mg/L) (USEPA 2008a; TCEQ 2004). The location of the Benavides-DCC&RD PWS is shown on Figure 1.1. Various water supply and planning jurisdictions are shown on Figure 1.2. These water supply and planning jurisdictions are used in the evaluation of alternate water supplies that may be available in the area.

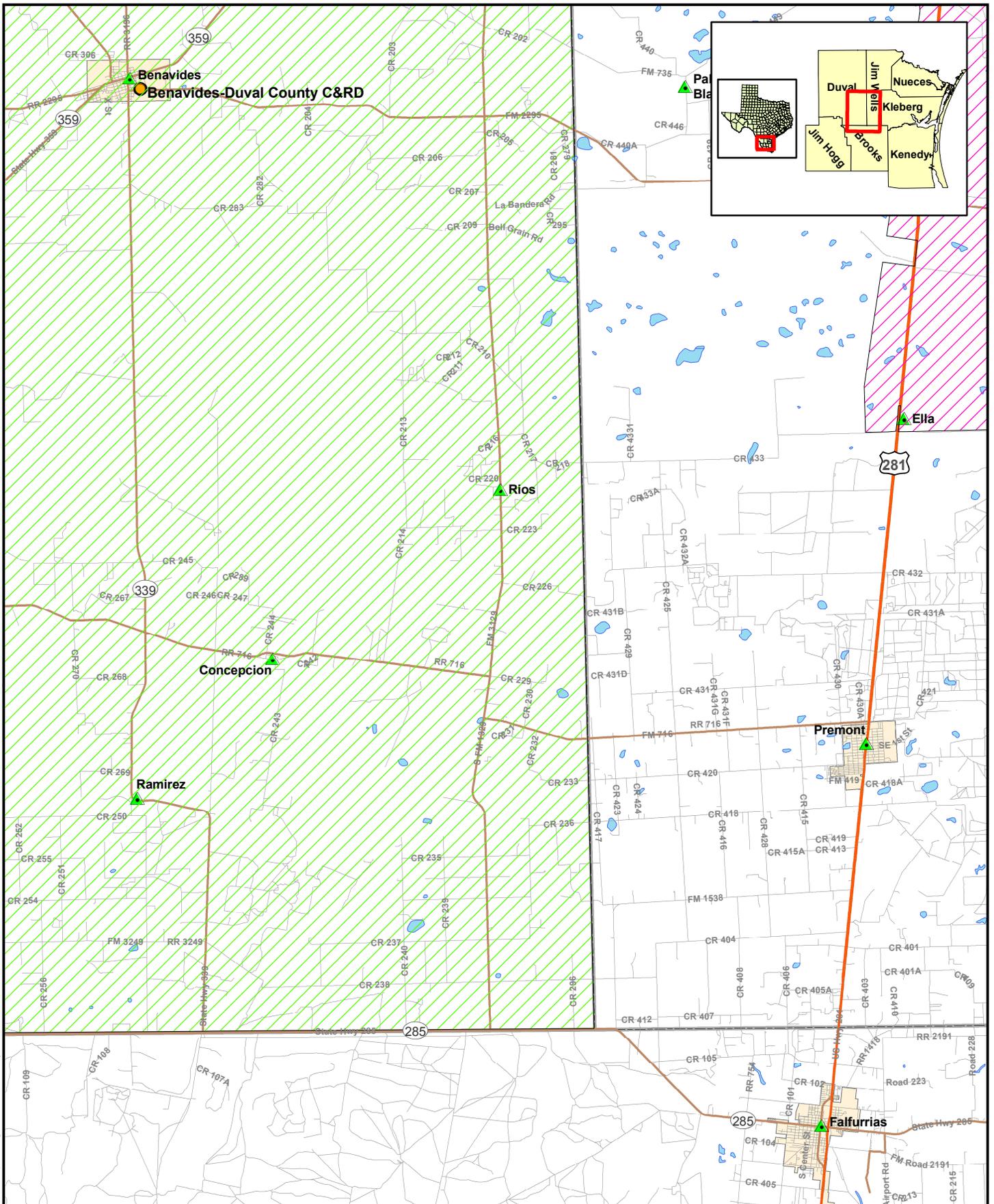


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- Legend**
- Study System
 - PWS's
 - ▲ Cities
 - City Limits
 - Counties
 - ▬ Interstate
 - ▬ Highway
 - ▬ Major Road
 - ▬ Minor Road

Figure 1.1
BENAVIDES-DUVAL COUNTY C&RD
Location Map



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Legend

Study System	Interstate	Duval County GCD
PWS's	Highway	Kenedy County GCD
Cities	Major Road	
City Limits	Minor Road	
Counties		

Scale: 0 1.5 3 Miles

Figure 1.2

BENAVIDES-DUVAL COUNTY C&RD

Groundwater Conservation Districts

1.1 PUBLIC HEALTH AND COMPLIANCE WITH MCLs

The goal of this project is to promote compliance for PWSs that supply drinking water exceeding regulatory MCLs. This project only addresses those contaminants and does not address any other violations that may exist for a PWS. As mentioned above, the Benavides-DCC&RD PWS had recent sample results exceeding the MCL for arsenic.

In general, contaminant(s) in drinking water above the MCL(s) can have both short-term (acute) and long-term or lifetime (chronic) effects. Potential health effects from long-term ingestion of water with levels of arsenic above the MCL (0.01 mg/L) include non-cancerous effects, such as cardiovascular, pulmonary, immunological, neurological and endocrine effects, and cancerous effects, including skin, bladder, lung, kidney, nasal passage, liver and prostate cancer (USEPA 2008b).

1.2 METHOD

The method for this project follows that of a pilot project performed by TCEQ, BEG, and Parsons. The pilot project evaluated water supply alternatives for PWSs that supplied drinking water with contaminant concentrations above U.S. Environmental Protection Agency (USEPA) and Texas drinking water standards. Three PWSs were evaluated in the pilot project to develop the method (*i.e.*, decision tree approach) for analyzing options for provision of compliant drinking water. This project is performed using the decision tree approach that was developed for the pilot project, and which was also used for subsequent projects.

Other tasks of the feasibility study are as follows:

- Identifying available data sources;
- Gathering and compiling data;
- Conducting financial, managerial, and technical (FMT) evaluations of the selected PWSs;
- Performing a geologic and hydrogeologic assessment of the area;
- Developing treatment and non-treatment compliance alternatives;
- Assessing potential alternatives with respect to economic and non-economic criteria;
- Preparing a feasibility report; and
- Suggesting refinements to the approach for future studies.

The remainder of Section 1 of this report addresses the regulatory background, and provides a summary of arsenic abatement options. Section 2 describes the method used to develop and assess compliance alternatives. The groundwater sources of arsenic are addressed in Section 3. Findings for the Benavides-DCC&RD PWS, along with compliance alternatives development and evaluation, can be found in Section 4. Section 5 references the sources used in this report.

1 **1.3 REGULATORY PERSPECTIVE**

2 The Utilities & Districts and Public Drinking Water Sections of the TCEQ Water Supply
3 Division are responsible for implementing requirements of the Federal Safe Drinking Water
4 Act (SDWA), which include oversight of PWSs and water utilities. These responsibilities
5 include:

- 6 • Monitoring public drinking water quality;
- 7 • Processing enforcement referrals for MCL violators;
- 8 • Tracking and analyzing compliance options for MCL violators;
- 9 • Providing FMT assessment and assistance to PWSs;
- 10 • Participating in the Drinking Water State Revolving Fund program to assist PWSs in
11 achieving regulatory compliance; and
- 12 • Setting rates for privately owned water utilities.

13 This project was conducted to assist in achieving these responsibilities.

14 **1.4 ABATEMENT OPTIONS**

15 When a PWS exceeds a regulatory MCL, the PWS must take action to correct the
16 violation. The MCL exceedances at the Benavides-DCC&RD PWS involve arsenic. The
17 following subsections explore alternatives considered as potential options for
18 obtaining/providing compliant drinking water.

19 **1.4.1 Existing Public Water Supply Systems**

20 A common approach to achieving compliance is for the PWS to make arrangements with a
21 neighboring PWS for water supply. For this arrangement to work, the PWS from which water
22 is being purchased (supplier PWS) must have water in sufficient quantity and quality, the
23 political will must exist, and it must be economically feasible.

24 **1.4.1.1 Quantity**

25 For purposes of this report, quantity refers to water volume, flowrate, and pressure. Before
26 approaching a potential supplier PWS, the non-compliant PWS should determine its water
27 demand on the basis of average day and maximum day. Peak instantaneous demands can be
28 met through proper sizing of storage facilities. Further, the potential for obtaining the
29 appropriate quantity of water to blend to achieve compliance should be considered. The
30 concept of blending involves combining water with low levels of contaminants with non-
31 compliant water in sufficient quantity that the resulting blended water is compliant. The exact
32 blend ratio would depend on the quality of the water a potential supplier PWS can provide, and
33 would likely vary over time. If high quality water is purchased, produced or otherwise
34 obtained, blending can reduce the amount of high quality water required. Implementation of
35 blending will require a control system to ensure the blended water is compliant.

1 If the supplier PWS does not have sufficient quantity, the non-compliant community could
2 pay for the facilities necessary to increase the quantity to the extent necessary to supply the
3 needs of the non-compliant PWS. Potential improvements might include, but are not limited
4 to:

- 5 • Additional wells;
- 6 • Developing a new surface water supply,
- 7 • Additional or larger-diameter piping;
- 8 • Increasing water treatment plant capacity
- 9 • Additional storage tank volume;
- 10 • Reduction of system losses,
- 11 • Higher-pressure pumps; or
- 12 • Upsized, or additional, disinfection equipment.

13 In addition to the necessary improvements, a transmission pipeline would need to be
14 constructed to tie the two PWSs together. The pipeline must tie-in at a point in the supplier
15 PWS where all the upstream pipes and appurtenances are of sufficient capacity to handle the
16 new demand. In the non-compliant PWS, the pipeline must tie in at a point where no down
17 stream bottlenecks are present. If blending is the selected method of operation, the tie-in point
18 must be selected to ensure all the water in the system is blended to achieve regulatory
19 compliance.

20 **1.4.1.2 Quality**

21 If a potential supplier PWS obtains its water from the same aquifer (or same portion of the
22 aquifer) as the non-compliant PWS, the quality of water may not be significantly better.
23 However, water quality can vary significantly due to well location, even within the same
24 aquifer. If localized areas with good water quality cannot be identified, the non-compliant
25 PWS would need to find a potential supplier PWS that obtains its water from a different aquifer
26 or from a surface water source. Additionally, a potential supplier PWS may treat non-
27 compliant raw water to an acceptable level.

28 Surface water sources may offer a potential higher-quality source. Since there are
29 significant treatment requirements, utilization of surface water for drinking water is typically
30 most feasible for larger local or regional authorities or other entities that may provide water to
31 several PWSs. Where PWSs that obtain surface water are neighbors, the non-compliant PWS
32 may need to deal with those systems as well as with the water authorities that supply the
33 surface water.

1 1.4.2 Potential for New Groundwater Sources

2 1.4.2.1 Existing Non-Public Supply Wells

3 Often there are wells not associated with PWSs located in the vicinity of the non-compliant
4 PWS. The current use of these wells may be for irrigation, industrial purposes, domestic
5 supply, stock watering, and other purposes. The process for investigating existing wells is as
6 follows:

- 7 • Existing data sources (see below) will be used to identify wells in the areas that have
8 satisfactory quality. For the Benavides-DCC&RD PWS, the following standards could
9 be used in a rough screening to identify compliant groundwater in surrounding systems:
 - 10 ○ Nitrate (measured as nitrogen) concentrations less than 8 mg/L (below the MCL
11 of 10 mg/L);
 - 12 ○ Fluoride concentration less than 2.0 mg/L (below the Secondary MCL of
13 2 mg/L);
 - 14 ○ Arsenic concentration less than 0.008 mg/L (below the MCL of 0.01 mg/L);
 - 15 ○ Uranium concentration less than 0.024 mg/L (below the MCL of 0.030 mg/L;
16 and
 - 17 ○ Selenium concentration less than 0.04 mg/L (below the MCL of 0.05 mg/L).
- 18 • The recorded well information will be reviewed to eliminate those wells that appear to
19 be unsuitable for the application. Often, the “Remarks” column in the Texas Water
20 Development Board (TWDB) hard-copy database provides helpful information. Wells
21 eliminated from consideration generally include domestic and stock wells, dug wells,
22 test holes, observation wells, seeps and springs, destroyed wells, wells used by other
23 communities, etc.
- 24 • Wells of sufficient size are identified. Some may be used for industrial or irrigation
25 purposes. Often the TWDB database will include well yields, which may indicate the
26 likelihood that a particular well is a satisfactory source.
- 27 • At this point in the process, the local groundwater control district (if one exists) should
28 be contacted to obtain information about pumping restrictions. Also, preliminary cost
29 estimates should be made to establish the feasibility of pursuing further well
30 development options.
- 31 • If particular wells appear to be acceptable, the owner(s) should be contacted to ascertain
32 their willingness to work with the PWS. Once the owner agrees to participate in the
33 program, questions should be asked about the wells. Many owners have more than one
34 well, and would probably be the best source of information regarding the latest test
35 dates, who tested the water, flowrates, and other well characteristics.
- 36 • After collecting as much information as possible from cooperative owners, the PWS
37 would then narrow the selection of wells and sample and analyze them for quality.
38 Wells with good quality water would then be potential candidates for test pumping. In

1 some cases, a particular well may need to be refurbished before test pumping.
2 Information obtained from test pumping would then be used in combination with
3 information about the general characteristics of the aquifer to determine whether a well
4 at that location would be suitable as a supply source.

- 5 • It is recommended that new wells be installed instead of using existing wells to ensure
6 the well characteristics are known and the well meets construction standards.
- 7 • Permit(s) would then be obtained from the groundwater control district or other
8 regulatory authority, and an agreement with the owner (purchase or lease, access
9 easements, etc.) would then be negotiated.

10 **1.4.2.2 Develop New Wells**

11 If no existing wells are available for development, the PWS or group of PWSs has an
12 option of developing new wells. Records of existing wells, along with other hydrogeologic
13 information and modern geophysical techniques, should be used to identify potential locations
14 for new wells. In some areas, the TWDB's Groundwater Availability Model (GAM) may be
15 applied to indicate potential sources. Once a general area is identified, land owners and
16 regulatory agencies should be contacted to determine an exact location for a new well or well
17 field. Pump tests and water quality tests would be required to determine if a new well will
18 produce an adequate quantity of good quality water. Permits from the local groundwater
19 control district or other regulatory authority could also be required for a new well.

20 **1.4.3 Potential for Surface Water Sources**

21 Water rights law dominates the acquisition of water from surface water sources. For a
22 PWS, 100 percent availability of water is required, except where a back-up source is available.
23 For PWSs with an existing water source, although it may be non-compliant because of elevated
24 concentrations of one or more parameters, water rights may not need to be 100 percent
25 available.

26 **1.4.3.1 Existing Surface Water Sources**

27 "Existing surface water sources" of water refers to municipal water authorities and cities
28 that obtain water from surface water sources. The process of obtaining water from such a
29 source is generally less time consuming and less costly than the process of developing a new
30 source; therefore, it should be a primary course of investigation. An existing source would be
31 limited by its water rights, the safe yield of a reservoir or river, or by its water treatment or
32 water conveyance capability. The source must be able to meet the current demand and honor
33 contracts with communities it currently supplies. In many cases, the contract amounts reflect
34 projected future water demand based on population or industrial growth.

35 A non-compliant PWS would look for a source with sufficient spare capacity. Where no
36 such capacity exists, the non-compliant PWS could offer to fund the improvements necessary
37 to obtain the capacity. This approach would work only where the safe yield could be increased

1 (perhaps by enlarging a reservoir) or where treatment capacity could be increased. In some
2 instances water rights, where they are available, could possibly be purchased.

3 In addition to securing the water supply from an existing source, the non-compliant PWS
4 would need to arrange for transmission of the water to the PWS. In some cases, that could
5 require negotiations with, contracts with, and payments to an intermediate PWS (an
6 intermediate PWS is one where the infrastructure is used to transmit water from a “supplier”
7 PWS to a “supplied” PWS, but does not provide any additional treatment to the supplied
8 water). The non-compliant PWS could be faced with having to fund improvements to the
9 intermediate PWS in addition to constructing its own necessary transmission facilities.

10 **1.4.3.2 New Surface Water Sources**

11 Communication with the TCEQ and relevant planning groups from the beginning is
12 essential in the process of obtaining a new surface water source. Preliminary assessment of the
13 potential for acquiring new rights may be based on surface water availability maps located on
14 the TWDB website. Where water rights appear to be available, the following activities need to
15 occur:

- 16 • Discussions with TCEQ to indicate the likelihood of obtaining those rights. The TCEQ
17 may use the Water Availability Model (WAM) to assist in the determination.
- 18 • Discussions with land owners to indicate potential treatment plant locations.
- 19 • Coordination with U.S. Army Corps of Engineers and local river authorities.
- 20 • Preliminary engineering design to determine the feasibility, costs, and environmental
21 issues of a new treatment plant.

22 Should these discussions indicate that a new surface water source is the best option, the
23 community would proceed with more intensive planning (initially obtaining funding),
24 permitting, land acquisition, and detailed designs.

25 **1.4.4 Identification of Treatment Technologies**

26 Various treatment technologies were also investigated as compliance alternatives for
27 treatment of arsenic to regulatory levels (*i.e.*, MCL). According to a recent USEPA report for
28 small water systems with <10,000 customers (EPA/600/R-05/001) a number of drinking water
29 treatment technologies are available to reduce arsenic concentrations in source water to below
30 the MCL of 0.010 mg/L, including:

- 31 • Ion exchange (IX);
- 32 • Reverse osmosis (RO);
- 33 • Electrodialysis reversal (EDR);
- 34 • Adsorption; and
- 35 • Coagulation/filtration.

1 1.4.5 Treatment Technologies Description

2 Many of the most effective arsenic removal processes available are iron-based treatment
3 technologies such as chemical coagulation/filtration with iron salts, and adsorptive media with
4 iron-based products. These processes are particularly effective at removing arsenic from
5 aqueous systems because iron surfaces have a strong affinity for adsorbing arsenic. Other
6 arsenic removal processes such as activated alumina and enhanced lime softening are more
7 applicable to larger water systems because of their operational complexity and cost. A
8 description and discussion of arsenic removal technologies applicable to smaller systems
9 follow.

10 1.4.5.1 Ion Exchange

11 Process – In solution, salts separate into positively charged cations and negatively charged
12 anions. Ion exchange is a reversible chemical process in which ions attached to an insoluble,
13 permanent, solid resin bed are exchanged for ions in water. The process relies on the fact that
14 certain ions are preferentially adsorbed on the ion exchange resin. Operation begins with a
15 fully charged cation or anion bed, having enough positively or negatively charged ions to carry
16 out the cation or anion exchange. Usually a polymeric resin bed is composed of millions of
17 spherical beads about the size of medium sand grains. As water passes the resin bed, the
18 charged ions are released into the water, being substituted or replaced with the contaminants in
19 the water (IX). When the resin becomes exhausted of positively or negatively charged ions, the
20 bed must be regenerated by passing a strong, sodium chloride solution over the resin bed,
21 displacing the contaminant ions with sodium ions for cation exchange and chloride ion for
22 anion exchange. Many different types of resins can be used to reduce dissolved contaminant
23 concentrations. The IX treatment train for groundwater typically includes cation or anion resin
24 beds with a regeneration system, chlorine disinfection, and clear well storage. Treatment trains
25 for surface water may also include raw water pumps, debris screens, and filters for pre-
26 treatment. Additional treatment or management of the concentrate and the removed solids will
27 be necessary prior to disposal. For arsenic removal, an anion exchange resin in the chloride
28 form is used to remove arsenate [As(V)]. Because arsenite [As(III)] occurs in water below
29 pH 9 with no ionic charge, As(III) is not consistently removed by the anionic exchange
30 process.

31 Pretreatment – Pretreatment guidelines are available on accepted limits for pH, organics,
32 turbidity, and other raw water characteristics. Pretreatment may be required to reduce
33 excessive amounts of total suspended solids (TSS), iron, and manganese, which could plug the
34 resin bed, and typically includes media or carbon filtration. In addition, chlorination or
35 oxidation may be required to convert As(III) to As(V) for effective removal.

36 Maintenance – The IX resin requires regular on-site regeneration, the frequency of which
37 depends on raw water characteristics, the contaminant concentration, and the size and number
38 of IX vessels. Many systems have undersized the IX vessels only to realize higher than
39 necessary operating costs. Preparation of the sodium chloride solution is required. If used, a
40 pretreatment filter would require filter replacement and/or backwashing.

1 Waste Disposal – Approval from local authorities is usually required for disposal of
2 concentrate from the regeneration cycle (highly concentrated salt solution); occasional solid
3 waste (in the form of broken resin beads) backwashed during regeneration; and if used, spent
4 filters and backwash wastewater.

5 **Advantages (IX)**

- 6 • Well established process for arsenic removal.
- 7 • Fully automated and highly reliable process.
- 8 • Suitable for small and large installations.

9 **Disadvantages (IX)**

- 10 • Requires salt storage; regular regeneration.
- 11 • Disposal of spent regenerate containing high salt and arsenic levels.
- 12 • Resins are sensitive to the presence of competing ions such as sulfate.
- 13 • Oxidation via pre-chlorination required if source water arsenic occurs as the arsenite
14 [As(III)] species.

15 In considering application of IX for inorganics removal, it is important to understand what
16 the effect of competing ions will be, and to what extent the brine can be recycled. Similar to
17 activated alumina, IX exhibits a selectivity sequence, which refers to an order in which ions are
18 preferred. Sulfate competes with both nitrate and arsenic, but more aggressive with arsenic in
19 anion exchange. Source waters with TDS levels above 500 mg/L or 120 mg/L sulfate are not
20 amenable to IX treatment for arsenic removal. Spent regenerant is produced during IX bed
21 regeneration, and this spent regenerant may have high concentrations of sorbed contaminants
22 that can be expensive to treat and/or dispose. Research has been conducted to minimize this
23 effect; recent research on arsenic removal shows that the brine can be reduced as many as
24 25 times.

25 **1.4.5.2 Reverse Osmosis**

26 Process – RO is a pressure-driven membrane separation process capable of removing
27 dissolved solutes from water by means of molecule size and electrical charge. The raw water is
28 typically called feed; the product water is called permeate, and the concentrated reject is called
29 concentrate. Common RO membrane materials include asymmetric cellulose acetate and
30 polyamide thin film composite. Common RO membrane configurations include spiral wound
31 hollow fine fiber, but most of RO systems to date are of the spiral wound type. A typical RO
32 installation includes a high pressure feed pump with chemical feed; parallel first and second
33 stage membrane elements in pressure vessels; and valves and piping for feed, permeate, and
34 concentrate streams. Factors influencing membrane selection are cost, recovery, rejection, raw
35 water characteristics, and pretreatment. Factors influencing performance are raw water
36 characteristics, pressure, temperature, and regular monitoring and maintenance. RO is capable
37 of achieving over 97 percent removal of As(V) and 92 percent removal of As(III). The

1 treatment process is relatively insensitive to pH. Water recovery is typically 60-80 percent,
2 depending on the raw water characteristics. The concentrate volume for disposal can be
3 significant.

4 Pretreatment – RO requires careful review of raw water characteristics and pretreatment
5 needs to prevent membranes from fouling, scaling or other membrane degradation. Removal or
6 sequestering of suspended and colloidal solids is necessary to prevent fouling, and removal of
7 sparingly soluble constituents such as calcium, magnesium, silica, sulfate, barium, etc. may be
8 required to prevent scaling. Pretreatment can include media filters, ion exchange softening,
9 acid and antiscalant feed, activated carbon or bisulfite feed to dechlorinate, and cartridge filters
10 to remove any remaining suspended solids to protect membranes from upsets.

11 Maintenance – Monitoring rejection percentage is required to ensure contaminant removal
12 below MCL. Regular monitoring of membrane performance is necessary to determine fouling,
13 scaling, or other membrane degradation. Acidic or caustic solutions are regularly flushed
14 through the system at high volume/low pressure with a cleaning agent to remove foulants and
15 scalants. Frequency of membrane replacement is dependent on raw water characteristics,
16 pretreatment, and maintenance. With good operation and pretreatment, membranes can last 3
17 to 5 years.

18 Waste Disposal – Pretreatment waste streams, concentrate flows, spent filters, and
19 membrane elements all require approved disposal methods.

20 **Advantages (RO)**

- 21 • Can remove both As(III) and As(V) effectively; and
- 22 • Can remove other undesirable dissolved constituents and excessive total dissolved
23 solids (TDS), if required.

24 **Disadvantages (RO)**

- 25 • Relatively expensive to install and operate.
- 26 • Need sophisticated monitoring systems.
- 27 • Need to handle multiple chemicals.
- 28 • Waste of water because of the significant concentrate flows
- 29 • High silica concentrations (>35 mg/L) may limit water recovery rate
- 30 • Concentrate disposal required.

31 RO is a relatively expensive alternative to remove arsenic and is usually not economically
32 competitive with other processes unless nitrate and/or TDS removal is also required. The
33 biggest drawback for using RO to remove arsenic is the waste of water through concentrate
34 disposal, which is also difficult or expensive because of the large volumes involved.

1 1.4.5.3 Electrodialysis Reversal

2 Process. EDR is an electrochemical process in which ions migrate through ion-selective
3 semi-permeable membranes as a result of their attraction to two electrically charged electrodes.
4 A typical EDR system includes a membrane stack with a number of cell pairs, each consisting
5 of a cation transfer membrane, a demineralized flow spacer, an anion transfer membrane, and a
6 concentrate flow spacer. Electrode compartments are at opposite ends of the stack. The
7 influent feed water (chemically treated to prevent precipitation) and the concentrated reject
8 flow in parallel across the membranes and through the demineralized and concentrate flow
9 spaces, respectively. The electrodes are continually flushed to reduce fouling or scaling.
10 Careful consideration of flush feed water is required. Typically, the membranes are cation or
11 anion exchange resins cast in sheet form; the spacers are high density polyethylene; and the
12 electrodes are inert metal. EDR stacks are tank-contained and often staged. Membrane
13 selection is based on review of raw water characteristics. A single-stage EDR system usually
14 removes 40-50 percent of arsenic and TDS. Additional stages are required to achieve higher
15 removal efficiency if necessary. EDR uses the technique of regularly reversing the polarity of
16 the electrodes, thereby freeing accumulated ions on the membrane surface. This process
17 requires additional plumbing and electrical controls, but it increases membrane life, may
18 require less added chemicals, and eases cleaning. The conventional EDR treatment train
19 typically includes EDR membranes, chlorine disinfection, and clearwell storage. Treatment of
20 surface water may also require pretreatment steps such as raw water pumps, debris screens,
21 rapid mix with addition of a coagulant, slow mix flocculator, sedimentation basin or clarifier,
22 and gravity filters. Microfiltration could be used in placement of flocculation, sedimentation,
23 and filtration. Additional treatment or management of the concentrate and the removed solids
24 would be necessary prior to disposal.

25 Pretreatment. There are pretreatment requirements for pH, organics, turbidity, and other
26 raw water characteristics. EDR typically requires chemical feed to prevent scaling, acid
27 addition for pH adjustment, and a cartridge filter for prefiltration. If arsenite [As(III)] occurs,
28 oxidation via pre-chlorination is required since the arsenite specie at pH below 9 has no ionic
29 charge and will not be removed by EDR.

30 Maintenance. EDR membranes are durable, can tolerate a pH range from 1 to 10, and
31 temperatures to 115 degrees Fahrenheit (°F) for cleaning. They can be removed from the unit
32 and scrubbed. Solids can be washed off by turning the power to the electrodes off and letting
33 water circulate through the stack. Electrode washes flush out byproducts of electrode reaction.
34 The byproducts are hydrogen, formed in the cathode space, and oxygen and chlorine gas,
35 formed in the anode space. If the chlorine is not removed, toxic chlorine gas may form.
36 Depending on raw water characteristics, the membranes would require regular maintenance or
37 replacement (4 to 6 years). EDR requires reversing the polarity. Flushing at high volume/low
38 pressure continuously is required to clean electrodes. If used, pretreatment filter replacement
39 and backwashing would be required. The EDR stack must be disassembled, mechanically
40 cleaned, and reassembled at regular intervals.

1 Waste Disposal. Highly concentrated reject flows, electrode cleaning flows, and spent
2 membranes require approved disposal methods. Pretreatment processes and spent materials
3 also require approved disposal methods.

4 **Advantages (EDR)**

- 5 • EDR can operate with minimal fouling or scaling or chemical addition.
- 6 • Low pressure requirements; typically quieter than RO.
- 7 • Long membrane life expectancy; EDR extends membrane life and reduces
8 maintenance.
- 9 • More flexible than RO in tailoring treated water quality requirements.
- 10 • Removes many constituents in addition to arsenic.

11 **Disadvantages (EDR)**

- 12 • Not suitable for high levels of iron, manganese, and hydrogen sulfide.
- 13 • High energy usage at higher TDS water.
- 14 • Waste of water because of the significant concentrate flows.
- 15 • Generates relatively large saline waste stream requiring disposal.
- 16 • Pre-oxidation required for arsenite (if present).

17 EDR can be quite expensive to run because of the energy it uses. However, because it is
18 generally automated and allows for small systems. It can be used to simultaneously reduce
19 arsenic and TDS.

20 **1.4.5.4 Adsorption**

21 Process – The adsorptive media process is a fixed-bed process by which ions in solution,
22 such as arsenic, are removed by available adsorptive sites on an adsorptive media. When the
23 available adsorptive sites are filled, spent media may be regenerated or simply thrown away
24 and replaced with new media. Granular activated alumina (AA) was the first adsorptive media
25 successfully applied for the removal of arsenic from water supplies. More recently, other
26 adsorptive media (mostly iron-based) have been developed and marketed for arsenic removal.
27 Recent USEPA studies demonstrated that iron-based adsorption media typically have much
28 higher arsenic removal capacities compared to alumina-based media. In the USEPA-sponsored
29 Round 1 full-scale demonstration of arsenic removal technologies for small water systems
30 program, the selected arsenic treatment technologies included nine adsorptive media systems,
31 one IX system, one coagulation/filtration system, and one process modification.

32 The selected adsorptive media systems used four different adsorptive media, including
33 three iron-based media (*e.g.*, ADI's G2, Severn Trent and AdEdge's E33, and U.S. Filter's
34 GFH), and one iron-modified AA media (*e.g.*, Kinetico's AAFS50, a product of Alcan). The
35 G2 media is a dry powder of diatomaceous earth impregnated with a coating of ferric

1 hydroxide, developed by ADI specifically for arsenic adsorption. ADI markets G2 for both
2 As(V) and As(III) removal, but it preferentially removes As(V). G2 media adsorbs arsenic
3 most effectively at pH values within the 5.5 to 7.5 range, and less effectively at a higher pH
4 value.

5 The Bayoxide E33 media was developed by Bayer AG for removal of arsenic from
6 drinking water supplies. It is a dry granular iron oxide media designed to remove dissolved
7 arsenic via adsorption onto its ferric oxide surface. Severn Trent markets the media in the U.S.
8 for As(III) and As(V) removal as Sorb-33, and offers several arsenic package units (APU) with
9 flowrates ranging from 150 to 300 gpm. Another company, AdEdge, provides similar systems
10 using the same media (marketed as AD-33) with flowrates ranging from 5 to 150 gpm. E33
11 adsorbs arsenic and other ions, such as antimony, cadmium, chromate, lead, molybdenum,
12 selenium, and vanadium. The adsorption is effective at pH values ranging between 6.0 and 9.0.
13 At greater than 8.0 to 8.5, pH adjustment is recommended to maintain its adsorption capacity.
14 Two competing ions that can reduce the adsorption capacity are silica (at levels greater than
15 40 mg/L) and phosphate (at levels greater than 1 mg/L).

16 GFH is a moist granular ferric hydroxide media produced by GEH Wasserchemie GmbH
17 of Germany and marketed by U.S. Filter under an exclusive marketing agreement. GFH is
18 capable of adsorbing both As(V) and As(III). GFH media adsorb arsenic with a pH range of
19 5.5 to 9.0, but less effectively at the upper end of this range. Competing ions such as silica and
20 phosphate in source water can adsorb onto GFH media, thus reducing the arsenic removal
21 capacity of the media.

22 The AAFS50 is a dry granular media of 83 percent alumina and a proprietary iron-based
23 additive to enhance the arsenic adsorption performance. Standard AA was the first adsorptive
24 media successfully applied for the removal of arsenic from water supplies. However, it often
25 requires pH adjustment to 5.5 to achieve optimum arsenic removal. The AAFS50 product is
26 modified with an iron-based additive to improve its performance and increase the pH range
27 within which it can achieve effective removal. Optimum arsenic removal efficiency is
28 achieved with a pH of the feed water less than 7.7. Competing ions such as fluoride, sulfate,
29 silica, and phosphate can adsorb onto AAFS50 media, and potentially reduce its arsenic
30 removal capacity. The adsorption capacity of AAFS50 can be impacted by both high levels of
31 silica (>40 mg/L) and phosphate (>1 mg/L). The vendor recommended that the system be
32 operated in a series configuration to minimize the chance for arsenic breakthrough to impact
33 drinking water quality.

34 All iron-based or iron-modified adsorptive media are of the single use or throwaway type
35 after exhaustion. The operations of these adsorption systems are quite similar and simple.
36 Some of the technologies such as the E33 and GFH media have been operated successfully on
37 large scale plants in Europe for several years.

38 Pretreatment – The adsorptive media are primarily used to remove dissolved arsenic and
39 not for suspended solids removal. Pretreatment to remove TSS may be required if raw water
40 turbidity is >0.3 NTU. However, most well waters are low in turbidity and hence, pre-filtration

1 is usually not required. Pre-chlorination may be required to oxidize As(III) to As(V) if the
2 proportion of As(III) is high. No pH adjustment is required unless pH is relatively high.

3 Maintenance – Maintenance for the adsorption media system is minimal if no pretreatment
4 is required. Backwash is required infrequently (monthly) to remove silt and sediments that
5 occur in source waters and replacement and disposal of the exhausted media occur between 1 to
6 3 years, depending on average water consumption, the concentrations of arsenic and competing
7 ions in the raw water, the media bed volume and the specific media used.

8 Waste Disposal – If no pretreatment is required there is minimal waste disposal involved
9 with the adsorptive media system. Disposal of backwash wastewater is required especially
10 during startup. Regular backwash is infrequent, and disposal of the exhausted media occurs
11 once every 1 to 3 years, depending on operating conditions. The exhausted media are usually
12 considered non-hazardous waste.

13 **Advantages (Adsorption)**

- 14 • Some adsorbents can remove both As(III) and As(V); and
- 15 • Very simple to operate.
- 16 • Selective to arsenic.
- 17 • Long media lives.
- 18 • Spent media generally not classified as hazardous.

19 **Disadvantages (Adsorption)**

- 20 • Relatively new technology; and
- 21 • Need replacement of adsorption media when exhausted.

22 The adsorption media process is the most simple and requires minimal operator attention
23 compared to other arsenic removal processes. The process is most applicable to small wellhead
24 systems with low or moderate arsenic concentrations with no treatment process in place (*e.g.*,
25 iron and manganese removal; if treatment facilities for iron and/or manganese removal are
26 already in place, incorporating ferric chloride coagulation in the existing system would be a
27 more cost-effective alternative for arsenic removal). The choice of media will depend on raw
28 water characteristics, life cycle cost, and experience of the vendor. Many of the adsorption
29 media have been demonstrated at the field-trial stage, while others are in full-scale applications
30 throughout Europe and the U.S. Pilot testing may or may not be necessary prior to
31 implementation depending on the experience of the vendor with similar water characteristics.

32 **1.4.5.5 Coagulation/Filtration and Iron Removal Technologies**

33 Process – Iron oxides have an affinity for arsenic and iron removal processes can be used
34 to removal arsenic from drinking water supplies. The iron filtration can be accomplished with
35 granular media filter or microfilter. For effective arsenic removals, there needs to be a

1 minimum amount of iron present in the source water. When iron in the source water is
2 inadequate, an iron salt such as ferric chloride is added to the water to form ferric hydroxide.
3 The iron removal process is commonly called coagulation/filtration because iron in the form of
4 ferric chloride is a common coagulant. The actual capacity to remove arsenic during iron
5 removal depends on a number of factors, including the amount of arsenic present, arsenic
6 speciation, pH, amount and form of iron present, and existence of competing ions, such as
7 phosphate, silicate, and natural organic matter. The filters used in groundwater treatment are
8 usually pressure filters fed directly by the well pumps. The filter media can be regular dual
9 media filters or proprietary media such as the engineered ceramic filtration media, Macrolite,
10 developed by Kinetico. Macrolite is a low-density, spherical media designed to allow for
11 filtration rates up to 10 gpm/ft², which is a higher loading rate than commonly used for
12 conventional filtration media.

13 Pretreatment – Pre-chlorination to oxidize As(III) to As(V) is usually required for most
14 groundwater sources since As(V) adsorbs to the iron much more strongly than As(III). The
15 adjustment of pH is required only for relatively high pH value. Coagulation with the feed of
16 ferric chloride is required for this process. Sometimes a 5-minute contact tank is required
17 ahead the filters if the pH is high.

18 Maintenance – Maintenance is mainly to handle ferric chloride chemical and feed system,
19 and for regular backwash of the filters. No filter replacement is required for this process.

20 Waste Disposal – The waste from the coagulation/filtration process is mainly the iron
21 hydroxide sludge with adsorbed arsenic in the backwash water. The backwash water can be
22 discharged to a public sewer if it is available. If a sewer is not available, the backwash water
23 can be discharged to a storage and settling tank from where the supernatant is recycled in a
24 controlled rate to the front of the treatment system and the settled sludge can be disposed of
25 periodically to a landfill. The iron hydroxide sludge is usually not classified as hazardous
26 waste.

27 **Advantages (Coagulation/Filtration)**

- 28 • Very established technology for arsenic removal; and
- 29 • Most economical process for arsenic removal.

30 **Disadvantages (Coagulation/Filtration)**

- 31 • Need to handle chemical;
- 32 • Need to dispose of regular backwash wastewater; and
- 33 • Need to dispose of sludge.

34 The coagulation/filtration process is usually the most economical arsenic removal
35 alternative, especially if a public sewer is available for accepting the discharge of the backwash
36 water. However, because of the regular filter backwash requirements, more operation and
37 maintenance attention is required from the utilities. Because of potential interference by

1 competing ions bench-scale or pilot scaling testing may be required to ensure that the arsenic
2 MCL can be met with this process alternative.

3 **1.4.6 Point-of-Entry and Point-of-Use Treatment Systems**

4 Point-of-entry (POE) and Point-of-use (POU) treatment devices or systems rely on many
5 of the same treatment technologies used in central treatment plants. However, while central
6 treatment plants treat all water distributed to consumers to the same level, POU and POE
7 treatment devices are designed to treat only a portion of the total flow. POU devices treat only
8 the water intended for direct consumption, typically at a single tap or limited number of taps,
9 while POE treatment devices are typically installed to treat all water entering a single home,
10 business, school, or facility. POU and POE treatment systems may be an option for PWSs
11 where central treatment is not affordable. Updated USEPA guidance on use of POU and POE
12 treatment devices is provided in “*Point-of-Use or Point-of-Entry Treatment Options for Small*
13 *Drinking Water Systems*,” EPA 815-R-06-010, April 2006 (USEPA 2006).

14 Point-of-entry and POU treatment systems can be used to provide compliant drinking
15 water. These systems typically use small adsorption or reverse osmosis treatment units
16 installed “under the sink” in the case of POU, and where water enters a house or building in the
17 case of POE. It should be noted that the POU treatment units would need to be more complex
18 than units typically found in commercial retail outlets to meet regulatory requirements, making
19 purchase and installation more expensive. Point-of-entry and POU treatment units would be
20 purchased and owned by the PWS. These solutions are decentralized in nature, and require
21 utility personnel entry into houses or at least onto private property for installation,
22 maintenance, and testing. Due to the large number of treatment units that would be employed
23 and would be largely out of the control of the PWS, it is very difficult to ensure 100 percent
24 compliance. Prior to selection of a POE or POU program for implementation, consultation
25 with TCEQ would be required to address measurement and determination of level of
26 compliance.

27 The National Primary Drinking Water Regulations (NPDWR), 40 Code of Federal
28 Regulations (CFR) Section 141.100, covers criteria and procedures for PWSs using POE
29 devices and sets limits on the use of these devices. According to the regulations (July 2005
30 Edition), the PWS must develop and obtain TCEQ approval for a monitoring plan before POE
31 devices are installed for compliance with an MCL. Under the plan, POE devices must provide
32 health protection equivalent to central water treatment meaning the water must meet all
33 NPDWR and would be of acceptable quality similar to water distributed by a well-operated
34 central treatment plant. In addition, monitoring must include physical measurements and
35 observations such as total flow treated and mechanical condition of the treatment equipment.
36 The system would have to track the POE flow for a given time period, such as monthly, and
37 maintain records of device inspection. The monitoring plan should include frequency of
38 monitoring for the contaminant of concern and number of units to be monitored. For instance,
39 the system may propose to monitor every POE device during the first year for the contaminant
40 of concern and then monitor one-third of the units annually, each on a rotating schedule, such
41 that each unit would be monitored every three years. To satisfy the requirement that POE

1 devices must provide health protection, the water system may be required to conduct a pilot
2 study to verify the POE device can provide treatment equivalent to central treatment. Every
3 building connected to the system must have a POE device installed, maintained, and properly
4 monitored. Additionally, TCEQ must be assured that every building is subject to treatment and
5 monitoring, and that the rights and responsibilities of the PWS customer convey with title upon
6 sale of property.

7 Effective technology for POE devices must be properly applied under the monitoring plan
8 approved by TCEQ and the microbiological safety of the water must be maintained. TCEQ
9 requires adequate certification of performance, field testing, and, if not included in the
10 certification process, a rigorous engineering design review of the POE devices. The design and
11 application of the POE devices must consider the tendency for increase in heterotrophic
12 bacteria concentrations in water treated with activated carbon. It may be necessary to use
13 frequent backwashing, post-contactor disinfection, and Heterotrophic Plate Count monitoring
14 to ensure that the microbiological safety of the water is not compromised.

15 The SDWA [§1412(b)(4)(E)(ii)] regulates the design, management and operation of POU
16 and POE treatment units used to achieve compliance with an MCL. These restrictions, relevant
17 to MCL compliance are:

- 18 • POU and POE treatment units must be owned, controlled, and maintained by the water
19 system, although the utility may hire a contractor to ensure proper operation and
20 maintenance (O&M) and MCL compliance. The water system must retain unit
21 ownership and oversight of unit installation, maintenance and sampling; the utility
22 ultimately is the responsible party for regulatory compliance. The water system staff
23 need not perform all installation, maintenance, or management functions, as these tasks
24 may be contracted to a third party-but the final responsibility for the quality and
25 quantity of the water supplied to the community resides with the water system, and the
26 utility must monitor all contractors closely. Responsibility for O&M of POU or POE
27 devices installed for SDWA compliance may not be delegated to homeowners.
- 28 • POU and POE units must have mechanical warning systems to automatically notify
29 customers of operational problems. Each POU or POE treatment device must be
30 equipped with a warning device (e.g., alarm, light) that would alert users when their
31 unit is no longer adequately treating their water. As an alternative, units may be
32 equipped with an automatic shut-off mechanism to meet this requirement.
- 33 • If the American National Standards Institute (ANSI) issued product standards for a
34 specific type of POU or POE treatment unit, only those units that have been
35 independently certified according to those standards may be used as part of a
36 compliance strategy.

37 The following observations with regard to using POE and POU devices for SDWA
38 compliance were made by Raucher, *et al.* (2004):

- 1 • If POU devices are used as an SDWA compliance strategy, certain consumer behavioral
2 changes will be necessary (e.g., encouraging people to drink water only from certain
3 treated taps) to ensure comprehensive consumer health protection.
- 4 • Although not explicitly prohibited in the SDWA, USEPA indicates that POU treatment
5 devices should not be used to treat for radon or for most volatile organic contaminants
6 (VOC) to achieve compliance, because POU devices do not provide 100 percent
7 protection against inhalation or contact exposure to those contaminants at untreated taps
8 (e.g., shower heads).
- 9 • Liability – PWSs considering unconventional treatment options (POU, POE, or bottled
10 water) must address liability issues. These could be meeting drinking water standards,
11 property entry and ensuing liabilities, and damage arising from improper installation or
12 improper function of the POU and POE devices.

13 **1.4.7 Water Delivery or Central Drinking Water Dispensers**

14 Current USEPA regulations 40 CFR 141.101 prohibit the use of bottled water to achieve
15 compliance with an MCL, except on a temporary basis. State regulations do not directly
16 address the use of bottled water. Use of bottled water at a non-compliant PWS would be on a
17 temporary basis. Every 3 years, the PWSs that employ interim measures are required to present
18 the TCEQ with estimates of costs for piping compliant water to their systems. As long as the
19 projected costs remain prohibitively high, the bottled water interim measure is extended. Until
20 USEPA amends the noted regulation, the TCEQ is unable to accept water delivery or central
21 drinking water dispensers as compliance solutions.

22 Central provision of compliant drinking water would consist of having one or more
23 dispensers of compliant water where customers could come to fill containers with drinking
24 water. The centralized water source could be from small to medium-sized treatment units or
25 could be compliant water delivered to the central point by truck.

26 Water delivery is an interim measure for providing compliant water. As an interim
27 measure for a small impacted population, providing delivered drinking water may be cost
28 effective. If the susceptible population is large, the cost of water delivery would increase
29 significantly.

- 30 • Water delivery programs require consumer participation to a varying degree. Ideally,
31 consumers would have to do no more than they currently do for a piped-water delivery
32 system. Least desirable are those systems that require maximum effort on the part of
33 the customer (e.g., customer has to travel to get the water, transport the water, and
34 physically handle the bottles).

SECTION 2 EVALUATION METHOD

2.1 DECISION TREE

The decision tree is a flow chart for conducting feasibility studies for a non-compliant PWS. The decision tree is shown in Figures 2.1 through 2.4. The tree guides the user through a series of phases in the design process. Figure 2.1 shows Tree 1, which outlines the process for defining the existing system parameters, followed by optimizing the existing treatment system operation. If optimizing the existing system does not correct the deficiency, the tree leads to six alternative preliminary branches for investigation. The groundwater branch leads through investigating existing wells to developing a new well field. The treatment alternatives address centralized and on-site treatment. The objective of this phase is to develop conceptual designs and cost estimates for the six types of alternatives. The work done for this report follows through Tree 1 and Tree 2, as well as a preliminary pass through Tree 4.

Tree 3, which begins at the conclusion of the work for this report, starts with a comparison of the conceptual designs, selecting the two or three alternatives that appear to be most promising, and eliminating those alternatives that are obviously infeasible. It is envisaged that a process similar to this would be used by the study PWS to refine the list of viable alternatives. The selected alternatives are then subjected to intensive investigation, and highlighted by an investigation into the socio-political aspects of implementation. Designs are further refined and compared, resulting in the selection of a preferred alternative. The steps for assessing the financial and economic aspects of the alternatives (one of the steps in Tree 3) are given in Tree 4 in Figure 2.4.

2.2 DATA SOURCES AND DATA COLLECTION

2.2.1 Data Search

2.2.1.1 Water Supply Systems

The TCEQ maintains a set of files on public water systems, utilities, and districts at its headquarters in Austin, Texas. The files are organized under two identifiers: a PWS identification number and a CCN number. The PWS identification number is used to retrieve four types of files:

- CO – Correspondence,
- CA – Chemical analysis,
- MOR – Monthly operating reports (quality/quantity), and
- FMT – Financial, managerial and technical issues.

Figure 2.1
TREE 1 – EXISTING FACILITY ANALYSIS

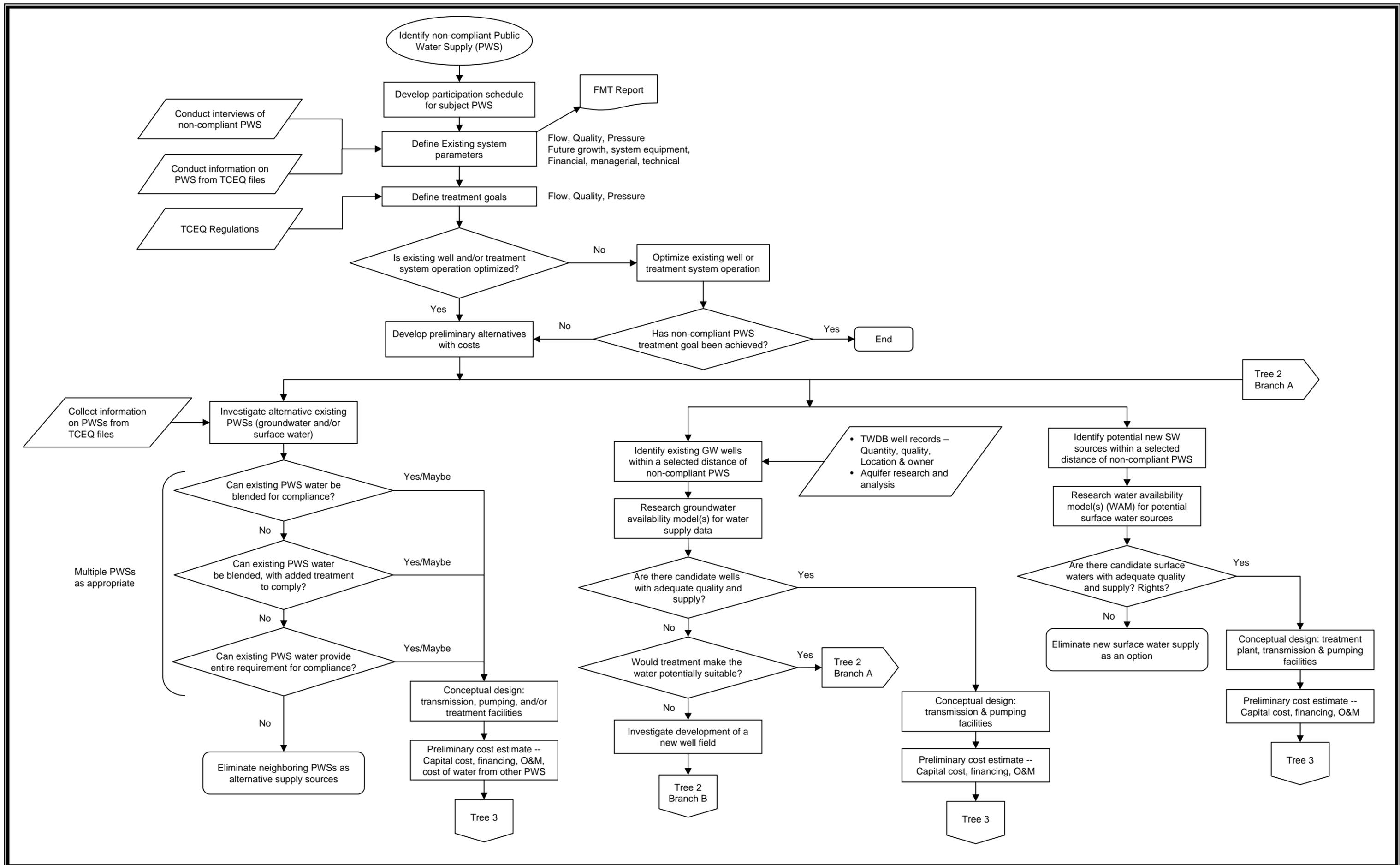


Figure 2.2
 TREE 2 – DEVELOP TREATMENT ALTERNATIVES

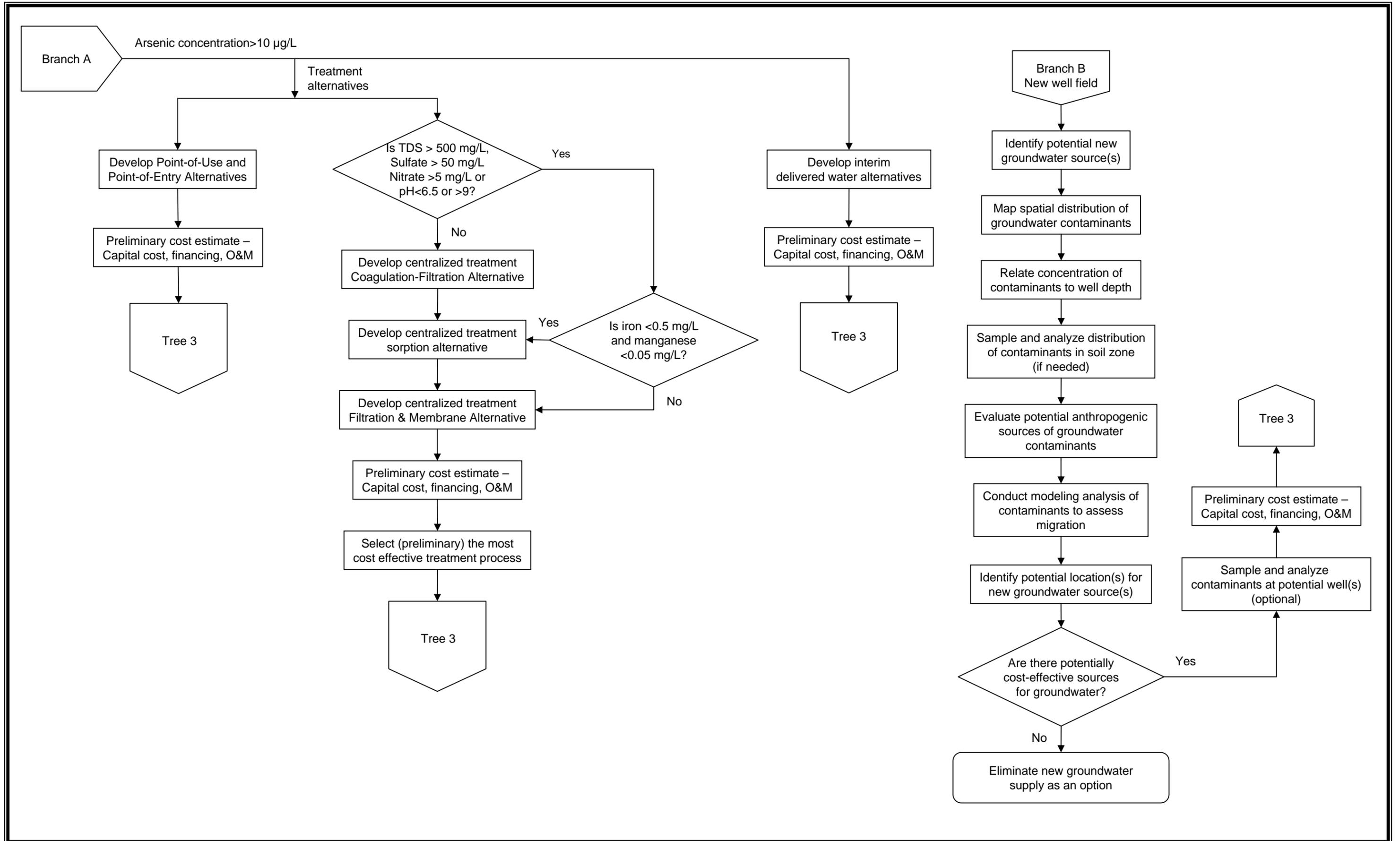
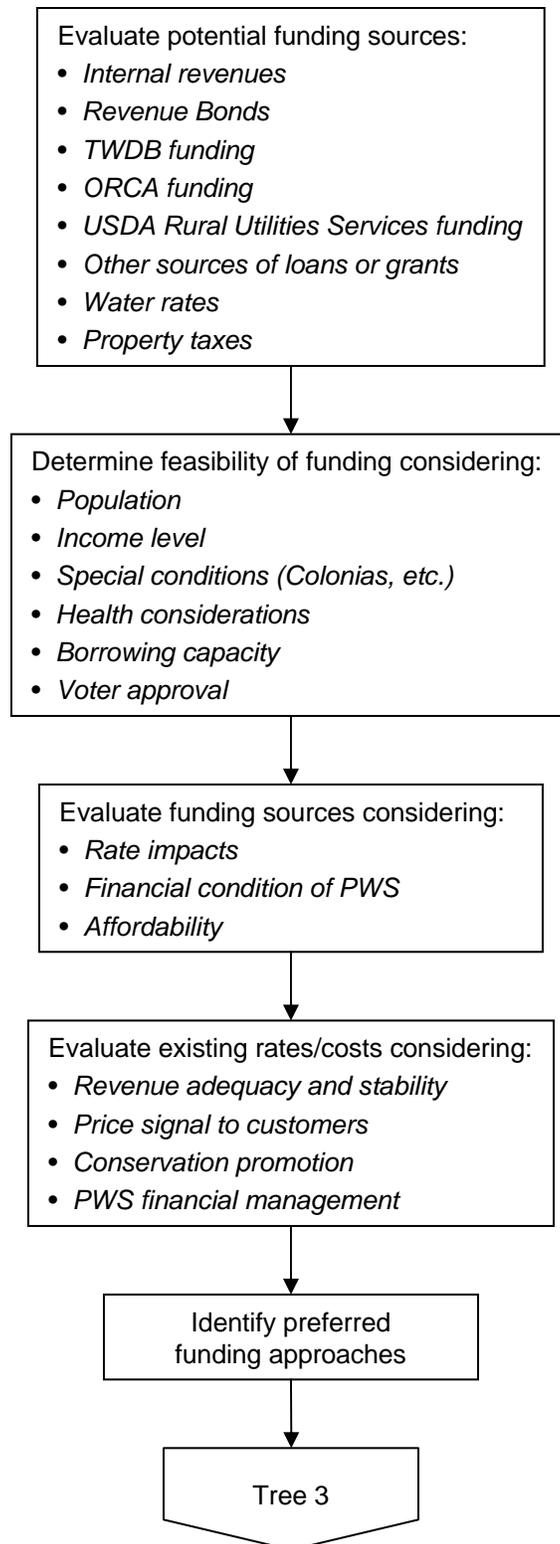


Figure 2.4
TREE 4 – FINANCIAL



1 The CCN files generally contain a copy of the system’s Certificate of Convenience and
2 Necessity, along with maps and other technical data.

3 These files were reviewed for the PWS and surrounding systems.

4 The following websites were consulted to identify the water supply systems in the area:

- 5 • Texas Commission on Environmental Quality
6 www3.tceq.state.tx.us/iwud/.
- 7 • USEPA Safe Drinking Water Information System
8 www.epa.gov/safewater/data/getdata.html

9 Groundwater Control Districts were identified on the TWDB web site, which has a series
10 of maps covering various groundwater and surface water subjects. One of those maps shows
11 groundwater control districts in the State of Texas.

12 **2.2.1.2 Existing Wells**

13 The TWDB maintains a groundwater database available at www.twdb.state.tx.us that has
14 two tables with helpful information. The “Well Data Table” provides a physical description of
15 the well, owner, location in terms of latitude and longitude, current use, and for some wells,
16 items such as flowrate, and nature of the surrounding formation. The “Water Quality Table”
17 provides information on the aquifer and the various chemical concentrations in the water.

18 **2.2.1.3 Surface Water Sources**

19 Regional planning documents were consulted for lists of surface water sources.

20 **2.2.1.4 Groundwater Availability Model**

21 GAMs, developed by the TWDB, are planning tools and should be consulted as part of a
22 search for new or supplementary water sources. The GAM for the southern Gulf Coast Aquifer
23 was investigated as a potential tool for identifying available and suitable groundwater
24 resources.

25 **2.2.1.5 Water Availability Model**

26 The WAM is a computer-based simulation predicting the amount of water that would be in
27 a river or stream under a specified set of conditions. WAMs are used to determine whether
28 water would be available for a newly requested water right or amendment. If water is
29 available, these models estimate how often the applicant could count on water under various
30 conditions (*e.g.*, whether water would be available only one month out of the year, half the
31 year, or all year, and whether that water would be available in a repeat of the drought of
32 record).

33 WAMs provide information that assist TCEQ staff in determining whether to recommend
34 the granting or denial of an application.

1 **2.2.1.6 Financial Data**

2 An evaluation of existing data will yield an up-to-date assessment of the financial
3 condition of the water system. As part of a site visit, financial data were collected in various
4 forms such as electronic files, hard copy documents, and focused interviews. Data sought
5 included:

- 6 • Annual Budget
- 7 • Audited Financial Statements
 - 8 ○ Balance Sheet
 - 9 ○ Income & Expense Statement
 - 10 ○ Cash Flow Statement
 - 11 ○ Debt Schedule
- 12 • Water Rate Structure
- 13 • Water Use Data
 - 14 ○ Production
 - 15 ○ Billing
 - 16 ○ Customer Counts

17 **2.2.1.7 Demographic Data**

18 Basic demographic data were collected from the 2000 Census to establish incomes and
19 eligibility for potential low cost funding for capital improvements. Median household income
20 (MHI) and number of families below poverty level were the primary data points of
21 significance. If available, MHI for the customers of the PWS should be used. In addition,
22 unemployment data were collected from current U.S. Bureau of Labor Statistics. These data
23 were collected for the following levels: national, state, and county.

24 **2.2.2 PWS Interviews**

25 **2.2.2.1 PWS Capacity Assessment Process**

26 Capacity assessment is the industry standard term for evaluation of a water system's FMT
27 capacity to effectively deliver safe drinking water to its customers now and in the future at a
28 reasonable cost, and to achieve, maintain and plan for compliance with applicable regulations.
29 The assessment process involves interviews with staff and management who have a
30 responsibility in the operations and management of the system.

31 Financial, managerial, and technical capacity are individual yet highly interrelated
32 components of a system's capacity. A system cannot sustain capacity without maintaining
33 adequate capability in all three components.

1 **Financial capacity** is a water system’s ability to acquire and manage sufficient financial
2 resources to allow the system to achieve and maintain compliance with SDWA regulations.
3 Financial capacity refers to the financial resources of the water system, including but not
4 limited to, revenue sufficiency, credit worthiness, and fiscal controls.

5 **Managerial capacity** is the ability of a water system to conduct its affairs so the system is
6 able to achieve and maintain compliance with SDWA requirements. Managerial capacity
7 refers to the management structure of the water system, including but not limited to, ownership
8 accountability, staffing and organization, and effective relationships with customers and
9 regulatory agencies.

10 **Technical capacity** is the physical and operational ability of a water system to achieve and
11 maintain compliance with SDWA regulations. It refers to the physical infrastructure of the
12 water system, including the adequacy of the source water, treatment, storage and distribution
13 infrastructure. It also refers to the ability of system personnel to effectively operate and
14 maintain the system and to otherwise implement essential technical knowledge.

15 Many aspects of water system operations involve more than one component of capacity.
16 Infrastructure replacement or improvement, for example, requires financial resources,
17 management planning and oversight, and technical knowledge. A deficiency in any one area
18 could disrupt the entire operation. A system that is able to meet both its immediate and long-
19 term challenges demonstrates that it has sufficient FMT capacity.

20 Assessment of FMT capacity of the PWS was based on an approach developed by the New
21 Mexico Environmental Finance Center (NMEFC), which is consistent with the TCEQ FMT
22 assessment process. This method was developed from work the NMEFC did while assisting
23 USEPA Region 6 in developing and piloting groundwater comprehensive performance
24 evaluations. The NMEFC developed a standard list of questions that could be asked of water
25 system personnel. The list was then tailored slightly to have two sets of questions – one for
26 managerial and financial personnel, and one for operations personnel (the questions are
27 included in Appendix A). Each person with a role in the FMT capacity of the system was
28 asked the applicable standard set of questions individually. The interviewees were not given
29 the questions in advance and were not told the answers others provided. Also, most of the
30 questions are open ended type questions so they were not asked in a fashion to indicate what
31 would be the “right” or “wrong” answer. The interviews lasted between 45 minutes to
32 75 minutes depending on the individual’s role in the system and the length of the individual’s
33 answers.

34 In addition to the interview process, visual observations of the physical components of the
35 system were made. A technical information form was created to capture this information. This
36 form is also contained in Appendix A. This information was considered supplemental to the
37 interviews because it served as a check on information provided in the interviews. For
38 example, if an interviewee stated he or she had an excellent preventative maintenance schedule
39 and the visit to the facility indicated a significant amount of deterioration (more than would be
40 expected for the age of the facility) then the preventative maintenance program could be further

1 investigated or the assessor could decide that the preventative maintenance program was
2 inadequate.

3 Following interviews and observations of the facility, answers that all personnel provided
4 were compared and contrasted to provide a clearer picture of the true operations at the water
5 system. The intent was to go beyond simply asking the question, “Do you have a budget?” to
6 actually finding out if the budget was developed and being used appropriately. For example, if
7 a water system manager was asked the question, “Do you have a budget?” he or she may say,
8 “yes” and the capacity assessor would be left with the impression that the system is doing well
9 in this area. However, if several different people are asked about the budget in more detail, the
10 assessor may find that although a budget is present, operations personnel do not have input into
11 the budget, the budget is not used by the financial personnel, the budget is not updated
12 regularly, or the budget is not used in setting or evaluating rates. With this approach, the
13 inadequacy of the budget would be discovered and the capacity deficiency in this area would be
14 noted.

15 Following the comparison of answers, the next step was to determine which items noted as
16 a potential deficiency truly had a negative effect on the system’s operations. If a system had
17 what appeared to be a deficiency, but this deficiency was not creating a problem in terms of the
18 operations or management of the system, it was not considered critical and may not have
19 needed to be addressed as a high priority. As an example, the assessment may have revealed an
20 insufficient number of staff members to operate the facility. However, it may also have been
21 revealed that the system was able to work around that problem by receiving assistance from a
22 neighboring system, so no severe problems resulted from the number of staff members.
23 Although staffing may not be ideal, the system does not need to focus on this particular issue.
24 The system needs to focus on items that are truly affecting operations. As an example of this
25 type of deficiency, a system may lack a reserve account which can then lead the system to
26 delay much-needed maintenance or repair on its storage tank. In this case, the system needs to
27 address the reserve account issue so that proper maintenance can be completed.

28 The intent was to develop a list of capacity deficiencies with the greatest impact on the
29 system’s overall capacity. Those were the most critical items to address through follow-up
30 technical assistance or by the system itself.

31 **2.2.2.2 Interview Process**

32 PWS personnel were interviewed by the project team, and each was interviewed
33 separately. Interview forms were completed during each interview.

34 **2.3 ALTERNATIVE DEVELOPMENT AND ANALYSIS**

35 The initial objective for developing alternatives to address compliance issues is to identify
36 a comprehensive range of possible options that can be evaluated to determine the most
37 promising for implementation. Once the possible alternatives are identified, they must be
38 defined in sufficient detail so a conceptual cost estimate (capital and O&M costs) can be
39 developed. These conceptual cost estimates are used to compare the affordability of

1 compliance alternatives, and to give a preliminary indication of rate impacts. Consequently,
2 these costs are pre-planning level and should not be viewed as final estimated costs for
3 alternative implementation. The basis for the unit costs used for the compliance alternative
4 cost estimates is summarized in Appendix B. Other non-economic factors for the alternatives,
5 such as reliability and ease of implementation, are also addressed

6 **2.3.1 Existing PWS**

7 The neighboring PWSs were identified, and the extents of their systems were investigated.
8 PWSs farther than 30 miles from the non-compliant PWSs were not considered because the
9 length of the pipeline required would make the alternative cost prohibitive. The quality of
10 water provided was also investigated. For neighboring PWSs with compliant water, options for
11 water purchase and/or expansion of existing well fields were considered. The neighboring
12 PWSs with non-compliant water were considered as possible partners in sharing the cost for
13 obtaining compliant water either through treatment or developing an alternate source.

14 The neighboring PWSs were investigated to get an idea of the water sources in use and the
15 quantity of water that might be available for sale. They were contacted to identify key
16 locations in their systems where a connection might be made to obtain water, and to explore on
17 a preliminary basis their willingness to partner or sell water. Then, the major system
18 components that would be required to provide compliant water were identified. The major
19 system components included treatment units, wells, storage tanks, pump stations, and pipelines.

20 Once the major components were identified, a preliminary design was developed to
21 identify sizing requirements and routings. A capital cost estimate was then developed based on
22 the preliminary design of the required system components. An annual O&M cost was also
23 estimated to reflect the change in O&M expenditures that would be needed if the alternative
24 was implemented.

25 Non-economic factors were also identified. Ease of implementation was considered, as
26 well as the reliability for providing adequate quantities of compliant water. Additional factors
27 were whether implementation of an alternative would require significant increase in the
28 management or technical capability of the PWS, and whether the alternative had the potential
29 for regionalization.

30 **2.3.2 New Groundwater Source**

31 It was not possible in the scope of this project to determine conclusively whether new
32 wells could be installed to provide compliant drinking water. To evaluate potential new
33 groundwater source alternatives, three test cases were developed based on distance from the
34 PWS intake point. The test cases were based on distances of 10 miles, 5 miles, and 1 mile. It
35 was assumed that a pipeline would be required for all three test cases, and a storage tank and
36 pump station would be required for the 10-mile and 5-mile alternatives. It was also assumed
37 that new wells would be installed, and that their depths would be similar to the depths of the
38 existing wells, or other existing drinking water wells in the area.

1 A preliminary design was developed to identify sizing requirements for the required
2 system components. A capital cost estimate was then developed based on the preliminary
3 design of the required system components. An annual O&M cost was also estimated to reflect
4 the change (*i.e.*, from current expenditures) in O&M expenditures that would be needed if the
5 alternative was implemented.

6 Non-economic factors were also identified. Ease of implementation was considered, as
7 well as the reliability for providing adequate quantities of compliant water. Additional factors
8 were whether implementation of an alternative would require significant increase in the
9 management or technical capability of the PWS, and whether the alternative had the potential
10 for regionalization.

11 **2.3.3 New Surface Water Source**

12 New surface water sources were investigated. Availability of adequate quality water was
13 investigated for the main rivers in the area, as well as the major reservoirs. TCEQ WAMs were
14 inspected, and the WAM was run, where appropriate.

15 **2.3.4 Treatment**

16 Treatment technologies considered potentially applicable to arsenic removal are IX, RO,
17 EDR, adsorption, and coagulation/filtration. However, because of the high TDS in the well
18 water (>1,000 mg/L), IX is not economically feasible. RO and EDR have the advantage of
19 reducing TDSs greater than the state secondary MCL of 1,000 mg/L. Adsorption and
20 coagulation/filtration processes remove arsenic only without significantly affecting TDS. RO
21 treatment is considered for central treatment alternatives, as well as POU and POE alternatives.
22 EDR, adsorption, and coagulation/filtration are considered for central treatment alternatives
23 only. Both RO and EDR treatments produce a liquid waste: a reject stream from RO treatment
24 and a concentrate stream from EDR treatment. As a result, the treated volume of water is less
25 than the volume of raw water that enters the treatment system. The amount of raw water used
26 increases to produce the same amount of treated water if RO or EDR treatment is implemented.
27 Partial treatment and blending treated and untreated water to meet the arsenic MCL would
28 reduce the amount of raw water used. RO has an advantage over EDR in that RO will remove
29 As(III) without pre-oxidation. Since the arsenic speciation is not known at this time [As(III) or
30 As(IV)] EDR is not considered further. Adsorption and coagulation filtration treatments
31 produce periodic backwash wastewater for disposal. The treatment units were sized based on
32 flow rates, and capital and annual O&M cost estimates were made based on the size of the
33 treatment equipment required. Neighboring non-compliant PWSs were identified to look for
34 opportunities where the costs and benefits of central treatment could be shared between
35 systems.

36 Non-economic factors were also identified. Ease of implementation was considered, as
37 well as the reliability for providing adequate quantities of compliant water. Additional factors
38 were whether implementation of an alternative would require significant increases in the
39 management or technical capability of the PWS, and whether the alternative had the potential
40 for regionalization.

1 **2.4 COST OF SERVICE AND FUNDING ANALYSIS**

2 The primary purpose of the cost of service and funding analysis is to determine the
3 financial impact of implementing compliance alternatives, primarily by examining the required
4 rate increases, and also the fraction of household income that water bills represent. The current
5 financial situation is also reviewed to determine what rate increases are necessary for the PWS
6 to achieve or maintain financial viability.

7 **2.4.1 Financial Feasibility**

8 A key financial metric is the comparison of an average annual household water bill for a
9 PWS customer to the MHI for the area. MHI data from the 2000 census are used at the most
10 detailed level available for the community. Typically, county level data are used for small rural
11 water utilities due to small population sizes. Annual water bills are determined for existing
12 base conditions, including consideration of additional rate increases needed under current
13 conditions. Annual water bills are also calculated after adding incremental capital and
14 operating costs for each of the alternatives to determine feasibility under several potential
15 funding sources. It has been suggested by agencies such as USEPA that federal and state
16 programs consider several criteria to determine “disadvantaged communities” with one based
17 on the typical residential water bill as a percentage of MHI.

18 Additionally, the use of standard ratios provides insight into the financial condition of any
19 business. Three ratios are particularly significant for water utilities:

- 20 • Current Ratio = current assets (items that could be converted to cash) divided by current
21 liabilities (accounts payable, accrued expenses, and debt) provides insight into the
22 ability to meet short-term payments. For a healthy utility, the value should be greater
23 than 1.0.
- 24 • Debt to Net Worth Ratio = total debt (total amount of money borrowed) divided by net
25 worth (total assets minus total liabilities) shows to what degree assets of the company
26 have been funded through borrowing. A lower ratio indicates a healthier condition.
- 27 • Operating Ratio = total operating revenues divided by total operating expenses show the
28 degree to which revenues cover ongoing expenses. The value is greater than 1.0 if the
29 utility is covering its expenses.

30 **2.4.2 Median Household Income**

31 The 2000 U.S. Census is used as the basis for MHI. In addition to consideration of
32 affordability, the annual MHI may also be an important factor for sources of funds for capital
33 programs needed to resolve water quality issues. Many grant and loan programs are available
34 to lower income rural areas, based on comparisons of local income to statewide incomes. In
35 the 2000 Census, MHI for the State of Texas was \$39,927, compared to the U.S. level of
36 \$41,994. The census broke down MHIs geographically by block group and ZIP code. The
37 MHIs can vary significantly for the same location, depending on the geographic subdivision
38 chosen. The MHI for each PWS was estimated by selecting the most appropriate value based

1 on block group or ZIP code based on results of the site interview and a comparison with the
2 surrounding area.

3 **2.4.3 Annual Average Water Bill**

4 The annual average household water bill was calculated for existing conditions and for
5 future conditions incorporating the alternative solutions. Average residential consumption is
6 estimated and applied to the existing rate structure to estimate the annual water bill. The
7 estimates are generated from a long-term financial planning model that details annual revenue,
8 expenditure, and cash reserve requirements over a 30-year period.

9 **2.4.4 Financial Plan Development**

10 The financial planning model uses available data to establish base conditions under which
11 the system operates. The model includes, as available:

- 12 • Accounts and consumption data
- 13 • Water tariff structure
- 14 • Beginning available cash balance
- 15 • Sources of receipts:
 - 16 ○ Customer billings
 - 17 ○ Membership fees
 - 18 ○ Capital Funding receipts from:
 - 19 ❖ Grants
 - 20 ❖ Proceeds from borrowing
- 21 • Operating expenditures:
 - 22 ○ Water purchases
 - 23 ○ Utilities
 - 24 ○ Administrative costs
 - 25 ○ Salaries
- 26 • Capital expenditures
- 27 • Debt service:
 - 28 ○ Existing principal and interest payments
 - 29 ○ Future principal and interest necessary to fund viable operations
- 30 • Net cash flow
- 31 • Restricted or desired cash balances:

- 1 ○ Working capital reserve (based on 1-4 months of operating expenses)
- 2 ○ Replacement reserves to provide funding for planned and unplanned
- 3 repairs and replacements

4 From the model, changes in water rates are determined for existing conditions and for
5 implementing the compliance alternatives.

6 **2.4.5 Financial Plan Results**

7 Results from the financial planning model are summarized in two areas: percentage of
8 household income and total water rate increase necessary to implement the alternatives and
9 maintain financial viability.

10 **2.4.5.1 Funding Options**

11 Results are summarized in a table that shows the following according to alternative and
12 funding source:

- 13 • Percentage of the median annual household income the average annual residential water
14 bill represents.
- 15 • The first year in which a water rate increase would be required
- 16 • The total increase in water rates required, compared to current rates

17 Water rates resulting from the incremental capital costs of the alternative solutions are
18 examined under a number of funding options. The first alternative examined is always funding
19 from existing reserves plus future rate increases. Several funding options were analyzed to
20 frame a range of possible outcomes.

- 21 • Grant funds for 100 percent of required capital. In this case, the PWS is only
22 responsible for the associated O&M costs.
- 23 • Grant funds for 75 percent of required capital, with the balance treated as if revenue
24 bond funded.
- 25 • Grant funds for 50 percent of required capital, with the balance treated as if revenue
26 bond funded.
- 27 • State revolving fund loan at the most favorable available rates and terms applicable to
28 the communities.
- 29 • If local MHI > 75 percent of state MHI, standard terms, currently at 3.8 percent interest
30 for non-rated entities. Additionally:
 - 31 ○ If local MHI = 70-75 percent of state MHI, 1 percent interest rate on loan.
 - 32 ○ If local MHI = 60-70 percent of state MHI, 0 percent interest rate on loan.
 - 33 ○ If local MHI = 50-60 percent of state MHI, 0 percent interest and
34 15 percent forgiveness of principal.

- 1 ○ If local MHI less than 50 percent of state MHI, 0 percent interest and
- 2 35 percent forgiveness of principal.
- 3 • Terms of revenue bonds assumed to be 25-year term at 6.0 percent interest rate.

4 **2.4.5.2 General Assumptions Embodied in Financial Plan Results**

5 The basis used to project future financial performance for the financial plan model
6 includes:

- 7 • No account growth (either positive or negative).
- 8 • No change in estimate of uncollectible revenues over time.
- 9 • Average consumption per account unchanged over time.
- 10 • No change in unaccounted for water as percentage of total (more efficient water use
11 would lower total water requirements and costs).
- 12 • No inflation included in the analyses (although the model has provisions to add
13 escalation of O&M costs, doing so would mix water rate impacts from inflation with the
14 impacts from the alternatives being examined).
- 15 • Minimum working capital fund established for each district, based on specified months
16 of O&M expenditures.
- 17 • O&M for alternatives begins 1 year after capital implementation.
- 18 • Balance of capital expenditures not funded from primary grant program is funded
19 through debt (bond equivalent).
- 20 • Cash balance drives rate increases, unless provision chosen to override where current
21 net cash flow is positive.

22 **2.4.5.3 Interpretation of Financial Plan Results**

23 Results from the financial plan model are presented in a Table 4.4, which shows the
24 percentage of MHI represented by the annual water bill that results from any rate increases
25 necessary to maintain financial viability over time. In some cases, this may require rate
26 increases even without implementing a compliance alternative (the no action alternative). The
27 table shows any increases such as these separately. The results table shows the total increase in
28 rates necessary, including both the no-action alternative increase and any increase required for
29 the alternative. For example, if the no action alternative requires a 10 percent increase in rates
30 and the results table shows a rate increase of 25 percent, then the impact from the alternative is
31 an increase in water rates of 15 percent. Likewise, the percentage of household income in the
32 table reflects the total impact from all rate increases.

33 **2.4.5.4 Potential Funding Sources**

34 A number of potential funding sources exist for Water Supply Corporations, which
35 typically provide service to less than 50,000 people. Both state and federal agencies offer grant

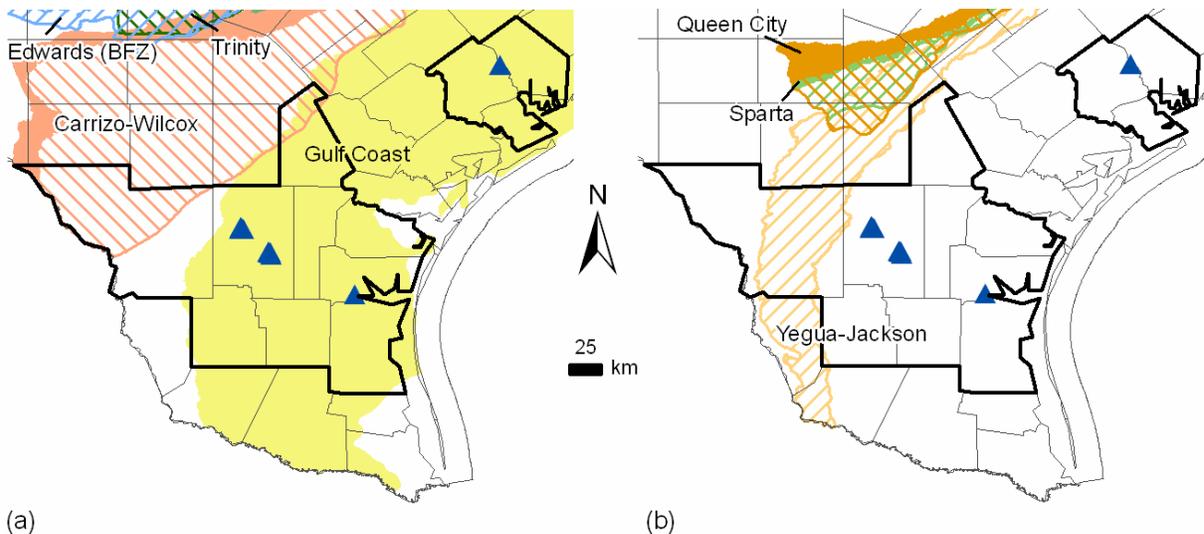
1 and loan programs to assist rural communities in meeting their infrastructure needs. Most are
2 available to “political subdivisions” such as counties, municipalities, school districts, special
3 districts, or authorities of the state with some programs providing access to private individuals.
4 Grant funds are made more available with demonstration of economic stress, typically
5 indicated with MHI below 80 percent that of the state. The funds may be used for planning,
6 design, and construction of water supply construction projects including, but not limited to, line
7 extensions, elevated storage, purchase of well fields, and purchase or lease of rights to produce
8 groundwater. Interim financing of water projects and water quality enhancement projects such
9 as wastewater collection and treatment projects are also eligible. Some funds are used to
10 enable a rural water utility to obtain water or wastewater service supplied by a larger utility or
11 to finance the consolidation or regionalization of neighboring utilities. Three Texas agencies
12 that offer financial assistance for water infrastructure are:

- 13 • Texas Water Development Board has several programs that offer loans at interest rates
14 lower than the market offers to finance projects for public drinking water systems that
15 facilitate compliance with primary drinking water regulations. Additional subsidies
16 may be available for disadvantaged communities. Low interest rate loans with short
17 and long-term finance options at tax exempt rates for water or water-related projects
18 give an added benefit by making construction purchases qualify for a sales tax
19 exemption. Generally, the program targets customers with eligible water supply
20 projects for all political subdivisions of the state (at tax exempt rates) and Water Supply
21 Corporations (at taxable rates) with projects.
- 22 • Office of Rural Community Affairs (ORCA) is a Texas state agency with a focus on
23 rural Texas by making state and federal resources accessible to rural communities.
24 Funds from the U.S. Department of Housing and Urban Development Community
25 Development Block Grants (CDBG) are administered by ORCA for small, rural
26 communities with populations less than 50,000 that cannot directly receive federal
27 grants. These communities are known as non-entitlement areas. One of the program
28 objectives is to meet a need having a particular urgency, which represents an immediate
29 threat to the health and safety of residents, principally for low- and moderate-income
30 persons.
- 31 • U.S. Department of Agriculture Rural Development Texas (Texas Rural Development)
32 coordinates federal assistance to rural Texas to help rural Americans improve their
33 quality of life. The Rural Utilities Service (RUS) programs provide funding for water
34 and wastewater disposal systems.

35 The application process, eligibility requirements, and funding structure vary for each of
36 these programs. There are many conditions that must be considered by each agency to
37 determine eligibility and ranking of projects. The principal factors that affect this choice are
38 population, percent of the population under the state MHI, health concerns, compliance with
39 standards, Colonia status, and compatibility with regional and state plans.

1 Major and minor aquifers found in this region are shown in Figure 3.2. All PWS wells of
2 concern were drilled within the Gulf Coast aquifer system, which consists of a number of
3 distinct aquifers and is described in more detail below. From oldest to youngest, and from
4 northwest to southeast, these aquifers are known as the Jasper, Evangeline, and Chicot. In
5 addition, the Carrizo-Wilcox and Yegua-Jackson aquifers are present in the western part of the
6 study area. Other aquifers that are near, but not within, the study area include the Edwards
7 (Balcones Fault Zone), Queen City, Sparta, and Trinity aquifers.

8 **Figure 3.2 Major (a) and Minor (b) Aquifers in the Study Area**



9 Solid indicates a portion of an aquifer that lies at the land surface. Hatched indicates a portion of an aquifer
that underlies other formations.

10 Data used for this study include information from three sources:

- 11 ■ Texas Water Development Board groundwater database available at
12 www.twdb.state.tx.us. The database includes information on the location and
13 construction of wells throughout the state as well as historical measurements of water
14 chemistry and levels in the wells.
- 15 ■ Texas Commission on Environmental Quality Public Water Supply database (not
16 publicly available). The database includes information on the location, type, and
17 construction of water sources used by PWSs in Texas, along with historical
18 measurements of water levels and chemistry.
- 19 ■ National Uranium Resource Evaluation (NURE) database available at:
20 tin.er.usgs.gov/nure/water. The NURE dataset includes groundwater quality data
21 collected between 1975 and 1980. The database provides well locations and depths
22 with an array of analyzed chemical data.

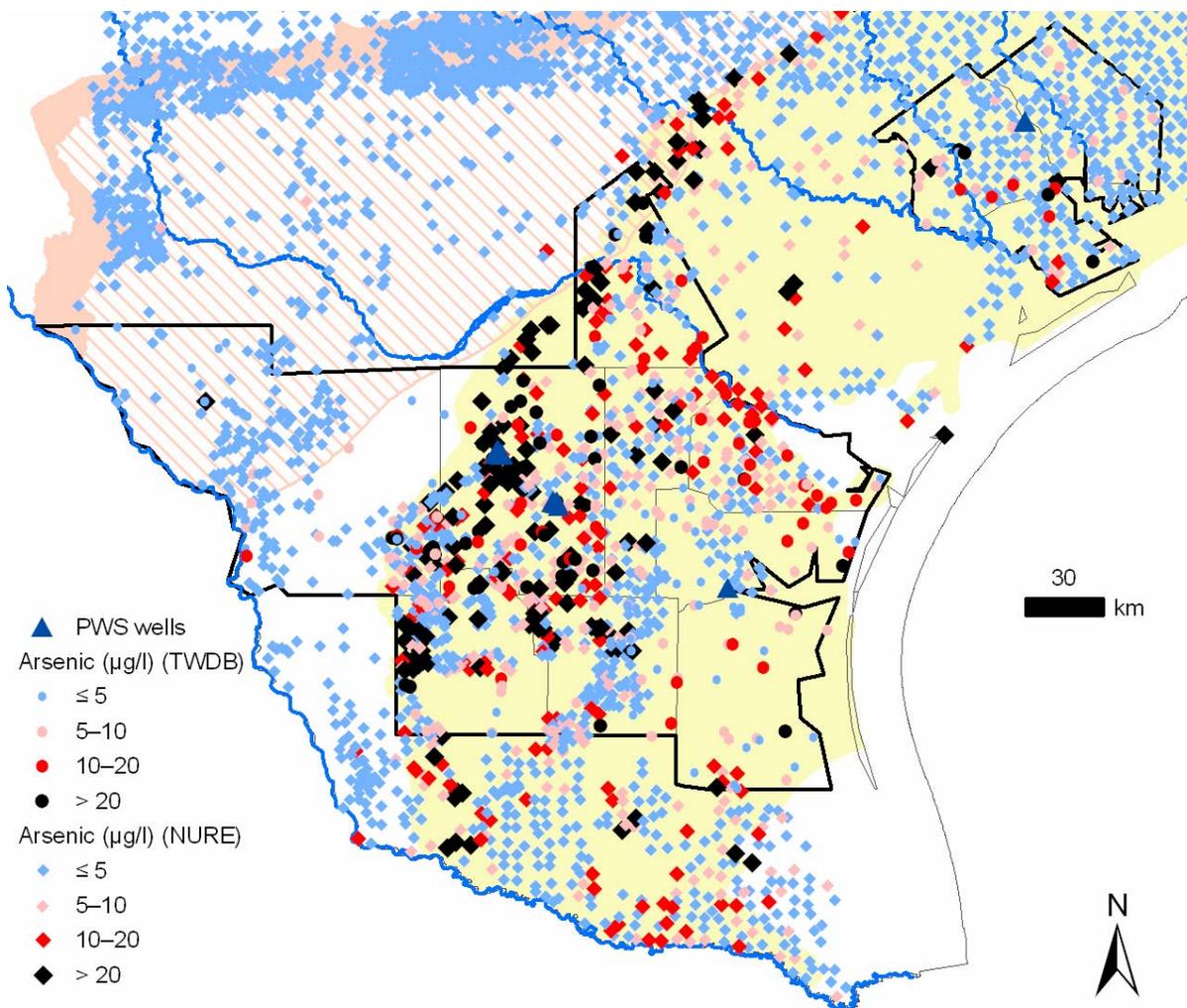
3.1.2 Contaminants of Concern in the Study Area

Contaminants addressed in this study include arsenic, combined radium, gross alpha, and uranium. Groundwater supplies from PWSs in the study area assessed in Section 2 have been found to contain levels of one or more of these contaminants in excess of the USEPA's MCL. The database or databases used to assess each constituent are those with the most available measurements. For individual wells sampled for a given constituent multiple times, the most recent measurement is shown.

Arsenic

Arsenic levels exceed the MCL (10 µg/L) in many wells drilled within the Gulf Coast aquifer system (Figure 3.3). The values shown in these figures are based on the most recent sample for each well. In particular, these maps show many wells with high arsenic concentrations along the western, updip area of the aquifer system.

Figure 3.3 Spatial Distribution of Arsenic Concentrations



14

The distribution of arsenic within the study area can be further described by looking at the number of wells in each aquifer that exceeds the MCL (Table 3.1). Arsenic concentrations are distinctively higher in the Jasper aquifer, where 62 percent of the wells exceed the MCL for arsenic, than in the rest of the Gulf Coast aquifer system, where 13–24 percent of wells exceed the MCL. Because the units in the aquifer system become progressively older from southeast to northwest, many of the high arsenic wells along the northwest edge of the aquifer likely belong to the Jasper aquifer, the oldest aquifer in the system. All wells in the Carrizo-Wilcox and Yegua-Jackson aquifers contain acceptable levels of arsenic.

The data in Table 3.1 were obtained from the TWDB groundwater database (samples from the NURE database were not included because the database does not associate sampled wells with aquifers). TWDB aquifer codes used to define the aquifers within the Gulf Coast aquifer system include

- Chicot Aquifer: Codes 110AVLS, 112BMLG, 112BMLS, 112BMNT, 112CHCT, 112CHCTL, 112CHCTU, and 112LISS
- Evangeline Aquifer: Codes 110AVGL, 121EVGL, 112GOLD, and 121GOLD.
- Jasper Aquifer: Codes 112CTHL, 112JSPR, 112LGRT, and 112OKVC.

Wells in the Gulf Coast aquifer system that are not identified as being within one of these aquifers are not included.

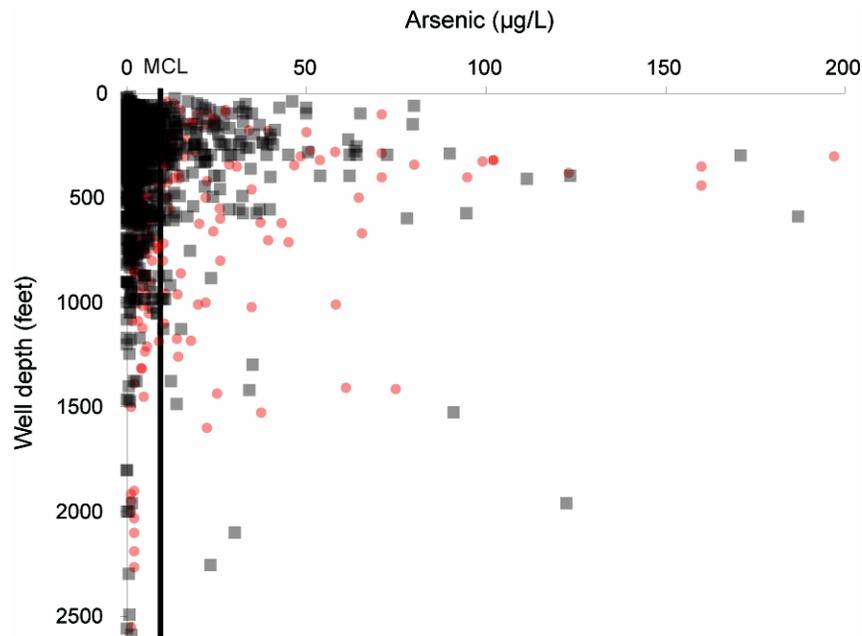
Table 3.1 Summary of Wells that Exceed the MCL for Arsenic, by Aquifer

Aquifer	Wells with measurements	Wells that exceed 10 µg/L	Percentage of wells that exceed 10 µg/L
Chicot	39	5	13
Evangeline	175	42	24
Jasper	69	43	62
Carrizo-Wilcox	16	0	0
Yegua-Jackson	4	0	0
other	21	6	29

Data from the TWDB database

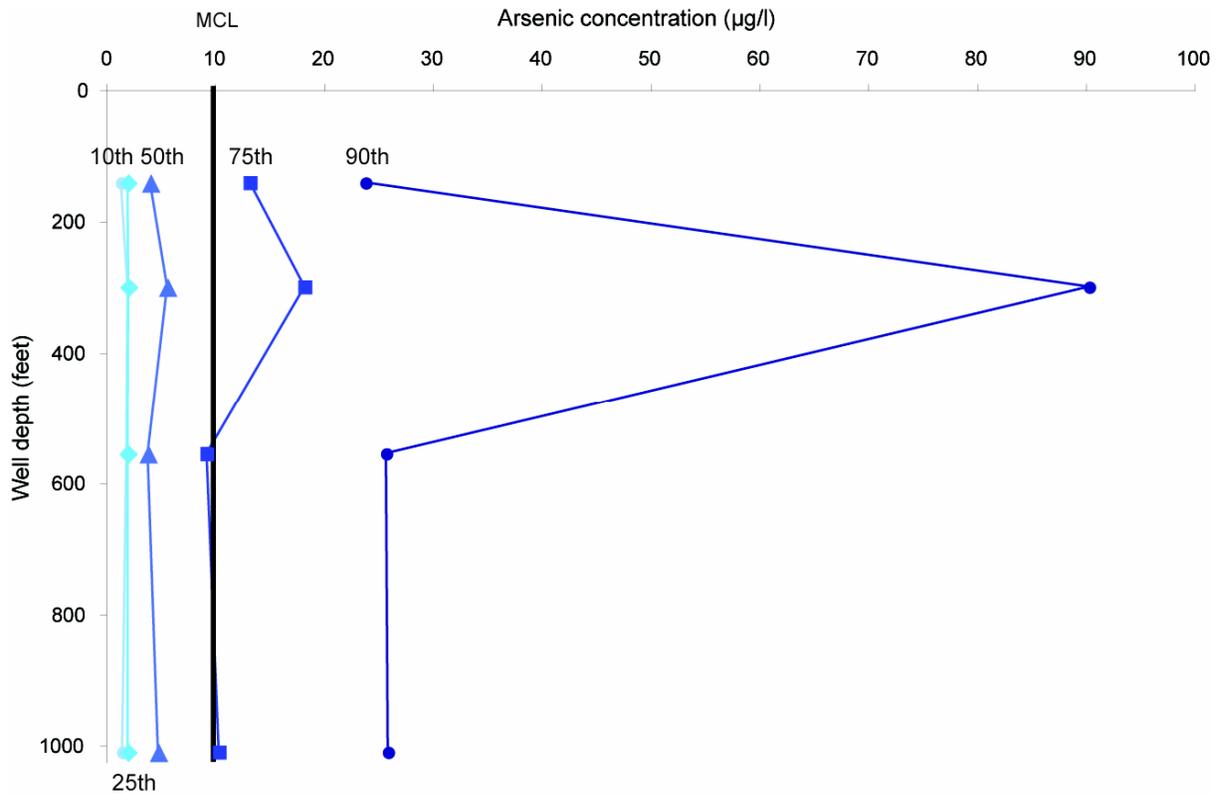
1 In addition, arsenic concentrations are generally associated with well depths within the
2 study area (Figures 3.4 and 3.5). Wells between about 230 and 400 feet deep are more likely to
3 have arsenic concentrations above the MCL (Figure 3.5). This suggests that deepening shallow
4 wells or casing off portions of wells above or below this depth range might decrease arsenic
5 concentrations. However, the thickness of the Gulf Coast aquifer system, and thus the depth of
6 the aquifer, increases toward the coast. Along the updip edge of the aquifer, where the
7 saturated thickness may be limited to relatively shallow depths, deepening wells might not be a
8 viable option.

9 **Figure 3.4 Arsenic Concentrations and Well Depths within the Study Area**



10
11 *Gray squares indicate NURE data; red circles indicate TWDB data.*

1 **Figure 3.5 Arsenic Concentrations and Well Depths in the Study Area from the**
2 **TWDB Database**

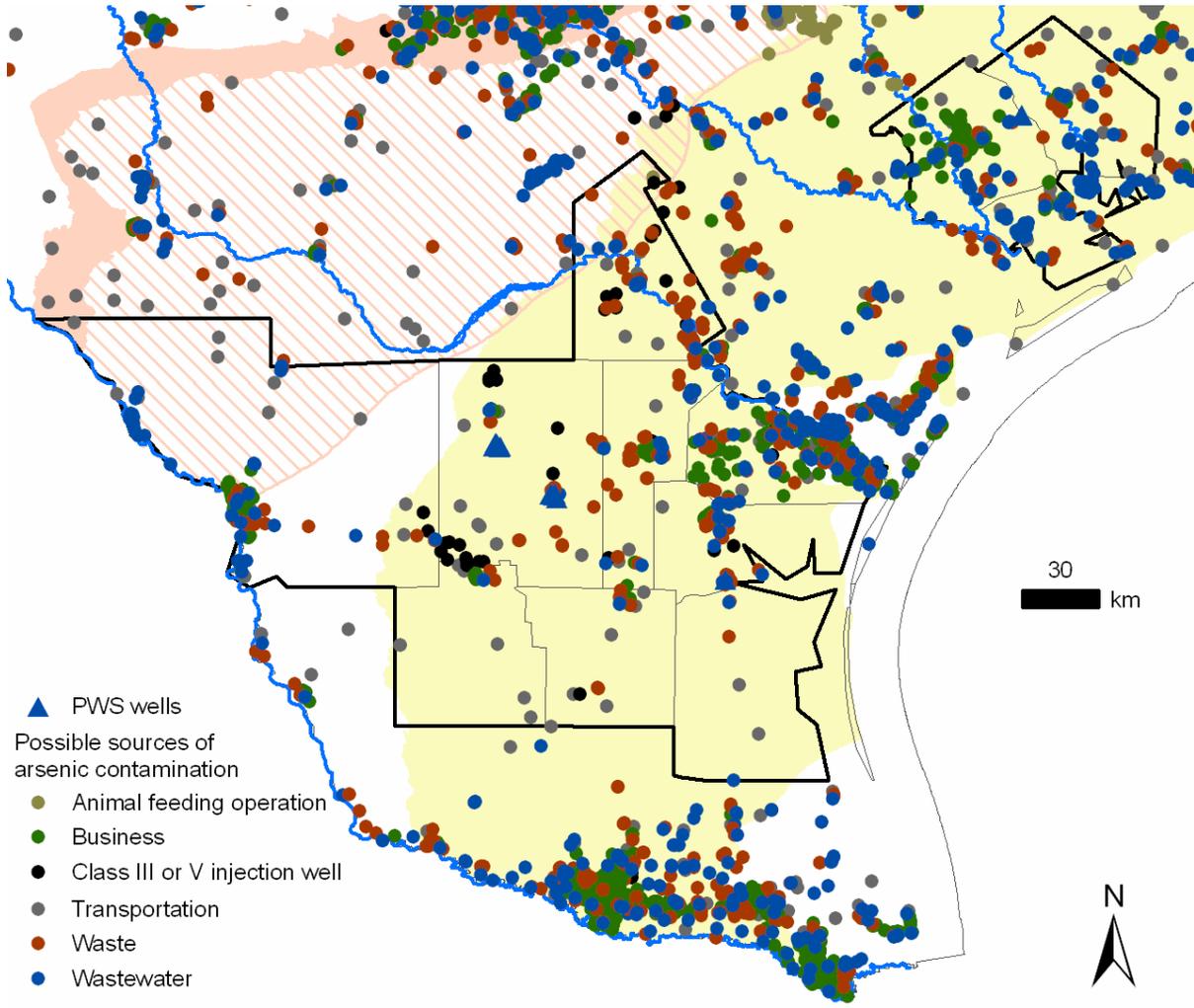


3
4 *Depths plotted are the medians of the 25th, 50th, 75th, and 100th percentiles. Concentrations represent the 10th, 25th, 50th,*
5 *75th, and 90th percentiles of values within each depth range.*

6 Some of the high arsenic levels in the region might be explained by point source
7 contaminants. The TCEQ Source Water Assessment and Protection program compiled a
8 database of potential sources of arsenic contamination, such as animal feeding operations,
9 certain businesses, injection wells used in oil production, transportation-related sites, and sites
10 that store waste and wastewater (Figure 3.6). These anthropogenic sources of arsenic might
11 explain high arsenic levels along the Rio Grande, Nueces, and Guadalupe Rivers (Figure 3.3).

1

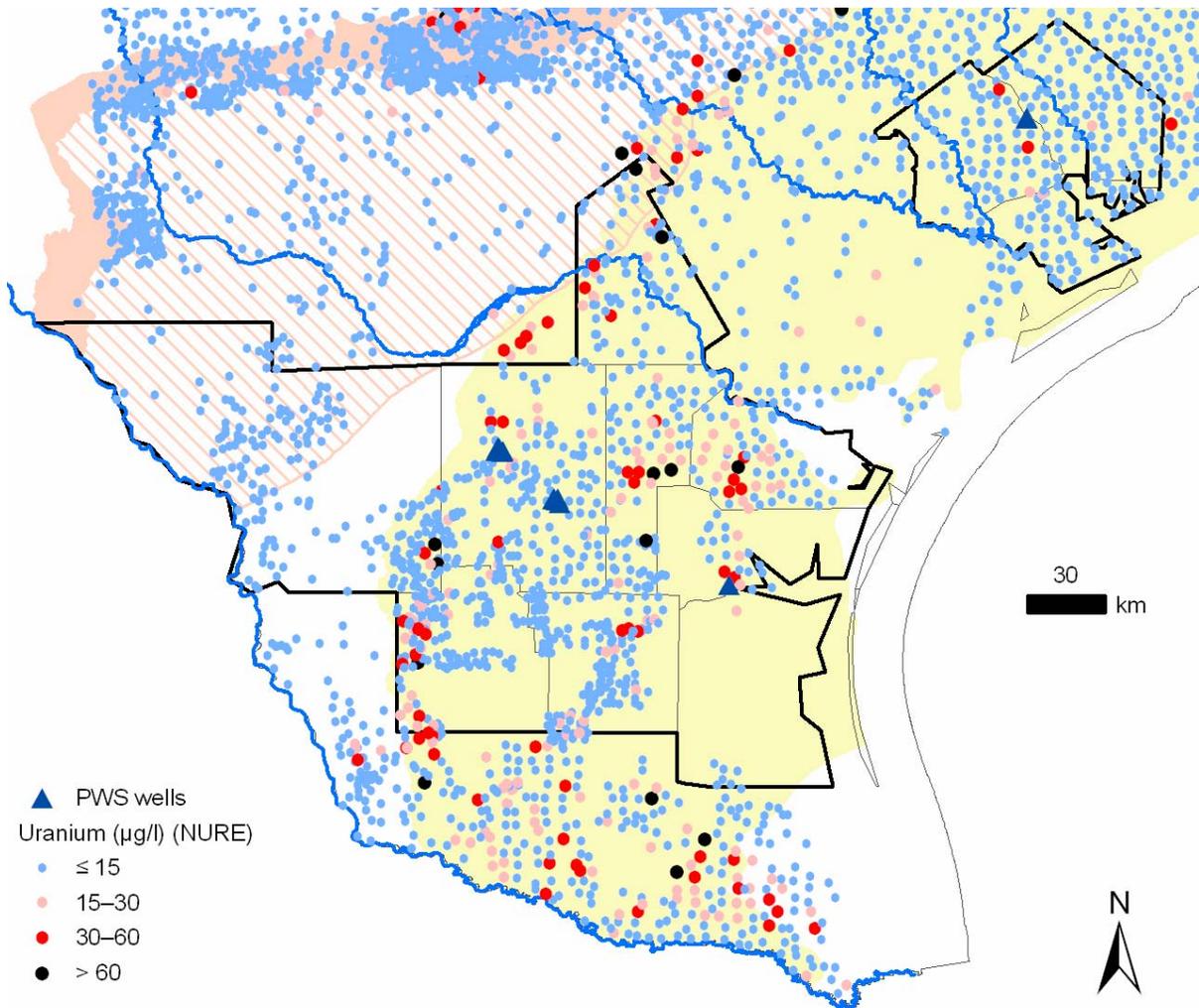
Figure 3.6 Locations of Possible Sources of Arsenic Contamination



1 **Uranium**

2 A small but significant number of wells in the area contain uranium concentrations that
3 exceed the MCL for uranium (30 µg/L). The distribution of measured uranium levels in
4 groundwater in the study area from the NURE database is shown in Figure 3.7. This map
5 indicates that many of the high uranium levels occur along the updip edge of the Gulf Coast
6 aquifer system and in the Rio Grande valley.

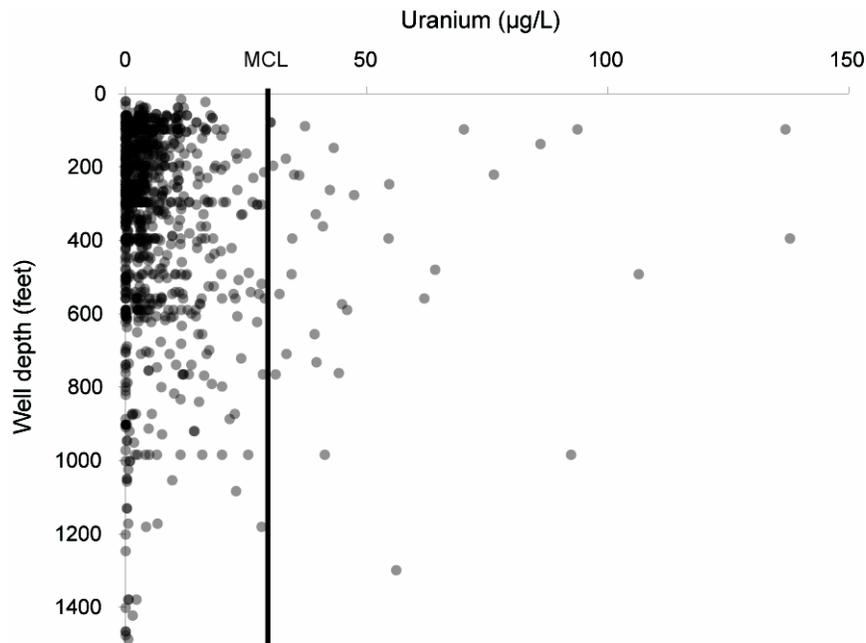
7 **Figure 3.7 Spatial Distribution of Uranium Concentrations**



8

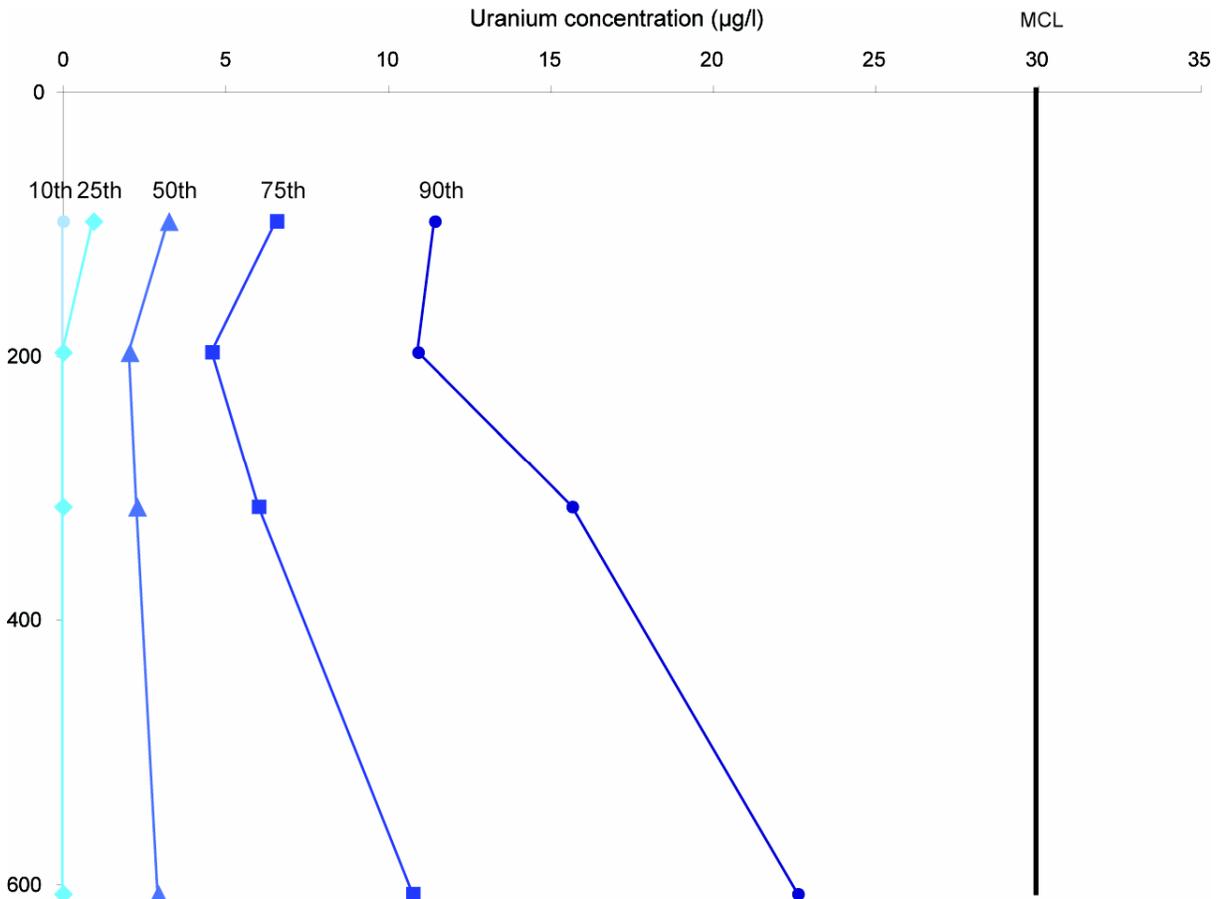
1 Because the NURE database does not include information about which aquifer the sampled
2 wells represent, it is not possible to compare uranium concentrations by aquifer. However,
3 because well depths are included in the database, differences in uranium concentrations in
4 wells of different depths can be compared (Figure 3.8 and 3-9). Based on Figure 3.9, the
5 lowest uranium concentrations are generally found in wells between about 140 and 260 feet
6 deep. However, only three wells below 800 feet exceed the MCL for uranium. The relatively
7 small number of wells more than about 900 feet deep make the trend in uranium levels in these
8 deeper wells more difficult to discern.

9 **Figure 3.8 Uranium Concentrations and Well Depths within the Study Area**



10

1 **Figure 3.9 Uranium Concentrations and Well Depths in the Study Area from the**
2 **NURE Database**

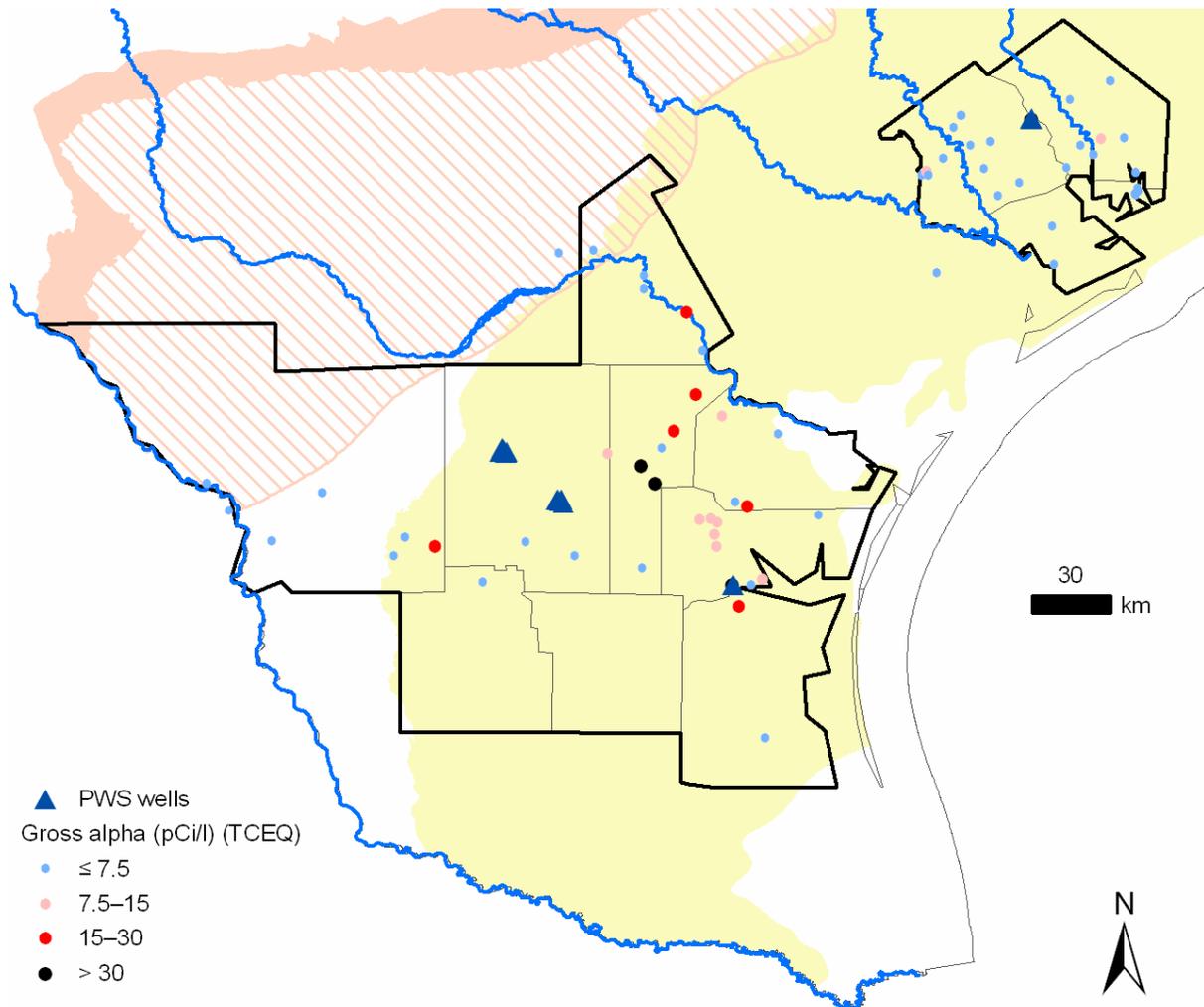


3
4 *Depths plotted are the medians of the 25th, 50th, 75th, and 100th percentiles. Concentrations represent the 10th, 25th, 50th,*
5 *75th, and 90th percentiles of values within each depth range.*

1 **Gross Alpha**

2 Based on the small number of gross alpha measurements available, the highest
3 concentrations appear to occur in the central part of the study area, while most other wells
4 show acceptable levels. Figure 3.10 shows the distribution of gross alpha measured in wells in
5 the study area. Because measurements from the TCEQ database are commonly from samples
6 that are a mixture of water from multiple wells, an assessment of how gross alpha
7 concentrations vary with well depth or aquifer is not possible.

8 **Figure 3.10 Spatial Distribution of Gross Alpha Concentrations in the Study Area**

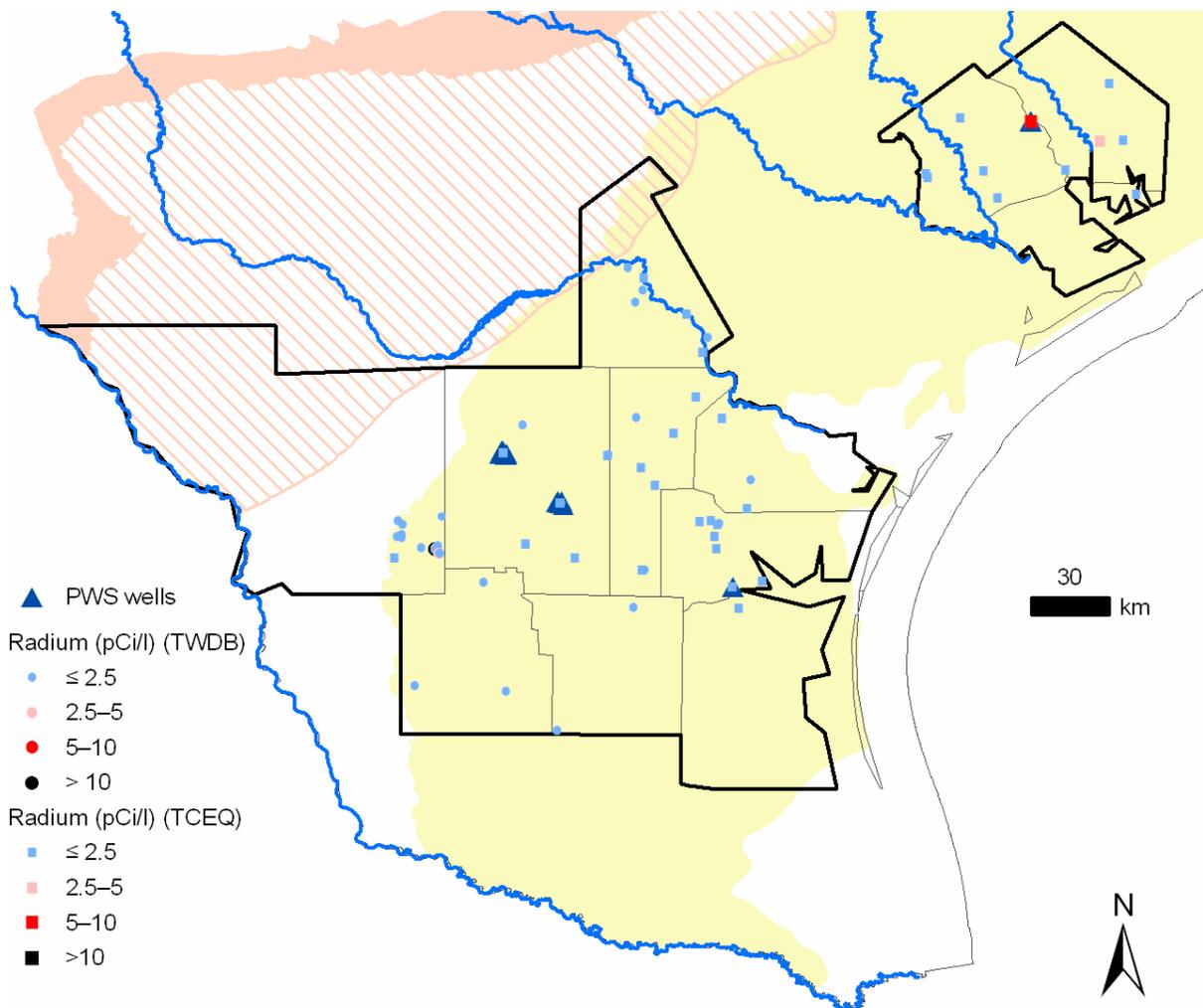


9

1 Combined Radium

2 The concentration of combined radium, which refers to radium 226 plus radium 228, is
3 generally below the MCL (5 pCi/L) throughout the study area. An exception is the combined
4 radium measured at the Arenosa Creek Estates PWS, discussed in more detail below. The
5 distribution of available combined radium measurements is shown in Figure 3.11. The values
6 shown in this analysis represent an upper limit of the possible concentration, because in wells
7 that contained less than 1 pCi/L of radium 228 (the detection limit), 1 pCi/L was used in the
8 combined concentration.

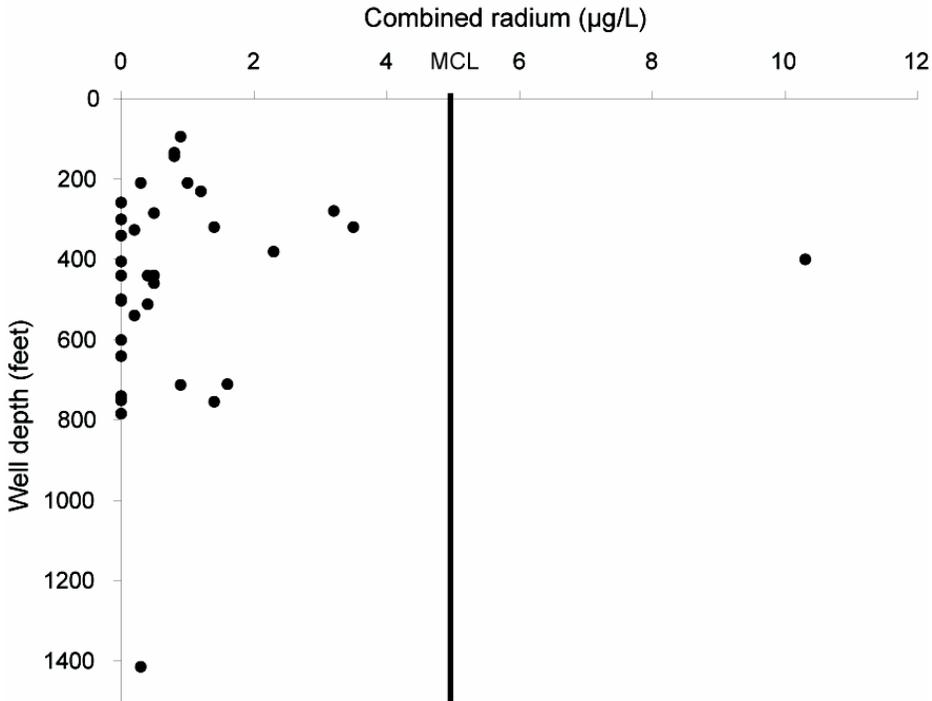
9 **Figure 3.11 Spatial Distribution of Combined Radium Concentrations in the Study**
10 **Area**



11

1 There is no clear correlation between combined radium concentration and well depth in the
2 study area (Figure 3.12). Although the highest measured concentrations occur in shallower
3 wells, the small number of measurements available makes it difficult to conclusively
4 demonstrate any trend.

5 **Figure 3.12 Combined Radium Concentrations and Well Depths within the Study Area**

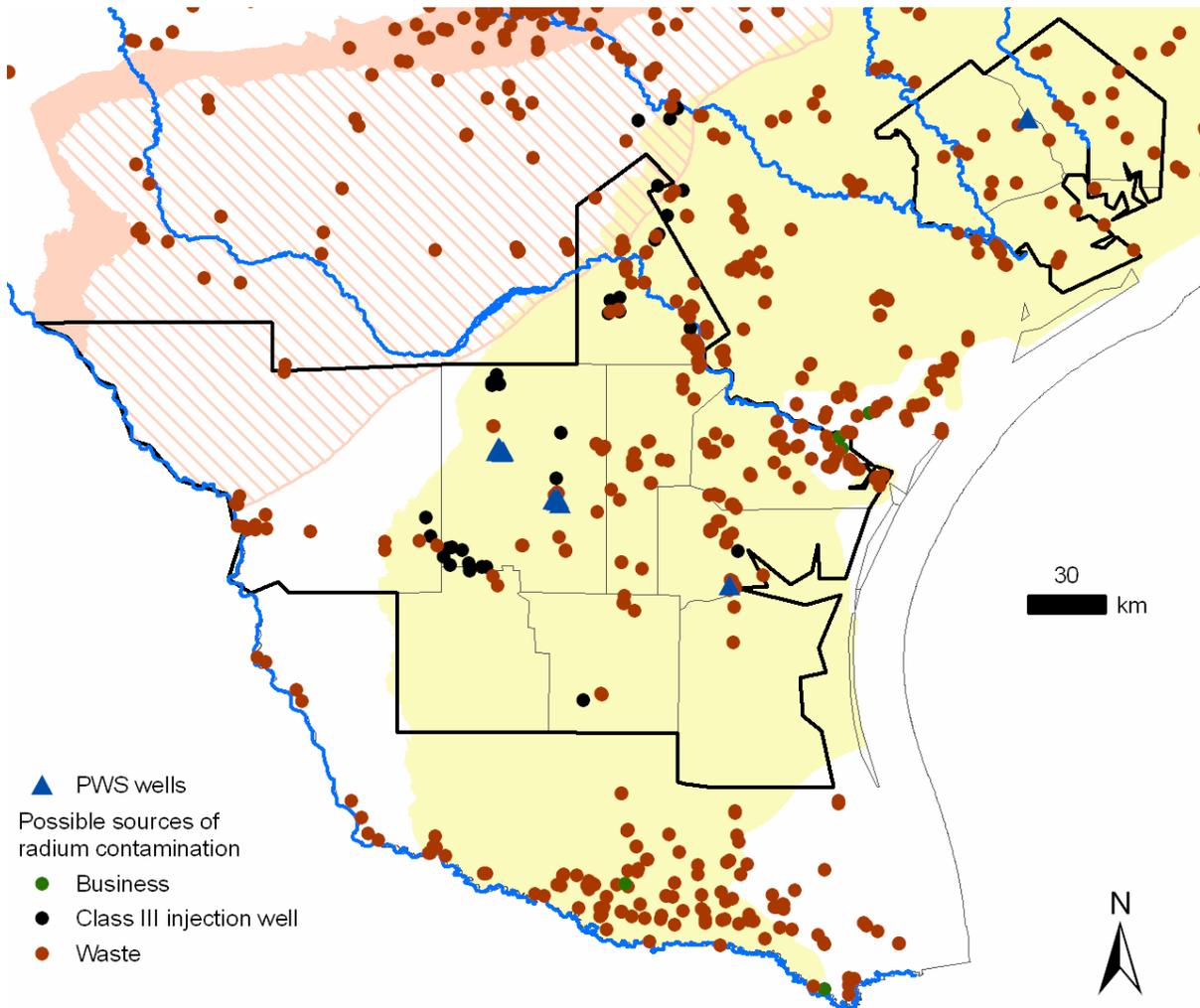


6

7

8 High radium concentrations can also be caused by anthropogenic sources of
9 contamination. The TCEQ SWAP compiled a database of potential sources of radium
10 contamination, including certain businesses, injection wells related to oil production, and waste
11 disposal sites (Figure 3.13). The low measured levels of combined radium in the region do not
12 indicate significant contamination caused by these sources.

1 **Figure 3.13 Locations of Possible Sources of Radium Contamination in the Study Area**



3.1.3 Regional Hydrogeology

The Gulf Coast aquifer system is the primary source of groundwater along the coastal plains of Texas, extending about 62 miles inland from the Gulf of Mexico. South of the study area, this aquifer system extends across the Rio Grande and into Mexico. North of the study area, it extends along the Gulf Coast into Louisiana. The aquifer system consists of several hydrologically connected sedimentary units, Miocene age and younger, composed of interbedded gravel, sand, silt, and clay. These sediments were deposited in alluvial, deltaic, lagoon, beach, and continental shelf environments as the depositional basin that forms the Gulf of Mexico. As a result of the gradual subsidence of the basin, these units all dip toward the coast (Ryder 1996), so the geologic units at the surface are youngest at the coast and oldest inland (Ashworth and Hopkins 1995). The units also generally thicken toward the coast, so the main producing units are very thin at the inland boundary of the aquifer and increase to nearly 6,000 feet thick at the coast within the study area (Baker 1979).

1 The oldest and deepest formation is the Miocene age Catahoula Tuff or Sandstone,
2 which in most places serves as a confining unit between the Gulf Coast aquifer system and the
3 underlying Jackson Group. Overlying the Catahoula is the Miocene age Jasper aquifer, in
4 which the Oakville Sandstone forms a productive aquifer unit. Above the Jasper aquifer is the
5 Burkeville confining unit, made up primarily of a clay-rich unit known as the Fleming
6 Formation (Baker 1979) or the Lagarto Clay (Shafer and Baker 1973), which separates the
7 Jasper from the overlying Evangeline aquifer. The Evangeline aquifer consists of the Pliocene
8 age Goliad Sand. Above the Evangeline, the top of the Gulf Coast aquifer system, known as
9 the Chicot aquifer, includes the Pleistocene age Lissie, Willis, Bentley, Montgomery, and
10 Beaumont formations, as well as recent alluvial deposits (Baker 1979). Locally, formations
11 that make up the Chicot aquifer might not all be present or discernable (Shafer 1968; Shafer
12 and Baker 1973; Shafer 1974).

13 Water quality in the Gulf Coast aquifer system is generally good in the shallower parts
14 of the aquifer, but worsens toward the Rio Grande valley. Along the coast, the quality is poor
15 in some locations due to saltwater encroachment (Ashworth and Hopkins 1995). In some
16 areas, including Kleberg, Kenedy, and Jim Wells Counties, improperly cased wells in the
17 Evangeline aquifer have experienced increases in salinity due to leakage of shallow saline
18 water from overlying formations (Shafer and Baker 1973). Saline waters near the surface
19 might be natural or a result of human activities such as oil production or pesticide application,
20 although historically pesticides have not been a known source of contamination (Shafer 1968;
21 Shafer and Baker, 1973; Shafer, 1974).

22 Other aquifers that provide water supplies in the western part of the study area include
23 the Carrizo-Wilcox and the Yegua-Jackson. The Carrizo-Wilcox aquifer includes the Tertiary
24 age Wilcox Group and the Carrizo Formation (Ashworth and Hopkins 1995). Where it is
25 present in the study area, the Carrizo-Wilcox is primarily located only at depth; it outcrops only
26 in a small area in northwestern Webb County. The Yegua-Jackson aquifer consists of the
27 Eocene age Yegua Formation and the Eocene–Pleistocene Jackson Group, both of which are
28 made up of interbedded sand, silt, and clay, some of which include volcanic sediments, lignite,
29 and uranium (Preston 2006). This aquifer only occurs in the subsurface within the study area.

30 **3.2 DETAILED ASSESSMENT FOR BENAVIDES-DUVAL COUNTY** 31 **CONSERVATION & RECLAMATION DISTRICT PWS (PWS 0660001)**

32 The Benavides-DCC&RD PWS has seven wells: G0660001A–G. Well G0660001A is
33 328 feet deep, and the other wells range in depth from 502 to 618 feet. All the wells were
34 drilled within the Evangeline aquifer (121EVGL and 121GOLD). Water from this water
35 supply system is sampled from two entry points—one sample location contains water from
36 wells G0660001A, B, and G, and the other contains water from wells G0660001C, D, E, and F.
37 Therefore, the chemical analyses shown in Table 3.2 represent a mix of water from these sets of
38 wells.

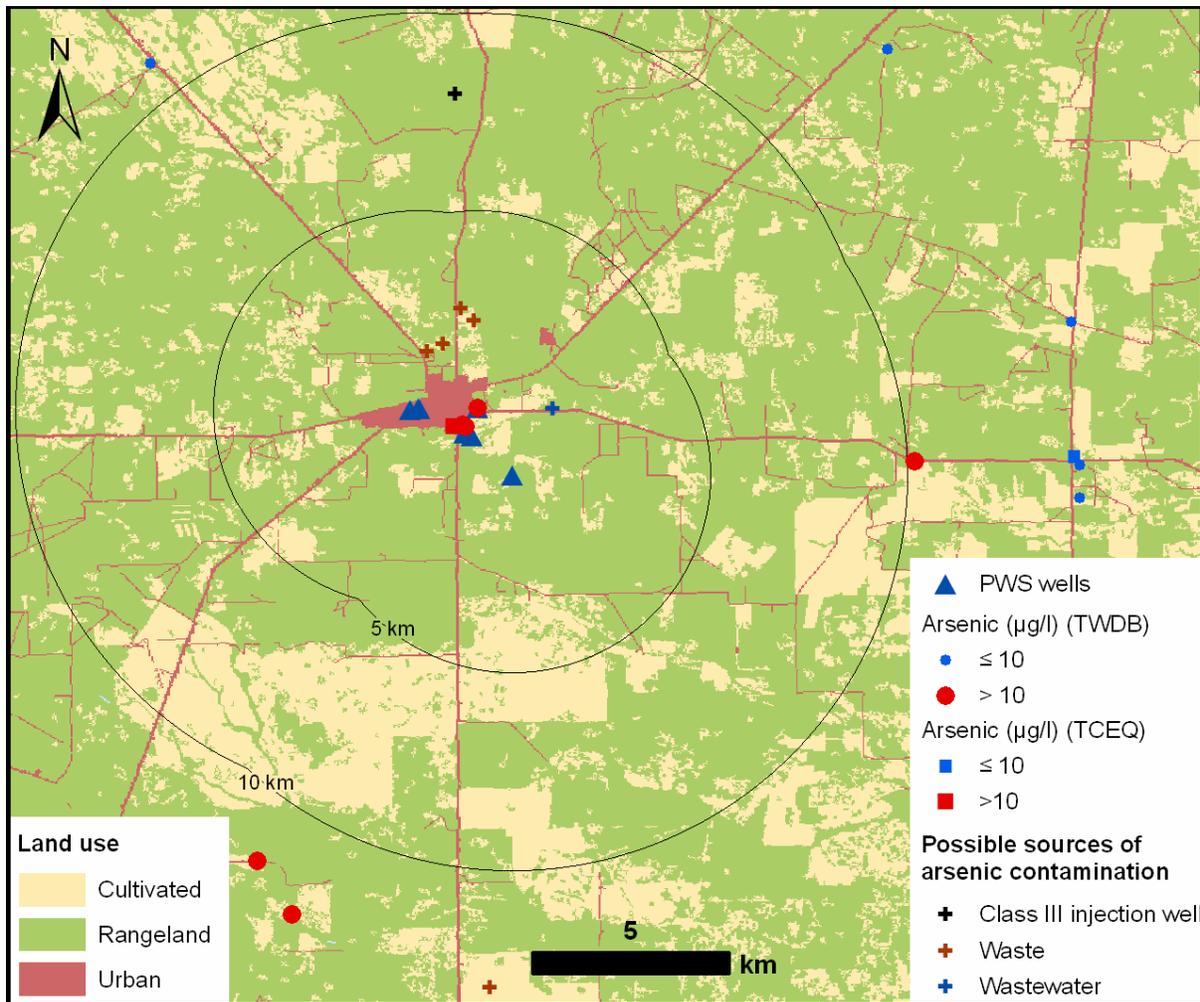
1 **Table 3.2 Arsenic Concentrations in the Benavides-Duval County Conservation and**
2 **Reclamation PWS**

Date	Arsenic (µg/L)	Wells sampled
5/20/1997	27.0	G0660001A, B, and G
5/20/1997	27.1	G0660001C–F
4/6/2000	32.8	G0660001A–G
7/9/2003	37.0	G0660001C–F
10/8/2003	30.6	G0660001C–F
2/15/2005	37.6	G0660001A, B, and G
6/6/2005	25.9	G0660001C–F
11/2/2005	31.6	G0660001C–F
11/2/2005	24.5	G0660001A, B, and G
1/30/2006	39.4	G0660001A, B, and G
6/26/2006	27.9	G0660001C–F
6/26/2006	27.2	G0660001C–F
6/26/2006	32.3	G0660001A, B, and G
6/26/2006	32.7	G0660001A, B, and G
9/25/2006	41.9	G0660001A, B, and G
2/27/2007	23.0	G0660001C–F

Data from the TCEQ PWS Database

3 All 16 measurements of arsenic concentrations in these wells, from samples taken between
4 1997 and 2007, exceed the MCL for arsenic (10 µg/L). The distribution of arsenic
5 concentrations measured in nearby wells is shown in Figure 3.14.

1 **Figure 3.14 Arsenic Concentrations within 5- and 10-km Buffers around the Benavidas-**
2 **Duval County Conservation and Reclamation PWS**



3
4 Data are from the TCEQ and TWDB databases. Two types of samples were included in
5 the analysis. Samples from the TCEQ database (shown as squares on the map) represent the
6 most recent sample taken at a PWS, which can be raw samples from a single well or entry point
7 samples that may combine water from multiple sources. Samples from the TWDB database are
8 taken from single wells (shown as circles in the map). Where more than one measurement has
9 been made from a source, the most recent concentration is shown.

10 There are no wells within 6.2 miles of the PWS wells that have been tested for arsenic
11 content, so it is unclear whether the high levels of arsenic are localized near the PWS wells or
12 present throughout the area. The lack of information also eliminates the possibility of
13 suggesting nearby wells as potential alternative water sources.

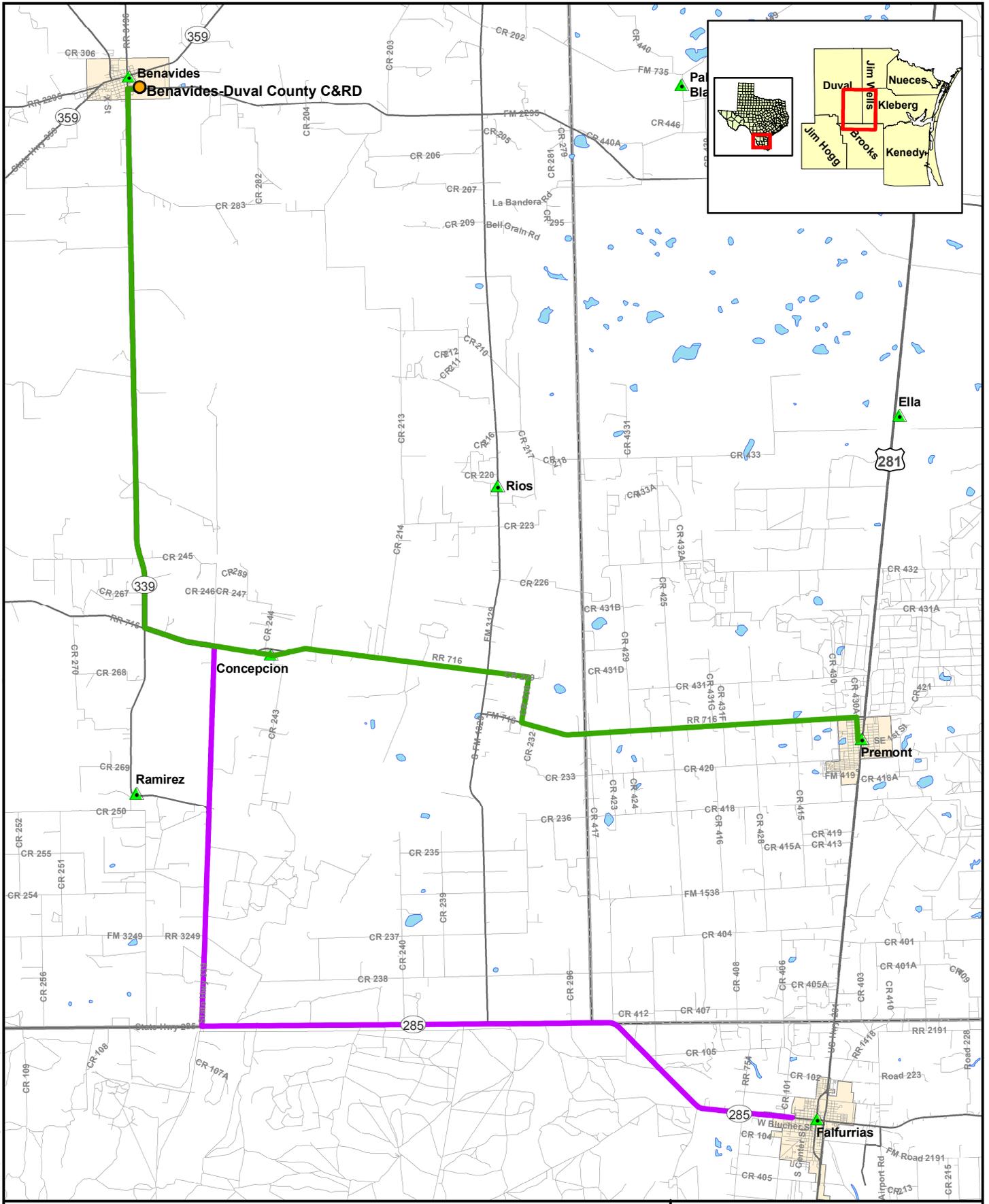
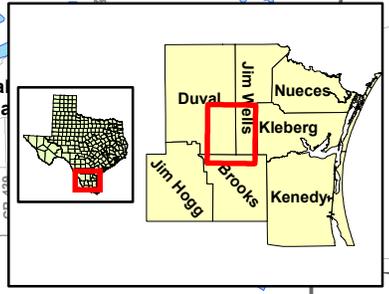
1 A number of possible sources of contamination are located within a few miles of the PWS
2 wells. However, arsenic sorbs to soil and is unlikely to have moved this far. Given the study
3 area description, the source of arsenic is probably related to regional geology.

4 Regional analyses suggest that arsenic concentrations can change with well depth.
5 Because the depth of the PWS wells varies considerably, it is possible that one or more of the
6 individual PWS wells contains acceptable levels of arsenic. However, existing chemical
7 analyses tested mixtures of water from more than one well, and have not addressed this
8 possibility. Testing each PWS well individually might indicate particular wells with high or
9 low arsenic concentrations. If one or more wells contains water with arsenic concentrations
10 below the MCL, it might be possible to meet the MCL for arsenic by increasing the use of
11 water from these wells and decreasing or discontinuing the use of water from wells with high
12 arsenic levels. In addition, if a relationship between arsenic concentrations and well depth is
13 found within the PWS wells, it might be possible to case portions of certain wells in order to
14 decrease arsenic levels.

15 **3.2.1 Summary of Alternative Groundwater Sources for the Benavides-Duval**
16 **County Conservation and Reclamation District PWS**

17 There are no known wells within the vicinity of the PWS wells that have been tested for
18 arsenic; therefore, no alternative groundwater supplies can be recommended. However, testing
19 samples taken from each well individually, and identifying any wells with arsenic levels below
20 the MCL, could suggest possible mixtures of well waters or changes in well casing that would
21 meet water demand and contain acceptable arsenic levels.

22



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Legend

- Study System
- PWS's
- Cities
- City Limits
- Counties
- Major Road
- Minor Road
- CRMWA Pipeline
- Lubbock Pipeline
- Grass Valley Pipeline
- BD-1 City of Premont - 32.9 Miles
- BD-2 Falfurrias Utility Board - 39.8 Miles

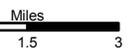


Figure 4.1

**BENAVIDES-DUVAL COUNTY C&RD
Pipeline Alternative**

- 1 • Typical chloride range: 338 – 440 mg/L
- 2 • Typical fluoride range: <0.01 – 1.5 mg/L
- 3 • Typical iron range: 0.02 – 0.1 mg/L
- 4 • Typical magnesium range: 12 – 18 mg/L
- 5 • Typical manganese: <0.008 mg/L
- 6 • Typical nitrate range: 5.25 – 7.86 mg/L
- 7 • Typical selenium range: 0.0071 – 0.0098 mg/L
- 8 • Typical sodium range: 354 – 451 mg/L
- 9 • Typical sulfate range: 204 – 268 mg/L
- 10 • Total hardness as CaCO₃ range: 146 – 181 mg/L
- 11 • Typical pH range: 7.3 – 7.9
- 12 • Total alkalinity as CaCO₃ range: 252 – 264 mg/L
- 13 • Typical bicarbonate (HCO₃) range: 311 – 322 mg/L
- 14 • Typical total dissolved solids range: 1261 - 1394 mg/L

15 The typical ranges for water quality data listed above are based on a TCEQ database that
16 contains data updated through the beginning of 2005.

17 **4.1.2 Capacity Assessment for Benavides-DCC&RD PWS**

18 The project team conducted a capacity assessment of the Benavides-DCC&RD PWS on
19 August 5, 2008. Results of this evaluation are separated into four categories: general
20 assessment of capacity, positive aspects of capacity, capacity deficiencies, and capacity
21 concerns. The general assessment of capacity describes the overall impression of financial,
22 managerial, and technical capability of the water system. The positive aspects of capacity
23 describe the strengths of the system. These factors can provide the building blocks for the
24 system to improve capacity deficiencies. The capacity deficiencies noted are those aspects
25 creating a particular problem for the system related to long-term sustainability. Primarily,
26 these problems are related to the system's ability to meet current or future compliance, ensure
27 proper revenue to pay the expenses of running the system, and ensure proper operation of the
28 system. The last category, capacity concerns, are items not causing significant problems for the
29 system at this time. However, the system may want to address them before they become
30 problematic.

31 Because of the challenges facing very small water systems, it is increasingly important for
32 them to develop the internal capacity to comply with all state and federal requirements for
33 public drinking water systems. For example, it is especially important for very small water
34 systems to develop long-term plans, set aside money in reserve accounts, and track system
35 expenses and revenues because they cannot rely on increased growth and economies of scale to

1 offset their costs. In addition, it is crucial for the owner, manager, and operator of a very small
2 water system to understand the regulations and participate in appropriate training. Providing
3 safe drinking water is the responsibility of every public water system, including those very
4 small water systems that face increased challenges with compliance.

5 The project team interviewed the following individuals.

- 6 • J.T. Garcia, Board President
- 7 • Chris Garcia, Water Operator and Manager

8 **4.1.2.1 General Structure of the Water System**

9 The Duval County Conservation and Reclamation District provides water and wastewater
10 to Benavides, and maintains water systems in the Cities of Concepcion and Realitos. The
11 DCC&RD used to provide water services in San Diego and Freer, but those systems are now
12 providing their own water service. The DCC&RD is governed by a four-member board of
13 directors. The Benavides-DCC&RD PWS water system has 777 metered connections. The
14 water operator has a Groundwater C License for water and wastewater. Additional staff
15 includes an office manager and part-time bookkeeper.

16 Monthly water rates are \$21.50 for the first 3,000 gallons and \$3.50 per thousand gallons
17 for the next 3,000 gallons above base rate. There is additional \$4.00 charge for usage over
18 3,001 gallons in addition to the base charge. The District has the authority to disconnect water
19 service at anytime if customers fail to pay their bills. The District will not disconnect service if
20 payment is received within 30 days and customers are notified 10 days before water is
21 disconnected. Currently, the rates cover the expense of operating the three water systems. The
22 District has a rate structure with increases every year until 2012. Currently, the largest
23 expenses incurred by the water system are due to increases in electricity and building materials.
24 The District exceeds the standards for arsenic and has been under a Compliance Order with
25 TCEQ for the past three years.

26 **4.1.2.2 General Assessment of Capacity**

27 Based on the team's assessment, this system has a good level of FMT capacity. There are
28 several positive financial, managerial, and technical aspects of the water system, but there are
29 also some areas that need improvement. The deficiencies noted could prevent the water system
30 from being able to meet compliance now or in the future and may also impact the water
31 system's long-term sustainability.

32 **4.1.2.3 Positive Aspects of Capacity**

33 In assessing a system's overall capacity, it is important to look at all aspects – positive and
34 negative. It is important for systems to understand those characteristics that are working well,
35 so those activities can be continued or strengthened. In addition, these positive aspects can
36 assist the system in addressing the capacity deficiencies or concerns. The factors particularly
37 important for the Benavides-DCC&RD PWS are listed below.

- 1 • **Dedicated and Knowledgeable Staff** – The district president has been with the district
2 for 12 years in various positions. The water operator has been with the District for
3 three years. Both are knowledgeable about the water system’s issues.
- 4 • **Funding Opportunities** – The district board president secured U.S. Department of
5 Agriculture loan/grant combination to pay for much-needed main line pipe replacement
6 and new storage tanks.
- 7 • **Meter Replacement** – The district has a service meter replacement plan for all the
8 systems they operate. Most meters in the Benavides DCC&RD PWS have been
9 replaced within the last several years. This helps to reduce apparent losses in the water
10 systems due to slow/stopped meters.
- 11 • **Rate Structures** – The district conducts water rate studies with the assistance of a
12 technical assistance provider. They have instituted a rate structure with increases every
13 year until 2012. With the anticipated revenue, the district is able to fund a reserve
14 account and cover at least the increases in operating costs.

15 4.1.2.4 Capacity Deficiencies

16 The following capacity deficiencies were noted in conducting the assessment and seriously
17 impact the ability of the water system to comply with current and future regulations and ensure
18 long-term sustainability.

- 19 • **Lack of Long Term Capital Planning for Compliance and Sustainability** – There
20 appears to be no long-term plan in place to achieve and maintain compliance and ensure
21 long-term sustainability of the water system. The operator stated that if projects are
22 decided on early enough, the costs could be included in the next annual budget.
23 However, without some type of more formal planning process, the board is not able to
24 plan for the revenue needed to make system improvements or add treatment processes
25 to maintain compliance with regulations. The board can also use the long-term
26 planning process to help identify financing strategies to pay for long-term needs. This
27 is especially important since the system has not addressed the issue of compliance with
28 the arsenic standards. The rates schedule is adequate to cover operating costs, but
29 should also include a budget for capital projects.
- 30 • **Lack of Compliance with Arsenic Standards** – The water system is not in compliance
31 with arsenic standards and is under a Compliance Agreement with TCEQ.

32 4.1.2.5 Potential Capacity Concerns

33 The following item is of concern regarding capacity but no specific operational,
34 managerial, or financial problems can be attributed to these items at this time. The system
35 should address the items listed below to further improve FMT capabilities to improve the
36 system’s long-term sustainability.

- 37 • **Need for Additional Operators** – The system has a vacant position for an additional
38 licensed operator. Salary is a major issue for attracting and retaining qualified

1 operators. It is important to the long-term sustainability of the system that the board
2 reconsider the starting salary for the operator position or other means to fill the position.

3 **4.2 ALTERNATIVE WATER SOURCE DEVELOPMENT**

4 **4.2.1 Identification of Alternative Existing Public Water Supply Sources**

5 Using data drawn from the TCEQ drinking water and TWDB groundwater well databases,
6 the PWSs surrounding the Benavides-DCC&RD PWS were reviewed with regard to their
7 reported drinking water quality and production capacity. PWSs that appeared to have water
8 supplies with water quality issues were ruled out from evaluation as alternative sources, while
9 those without identified water quality issues were investigated further. Large systems or
10 systems capable of producing greater than four times the daily volume produced by the study
11 system were considered if they were within 30 miles of the study system. A distance of
12 30 miles was considered to be the upper limit of economic feasibility for constructing a new
13 water line. Table 4.1 is a list of the selected PWSs based on these criteria for large and small
14 PWSs within 30 miles of the Benavides-DCC&RD PWS. If it was determined these PWSs had
15 excess supply capacity and might be willing to sell the excess, or might be a suitable location
16 for a new groundwater well, the system was taken forward for further consideration and
17 identified with “EVALUATE FURTHER” in the comments column of Table 4.1.

18 **Table 4.1 Selected Public Water Systems within 30 Miles of the**
19 **Benavides-DCC&RD PWS**

PWS ID	PWS Name	Distance from Benavides-Duval County (miles)	Comments/Other Issues
0660014	DUVAL CNTY CONS & RECLAM REALITOS	12.46	Small GW system. WQ issues: Arsenic and nitrate
1250005	PALITO BLANCO ELEMENTARY SCHOOL	13.4	Small GW system. No WQ issues
0660015	DUVAL CNTY CONS & RECLA CONCEPCION	13.73	Small GW system. WQ issues: Arsenic and nitrate
0660003	SAN DIEGO MUD 1	14.21	Larger GW system. WQ issues: Arsenic and gross alpha
0660002	FREER WCID	16.98	Larger GW system. WQ issues: Arsenic and gross alpha
1250033	ENGLISH ACRES	20.23	Small GW system. WQ issues: Arsenic and combined uranium
1370029	EXXON KING RANCH GAS PLANT	23.12	Small non-residential GW system. WQ issues: Arsenic
1250003	CITY OF PREMONT	23.7	Larger GW system. No WQ issues. Evaluate Further
1240001	JIM HOGG COUNTY WCID 2	25.51	Larger GW system. WQ issue: Arsenic
1250019	ALICE COUNTRY CLUB	25.96	Small GW system. No WQ issues
1250021	DUKE ENERGY FIELD SVC LA GLORIA FA	26.65	Small GW system. No WQ issues
1250013	LA GLORIA ISD	26.94	Small GW system. No WQ issues
1250036	UNA DIA A LA VEZ	28.07	Small GW system. No WQ issues
2400009	WEBB CONSOLIDATED SCHOOLS BRUNI	28.59	Small GW system. WQ issue: Arsenic

PWS ID	PWS Name	Distance from Benavides-Duval County (miles)	Comments/Other Issues
2400003	BRUNI RURAL WATER SUPPLY CORP	28.71	Small GW system. WQ issue: Arsenic and gross alpha
1250017	PAISANO MOBILE HOME PARK	29.29	Small GW system. WQ issue: Arsenic and sulfate
1370012	KING RANCH INC SANTA GERTRUDIS DI	29.97	Larger GW system. No WQ issue. Don't evaluate further as Falfurrias Utility Board is a more likely water supplier.
0240001	FALFURRIAS UTILITY BOARD	30.0	Larger GW system. No WQ issue. Evaluate Further

1 WQ = water quality
2 GW = groundwater

3 After the PWSs in Table 4.1 with water quality problems were eliminated from further
4 consideration, the remaining PWSs were screened by proximity to Benavides-DCC&RD PWS
5 and sufficient total production capacity for selling or sharing water. Based on the initial
6 screening summarized in Table 4.1, two alternatives were selected for further evaluation.
7 These alternatives are summarized in Table 4.2. The alternatives are connections to the City of
8 Premont and the Falfurrias Utility Board systems. Descriptions of both the City of Premont
9 and the Falfurrias Utility Board follow Table 4.2.

10 **Table 4.2 Public Water Systems within the Vicinity of the**
11 **Benavides-DCC&RD PWS Selected for Further Evaluation**

PWS ID	PWS Name	Pop	Connections	Total Production (mgd)	Avg Daily Usage (mgd)	Approx. Dist. from Benavides-DCC&RD PWS	Comments/Other Issues
1250003	CITY OF PREMONT	3300	1100	3.528	0.529	23.7	Larger GW system. No WQ issues.
240001	FALFURRIAS UTILITY BOARD	5800	2591	6.954	1.264	30.0	Larger GW system. No WQ issue.

WQ = water quality
GW = groundwater

12 4.2.1.1 City of Premont

13 The City of Premont is located approximately 24 miles southeast from the Benavides-
14 DCC&RD PWS. Its production is 3.53 MGD for a population of about 3,300 people or 1,100
15 connections. The City of Premont does not purchase water from any regional authority.
16 According to available information on this PWS, there are no reported exceedances for
17 constituents of concern above the associated MCLs. The city does have excess capacity, but it
18 is located relatively far from neighboring communities. Its willingness to provide water has not
19 been confirmed.

1 **4.2.1.2 Falfurrias Utility Board**

2 Falfurrias Utility Board water system is located 30 miles southeast from the Benavides-
3 DCC&RD PWS. Its groundwater production is 6.95 MGD for a population of about 5,800
4 people or 2,591 connections. According to available information on this PWS, there are no
5 reported exceedances for constituents of concern above the associated MCLs. The Utility
6 Board does have excess capacity, but the city is located relatively far from neighboring
7 communities. Its willingness to provide water has not been confirmed.

8 **4.2.2 Potential for New Groundwater Sources**

9 **4.2.2.1 Installing New Compliant Wells**

10 Developing new wells or well fields is recommended, provided good quality groundwater
11 available in sufficient quantity can be identified. Since a number of water systems in the area
12 have water quality problems, it should be possible to share in the cost and effort of identifying
13 compliant groundwater and constructing well fields.

14 Installation of a new well in the vicinity of the system intake point is likely to be an
15 attractive option provided compliant groundwater can be found, since the PWS is already
16 familiar with operation of a water well. As a result, existing nearby wells with good water
17 quality should be investigated. Re-sampling and test pumping would be required to verify and
18 determine the quality and quantity of water at those wells.

19 The use of existing wells should probably be limited to use as indicators of groundwater
20 quality and availability. If a new groundwater source is to be developed, it is recommended
21 that a new well or wells be installed instead of using existing wells. This would ensure well
22 characteristics are known and meet standards for drinking water wells.

23 Some of the alternatives suggest new wells be drilled in areas where existing wells have
24 acceptable water quality. In developing the cost estimates, Parsons assumed the aquifer in
25 these areas would produce the required amount of water with only one well. Site investigations
26 and geological research, which are beyond the scope of this study, could indicate whether the
27 aquifer at a particular site and depth would provide the amount of water needed or if more than
28 one well would need to be drilled in separate areas.

29 **4.2.2.2 Results of Groundwater Availability Modeling**

30 The southern section of the Gulf Coast Aquifer supplies groundwater throughout Duval
31 County, where the PWS is located, as well as surrounding counties. The aquifer is used for
32 municipal, industrial and irrigation. The groundwater source of the Benavides-DCC&RD PWS
33 is the Evangeline Aquifer, one of five hydrogeological units that comprise the Gulf Coast
34 Aquifer.

35 The PWS operates seven wells drilled in the Evangeline Aquifer at depths ranging from
36 328 feet to 618 feet. A search of registered wells was conducted using TCEQ's Public Water

1 Supply database to assess groundwater sources utilized within a 10-mile radius of the PWS.
2 The search indicated that the Evangeline Aquifer supplies most domestic and public supply
3 wells with search area, as well as numerous wells used irrigation, stock watering and industrial
4 use. Those wells are typically listed as completed in the Goliad Sands Formation, one of two
5 components of the Evangeline Aquifer.

6 **Groundwater Supply**

7 The Gulf Coast Aquifer, the main groundwater source in Duval and surrounding counties,
8 is a high-yield aquifer composed of discontinuous sand, silt, clay and gravel beds that extends
9 over the entire Texas coastal region. Municipal and irrigation uses account for 90 percent of
10 the total pumpage from the aquifer. The Gulf Coast Aquifer, which has an average freshwater
11 thickness of 1,000 feet (TWDB 2007), consists five hydrogeologic units; from the land surface
12 downward, those units are the Chicot Aquifer, the Evangeline Aquifer, the Burkenville
13 Formation, the Jasper Aquifer, and the Catahoula Sandstone Formation.

14 In the southern section of the Gulf Coast Aquifer, where the PWS is located, the
15 groundwater yield is relatively low compared to the north section and central sections of the
16 aquifer, and of lower water quality due to a high content of total dissolved solids
17 (TWDB 2007). The State Water Plan, updated in 2007 by the TWDB, estimated that
18 availability of water from the Gulf Coast Aquifer water will have a moderate decrease, from
19 over 1.8 million acre-feet per year (AFY) in 2010 to slightly less than 1.7 million AFY in the
20 year 2060.

21 **Groundwater Availability**

22 Regional groundwater withdrawal in the PWS area is extensive, and likely to increase over
23 current levels over the next decades. The 2007 State Water Plan summarized estimates of
24 groundwater supply and demand over a 50-year planning period, from current values
25 extrapolated to the year 2010 to projections for the year 2060. For Duval County it was
26 estimated that, without implementation of additional water management strategies, the
27 increasing water demand will exceed projected water supply estimates. For the 50-year
28 planning period, the additional water need by the year 2060 would be 1,826 AFY. This deficit
29 would be associated with increased water use for mining.

30 A GAM was developed by TWDB for the southern section of the Gulf Coast Aquifer,
31 including Duval and adjacent counties. On a regional basis, the GAM model predicted that by
32 the year 2050, current aquifer utilization would increase more than 10 percent (Chowdhury and
33 Mace 2003). A GAM evaluation was not run for the PWS. Water use by the system would
34 represent a minor addition to regional withdrawal conditions, making potential changes in
35 aquifer levels beyond the spatial resolution of the regional GAM model.

36 **4.2.3 Potential for New Surface Water Sources**

37 The Benavides-DCC&RD PWS is located within the Nueces-Rio Grande Coastal Basin
38 where current demand for surface water is expected to increase over the next 50 years due

1 increased population, and decline in the groundwater supply due to over-pumping and
2 salinization. The Texas State Water Plan, updated by the TWDB in 2007, estimates that the
3 basin’s surface water availability in the year 2010 will be approximately 8,900 AFY.

4 The 2007 State Water Plan estimated that, without implementation of additional water
5 management strategies, the increasing water demand in Duval County will exceed projected
6 water supply estimates. For the 50-year planning period, the additional water need by the year
7 2060 would be 1,826 AFY. This deficit would be associated with increased water use for
8 mining.

9 There is a minimum potential for development of new surface water sources for the PWS
10 as indicated by limited water availability within the site vicinity. The surface water availability
11 model for the Nueces-Rio Grande Coastal Basin, developed by the TWDB as a tool to
12 determine the maximum amount of water available during the drought of record over the
13 simulation period, indicates that in PWS vicinity there is a minimum availability of surface
14 water for new uses. Surface water availability maps developed by TCEQ for the Nueces-Rio
15 Grande Basin, illustrating percent of months of flow per year, indicate that in the site vicinity,
16 and over all of Duval County, unappropriated flows for new applications are typically available
17 less than 50 percent of the time. This availability is inadequate for development of new
18 municipal water supplies as a 100 percent year-round availability is required by TCEQ for new
19 surface water source permit applications.

20 **4.2.4 Options for Detailed Consideration**

21 The initial review of alternative sources of water results in the following options for more-
22 detailed consideration:

- 23 1. City of Premont. Compliant water would be purchased from the City of Premont to
24 be used by the Benavides-DCC&RD PWS. A pipeline would be constructed to
25 convey water from the City of Premont to the Benavides-DCC&RD PWS
26 (Alternative BD-1).
- 27 2. Falfurrias Utility Board. Treated water would be purchased from the Falfurrias
28 Utility Board to be used by the Benavides-DCC&RD PWS. A pipeline would be
29 constructed to convey water from the Falfurrias Utility to Benavides-DCC&RD
30 PWS (Alternative BD-2).
- 31 3. New Wells at 10, 5, and 1 mile. Installing a new well within 10, 5, or 1 mile of the
32 Benavides-DCC&RD PWS may produce compliant water in place of the water
33 produced by the existing active well. A pipeline and pump station would be
34 constructed to transfer the water to the Benavides-DCC&RD PWS (Alternatives
35 BD-3, BD-4, and BD-5).

1 **4.3 TREATMENT OPTIONS**

2 **4.3.1 Centralized Treatment Systems**

3 Centralized treatment of the well water is identified as a potential option. Reverse
4 osmosis, adsorption treatment, and coagulation/filtration could be potential applicable
5 processes. The central RO treatment alternative is Alternative BD-6, the adsorption treatment
6 is Alternative BD-7, and the coagulation/filtration treatment alternative is Alternative BD-8.

7 **4.3.2 Point-of-Use Systems**

8 POU treatment using RO technology is valid for arsenic removal. The POU treatment
9 alternative is BD-9.

10 **4.3.3 Point-of-Entry Systems**

11 POE treatment using RO technology is valid for arsenic removal. The POE treatment
12 alternative is BD-10.

13 **4.4 BOTTLED WATER**

14 Providing bottled water is considered an interim measure to be used until a compliance
15 alternative is implemented. Even though the community is small and people know each other;
16 it would be reasonable to require a quarterly communication advising customers of the need to
17 take advantage of the bottled water program. An alternative to providing delivered bottled
18 water is to provide a central, publicly accessible dispenser for treated drinking water.
19 Alternatives addressing bottled water are BD-11, BD-12, and BD-13.

20 **4.5 ALTERNATIVE DEVELOPMENT AND ANALYSIS**

21 A number of potential alternatives for compliance with the MCL for arsenic have been
22 identified. Each of the potential alternatives is described in the following subsections. It
23 should be noted that the cost information given is the capital cost and change in O&M costs
24 associated with implementing the particular alternative. Appendix C contains cost estimates
25 for the compliance alternatives. These compliance alternatives represent a range of
26 possibilities, and a number of them are likely not feasible. However, all have been presented to
27 provide a complete picture of the range of alternatives considered. It is anticipated that a PWS
28 will be able to use the information contained herein to select the most attractive alternative(s)
29 for more detailed evaluation and possible subsequent implementation.

30 **4.5.1 Alternative BD-1: Purchase Water from the City of Premont**

31 This alternative involves purchasing compliant water from the City of Premont, which will
32 be used to supply the Benavides-DCC&RD PWS. The City of Premont currently has sufficient
33 excess capacity for this alternative to be feasible. It is assumed that Benavides-DCC&RD PWS
34 would obtain all its water from the City of Premont.

1 This alternative would require construction of a pump station and a 5,000-gallon feed tank
2 at a point adjacent to a City of Premont water line, and a pipeline from the feed tank to the
3 existing intake points for Benavides-DCC&RD PWS. Three additional pump stations and
4 5,000 gallon feed tanks would also be required to overcome pipe friction and the elevation
5 differences between the City of Premont and Benavides-DCC&RD PWS. The required
6 pipeline would be 8 inches in diameter and would follow Rural Route (RR) 716, County
7 Road 230, RR 716, and Highway 339 to the Benavides-DCC&RD PWS. Using this route, the
8 length of pipe required would be approximately 32.9 miles. The pipeline would terminate at
9 the existing storage tanks at the Benavides-DCC&RD PWS.

10 Each pump station would include two pumps, including one standby, and would be housed
11 in a building. It is assumed the pumps and piping would be installed with capacity to meet all
12 water demand for Benavides-DCC&RD PWS, since the incremental cost would be relatively
13 small, and would provide operational flexibility.

14 By definition this alternative involves regionalization, since Benavides-DCC&RD PWS
15 would be obtaining drinking water from an existing larger supplier. Also, other PWSs near
16 Benavides-DCC&RD are in need of compliant drinking water and could share in
17 implementation of this alternative.

18 The estimated capital cost for this alternative includes constructing the pipeline, feed
19 tanks, building, and distribution pumps. The estimated O&M cost for this alternative includes
20 the purchase price for the treated water minus the cost related to current operation of the
21 Benavides-Duval County's wells, plus maintenance cost for the pipeline, and power and O&M
22 labor and materials for the pump station. The estimated capital cost for this alternative is \$8.79
23 million, with an estimated annual O&M cost of \$309,700. If the purchased water was used for
24 blending rather than for the full water supply, the annual O&M cost for this alternative could
25 be reduced because of reduced pumping costs and reduced water purchase costs. However,
26 additional costs would be incurred for equipment to ensure proper blending, and additional
27 monitoring to ensure the finished water is compliant.

28 The reliability of adequate amounts of compliant water under this alternative should be
29 good. The City of Premont has adequate O&M resources. From the perspective of the
30 Benavides-DCC&RD PWS, this alternative would be characterized as easy to operate and
31 repair, since O&M and repair of pipelines and pumps are well understood. If the decision were
32 made to perform blending then the operational complexity would increase.

33 The feasibility of this alternative is dependent on an agreement being reached with the City
34 of Premont to purchase drinking water.

35 There is another small PWS relatively close to the Benavides-DCC&RD PWS that has
36 water quality problems that would be a good candidate for sharing the cost for obtaining water
37 from the City of Premont. The cost to the Benavides-DCC&RD PWS for this alternative could
38 be reduced if the other PWSs would be willing to share the costs. The analysis for a shared
39 solution is presented in Appendix E. This analysis shows that the Benavides-DCC&RD PWS

1 could expect to save up to \$1.51 million on the capital cost for this alternative, which is a
2 saving of up to 17 percent.

3 **4.5.2 Alternative BD-2: Purchase Water from the Falfurrias Utility Board**

4 This alternative involves purchasing compliant water from the Falfurrias Utility Board,
5 which would be used to supply Benavides-DCC&RD PWS. The Falfurrias Utility Board
6 currently has sufficient excess capacity for this alternative to be feasible. It is assumed that
7 Benavides-DCC&RD PWS would obtain all its water from the Falfurrias Utility Board.

8 This alternative would require construction of a pump station and a 5,000-gallon feed tank
9 at a point adjacent to a Falfurrias Utility Board water line, and a pipeline from the feed tank to
10 the existing intake points for Benavides-DCC&RD PWS. Three pump stations would also be
11 required to overcome pipe friction and the elevation differences between the feed tank and
12 Benavides-DCC&RD PWS. The required pipeline would be 8 inches in diameter and would
13 follow State Highway (SH) 285 and SH 339 to the Benavides-DCC&RD PWS. Using this
14 route, the length of pipe required would be approximately 39.8 miles. The pipeline would
15 terminate at the existing storage tanks at the Benavides-DCC&RD PWS.

16 Each pump station would include two pumps, including one standby, and would be housed
17 in a building. It is assumed the pumps and piping would be installed with capacity to meet all
18 water demand for the Benavides-DCC&RD PWS, since the incremental cost would be
19 relatively small, and would provide operational flexibility.

20 By definition this alternative involves regionalization, since Benavides-DCC&RD PWS
21 would be obtaining drinking water from an existing larger supplier. Also, other PWSs near
22 Benavides-DCC&RD PWS are in need of compliant drinking water and could share in
23 implementation of this alternative.

24 The estimated capital cost for this alternative includes constructing the pipeline, pump
25 stations, feed tanks, and buildings. The estimated O&M cost for this alternative includes the
26 purchase price for the treated water minus the cost the Benavides-DCC&RD PWS currently
27 pays to operate its well field, plus maintenance cost for the pipeline, and power and O&M labor
28 and materials for the pump station. The estimated capital cost for this alternative is
29 \$10.84 million, with an estimated annual O&M cost of \$274,000.

30 If the purchased water was used for blending rather than for the full water supply, the
31 annual O&M cost for this alternative could be reduced because of reduced pumping costs and
32 reduced water purchase costs. However, additional costs would be incurred for equipment to
33 ensure proper blending, and additional monitoring to ensure the finished water is compliant.

34 The reliability of adequate amounts of compliant water under this alternative should be
35 good. The Falfurrias Utility Board has adequate O&M resources. From the perspective of the
36 Benavides-DCC&RD PWS, this alternative would be characterized as easy to operate and
37 repair, since O&M and repair of pipelines and pump stations is well understood, and

1 Benavides-DCC&RD PWS personnel currently operate pipelines and pump stations. If the
2 decision were made to perform blending then the operational complexity would increase.

3 The feasibility of this alternative is dependent on an agreement being reached with the
4 Benavides-DCC&RD PWS to purchase drinking water.

5 **4.5.3 Alternative BD-3: New Well at 10 miles**

6 This alternative consists of installing two new wells within 10 miles of the Benavides-
7 DCC&RD PWS that would produce compliant water in place of the water produced by the
8 existing wells. At this level of study, it is not possible to positively identify existing wells or
9 the location where new wells could be installed.

10 This alternative would require constructing two new 550-foot wells, a new pump station
11 with a 5,000-gallon feed tank near each new well, and a pipeline from the new wells/feed tanks
12 to the existing storage tanks for the Benavides-DCC&RD PWS. The pump stations and feed
13 tanks would be necessary to overcome pipe friction and changes in land elevation. For this
14 alternative, the pipeline is assumed to be approximately 10 miles long, and would be 8-inches
15 in diameter. Each pump station would include a feed tank, two transfer pumps, including one
16 standby, and would be housed in a building.

17 Depending on well location and capacity, this alternative could present some options for a
18 more regional solution. It may be possible to share water and costs with another nearby
19 system.

20 The estimated capital cost for this alternative includes installing the wells, constructing the
21 pipeline, the pump stations, the feed tanks, service pumps and pump houses. The estimated
22 O&M cost for this alternative includes O&M for the pipeline and pump stations. The estimated
23 capital cost for this alternative is \$3.11 million, and the estimated annual O&M cost for this
24 alternative is \$69,800.

25 The reliability of adequate amounts of compliant water under this alternative should be
26 good, since water wells, pump stations and pipelines are commonly employed. From the
27 perspective of the Benavides-DCC&RD PWS, this alternative would be similar to operate as
28 the existing system. Benavides-DCC&RD PWS personnel have experience with O&M of
29 wells, pipelines, and pump stations.

30 The feasibility of this alternative is dependent on the ability to find adequate existing wells
31 or success in installing wells that produce an adequate supply of compliant water. It is likely
32 that an alternate groundwater source would not be found on land owned by Benavides-
33 DCC&RD PWS, so landowner cooperation would likely be required.

34 **4.5.4 Alternative BD-4: New Well at 5 miles**

35 This alternative consists of installing two new wells within 5 miles of the Benavides-
36 DCC&RD PWS that would produce compliant water in place of the water produced by the

1 existing wells. At this level of study, it is not possible to positively identify existing wells or
2 the location where new wells could be installed.

3 This alternative would require constructing two new 550-foot wells, a new pump station
4 with a 5,000 gallon feed tank near the new well, and a pipeline from the new well/feed tank to
5 the existing storage tanks for the Benavides-DCC&RD PWS. The pump station and feed tank
6 would be necessary to overcome pipe friction and changes in land elevation. For this
7 alternative, the pipeline is assumed to be 8-inches in diameter, and approximately 5 miles long.
8 The pump station near the wells would include two transfer pumps, including one standby, and
9 would be housed in a building.

10 Depending on well location and capacity, this alternative could present some options for a
11 more regional solution. It may be possible to share water and costs with another nearby
12 system.

13 The estimated capital cost for this alternative includes installing the wells and constructing
14 the pipeline, feed tank, and pump station. The estimated O&M cost for this alternative includes
15 O&M for the pipeline and pump station. The estimated capital cost for this alternative is
16 \$1.67 million, and the estimated annual O&M cost for this alternative is \$34,900.

17 The reliability of adequate amounts of compliant water under this alternative should be
18 good, since water wells, pump stations and pipelines are commonly employed. From the
19 perspective of the Benavides-DCC&RD PWS, this alternative would be similar to operate as
20 the existing system. Benavides-DCC&RD PWS personnel have experience with O&M of
21 wells, pipelines, and pump stations.

22 The feasibility of this alternative is dependent on the ability to find an adequate existing
23 well or success in installing a well that produces an adequate supply of compliant water. It is
24 likely an alternate groundwater source would not be found on land owned by Benavides-
25 DCC&RD PWS, so landowner cooperation would likely be required.

26 **4.5.5 Alternative BD-5: New Well at 1 mile**

27 This alternative consists of installing two new wells within 1 mile of the Benavides-
28 DCC&RD PWS that would produce compliant water in place of the water produced by the
29 existing wells. At this level of study, it is not possible to positively identify existing wells or
30 the location where new wells could be installed.

31 This alternative would require constructing two new 550-foot wells and a pipeline to the
32 existing storage tanks for the Benavides-DCC&RD PWS. Since the new wells are relatively
33 close, a pump station would not be necessary. For this alternative, the pipeline is assumed to
34 be 8-inches in diameter, and approximately 1 mile long.

35 Depending on well location and capacity, this alternative could present some options for a
36 more regional solution. It may be possible to share water and costs with another nearby
37 system.

1 The estimated capital cost for this alternative includes installing the wells and constructing
2 the pipeline. The estimated O&M cost for this alternative includes O&M for the pipeline. The
3 estimated capital cost for this alternative is \$538,300, and the estimated annual O&M cost for
4 this alternative is \$300.

5 The reliability of adequate amounts of compliant water under this alternative should be
6 good, since water wells and pipelines are commonly employed. From the perspective of the
7 Benavides-DCC&RD PWS, this alternative would be similar to operate as the existing system.
8 Benavides-DCC&RD PWS personnel have experience with O&M of wells and pipelines.

9 The feasibility of this alternative is dependent on the ability to find an adequate existing
10 well or success in installing a well that produces an adequate supply of compliant water. It is
11 likely an alternate groundwater source would not be found on land owned by Benavides-
12 DCC&RD PWS, so landowner cooperation would likely be required.

13 **4.5.6 Alternative BD-6: Central RO Treatment**

14 This system would continue to pump water from the existing wells, and would treat the
15 water through two RO systems (one for each well) prior to distribution. For this option,
16 100 percent of the raw water would be treated to obtain compliant water. The RO process
17 concentrates impurities in the reject stream which would require disposal. It is estimated the
18 RO reject generation would be approximately 84,000 gallons per day (gpd) when the system is
19 operated at the average daily consumption (0.25 mgd).

20 This alternative consists of installing the RO treatment plants near the existing wells. The
21 plants are composed of a 1,900 square foot building with a paved driveway; a skid with the pre-
22 constructed RO plant; two transfer pumps, a 10,000-gallon tank for storing the treated water,
23 and a connection to the sewer system for reject water discharge. The treated water would be
24 chlorinated and stored in the new treated water tank prior to being pumped into the distribution
25 system. The entire facility is fenced.

26 The estimated capital cost for this alternative is \$3.23 million, and the estimated annual
27 O&M cost is \$441,800.

28 The reliability of adequate amount of compliant water under this alternative is good, since
29 RO treatment is a common and well-understood treatment technology. However, O&M efforts
30 required for the central RO treatment plant may be significant, and O&M personnel would
31 require training with RO. The feasibility of this alternative is not dependent on the
32 cooperation, willingness, or capability of other water supply entities.

33 **4.5.7 Alternative BD-7: Central Iron Adsorption Treatment**

34 The system would treat groundwater from the existing wells using two iron-based
35 adsorption systems (one for each well) prior to distribution. This alternative consists of
36 constructing the adsorption treatment plant near the well. The plants are composed of a
37 1,600 ft²-building with a paved driveway, the pre-constructed adsorption system on a skid (e.g.,

1 one AdEdge APU-100 package units), and a 15,000-gallon backwash wastewater equalization
2 tank. The water would be pre-chlorinated to oxidize AS(III) to AS(V) and post chlorinated for
3 disinfection prior to pumping to the distribution system. Backwash would be required monthly
4 with raw well water supplied directly by the well pump. The backwash would be equalized in
5 the 15,000-gallon tank, and discharged to the sewer. The adsorption media are expected to last
6 up to 2 years before replacement and disposal. The life of the media could be increased by
7 lowering the raw water arsenic concentration.

8 The estimated capital cost for this alternative is \$1.59 million, and the estimated annual
9 O&M cost is \$100,400, which includes the annual media replacement cost of \$78,200.
10 Reliability of supply of adequate amounts of compliant water under this alternative is good as
11 the adsorption technology has been demonstrated effective in full-scale and pilot-scale
12 facilities. The technology is simple and requires minimal O&M effort.

13 **4.5.8 Alternative BD-8: Central Coagulation/filtration Treatment**

14 The system would treat groundwater from the well using two coagulation/filtration
15 systems (one for each well) prior to distribution. This alternative consists of constructing the
16 coagulation/filtration plants at the existing well sites. The new treatment plants require a
17 1,840 ft² building with a paved driveway, the pre-constructed coagulation/filtration system on a
18 skid (e.g., two Macrolite filters from Kinetico), a ferric chloride feed and storage system, and a
19 27,000-gallon backwash wastewater equalization tanks. The water would be pre-chlorinated to
20 oxidize As(III) to As(V) and post-chlorinated for disinfection prior to flowing to the
21 distribution system. Ferric chloride solution would be fed to the well water after pre-
22 chlorination and before entering the filters. The filters would be backwashed every one to two
23 days by well water directly from the well pump. The backwash wastewater would be equalized
24 in the 8,000-gallon tanks and discharged to the central wastewater collection system. The
25 Macrolite media do not need replacement.

26 The estimated capital cost for this alternative is \$1.77 million, and the estimated annual
27 O&M cost is \$136,700. This alternative requires more O&M labor cost and sludge disposal
28 than the adsorption alternative. Reliability of supply of adequate amounts of compliant water
29 under this alternative is good as the coagulation/filtration process is a well-established
30 technology for arsenic removal. The technology is simple but requires significant effort for
31 chemical handling and backwash monitoring. The feasibility of this alternative is not
32 dependent on the cooperation, willingness, or capability of other water supply entities.

33 **4.5.9 Alternative BD-9: Point-of-Use Treatment**

34 This alternative consists of the continued operation of the Benavides-DCC&RD PWS well
35 field, plus treatment of water to be used for drinking or food preparation at the point of use to
36 remove arsenic. The purchase, installation, and maintenance of POU treatment systems to be
37 installed “under the sink” would be necessary for this alternative. Blending is not an option in
38 this case.

1 This alternative would require installing the POU treatment units in residences and other
2 buildings that provide drinking or cooking water. Benavides-DCC&RD PWS staff would be
3 responsible for purchase and maintenance of the treatment units, including membrane and filter
4 replacement, periodic sampling, and necessary repairs. In houses, the most convenient point
5 for installation of the treatment units is typically under the kitchen sink, with a separate tap
6 installed for dispensing treated water. Installation of the treatment units in kitchens will require
7 the entry of Benavides-DCC&RD PWS or contract personnel into the houses of customers. As
8 a result, cooperation of customers would be important for success implementing this
9 alternative. The treatment units could be installed for access without house entry, but that
10 would complicate the installation and increase costs.

11 Treatment processes would involve RO. Treatment processes produce a reject waste
12 stream. The reject waste streams result in a slight increase in the overall volume of water used.
13 POU systems have the advantage that only a minimum volume of water is treated (only that for
14 human consumption). This minimizes the size of the treatment units, the increase in water
15 required, and the waste for disposal. For this alternative, it is assumed the increase in water
16 consumption is insignificant in terms of supply cost, and that the reject waste stream can be
17 discharged to the house septic or sewer system.

18 This alternative does not present options for a regional solution.

19 The estimated capital cost for this alternative includes purchasing and installing the POU
20 treatment systems. The estimated O&M cost for this alternative includes the purchase and
21 replacement of filters and membranes, as well as periodic sampling and record keeping as
22 required by the Texas Administrative Code (TAC) (Title 30, Part I, Chapter 290, Subchapter F,
23 Rule 290.106). The estimated capital cost for this alternative is \$987,200, and the estimated
24 annual O&M cost for this alternative is \$648,800. For the cost estimate, it is assumed that one
25 POU treatment unit will be required for each of the 777 connections in the Benavides-
26 DCC&RD PWS. It should be noted that the POU treatment units would need to be more
27 complex than units typically found in commercial retail outlets in order to meet regulatory
28 requirements, making purchase and installation more expensive. Additionally, capital cost
29 would increase if POU treatment units are placed at other taps within a home, such as
30 refrigerator water dispensers, ice makers, and bathroom sinks. In school settings, all taps
31 where children and faculty receive water may need POU treatment units or clearly mark those
32 taps suitable for human consumption. Additional considerations may be necessary for
33 preschools or other establishments where individuals cannot read.

34 The reliability of adequate amounts of compliant water under this alternative is fair, since
35 it relies on the active cooperation of the customers for system installation, use, and
36 maintenance, and only provides compliant water to single tap within a house. Additionally, the
37 O&M efforts (including monitoring of the devices to ensure adequate performance) required
38 for the POU systems will be significant, and the current personnel are inexperienced in this
39 type of work. From the perspective of the Benavides-DCC&RD PWS, this alternative would
40 be characterized as more difficult to operate owing to the in-home requirements and the large
41 number of individual units.

1 The feasibility of this alternative is not dependent on the cooperation, willingness, or
2 capability of other water supply entities.

3 **4.5.10 Alternative BD-10: Point-of-Entry Treatment**

4 This alternative consists of the continued operation of the Benavides-DCC&RD PWS well
5 field, plus treatment of water as it enters residences to remove arsenic. The purchase,
6 installation, and maintenance of the treatment systems at the point of entry to a household
7 would be necessary for this alternative. Blending is not an option in this case.

8 This alternative would require the installation of the POE treatment units at houses and
9 other buildings that provide drinking or cooking water. Every building connected to the system
10 must have a POE device installed, maintained, and adequately monitored. TCEQ must be
11 assured the system has 100 percent participation of all property and or building owners. A way
12 to achieve 100 percent participation is through a public announcement and education program.
13 Example public programs are provided in the document “*Point-of-Use or Point-of-Entry*”
14 *Treatment Options for Small Drinking Water Systems*” published by USEPA. The property
15 owner’s responsibilities for the POE device must also be contained in the title to the property
16 and “run with the land” so subsequent property owners understand their responsibilities
17 (USEPA 2006).

18 Benavides-DCC&RD PWS would be responsible for purchase, operation, and maintenance
19 of the treatment units, including membrane and filter replacement, periodic sampling, and
20 necessary repairs. It may also be desirable to modify piping so water for non-consumptive uses
21 can be withdrawn upstream of the treatment unit. The POE treatment units would be installed
22 outside the residences, so entry would not be necessary for O&M. Some cooperation from
23 customers would be necessary for installation and maintenance of the treatment systems.

24 POE treatment for arsenic would involve RO. Treatment processes produce a reject stream
25 that requires disposal. The reject water stream results in a slight increase in overall volume of
26 water used. POE systems treat a greater volume of water than POU systems. For this
27 alternative, it is assumed the increase in water consumption is insignificant in terms of supply
28 cost, and that the backwash reject waste stream can be discharged to the house septic or sewer
29 system.

30 This alternative does not present options for a regional solution.

31 The estimated capital cost for this alternative includes purchasing and installing the POE
32 treatment systems. The estimated O&M cost for this alternative includes the purchase and
33 replacement of filters and membranes, as well as periodic sampling and record keeping. The
34 estimated capital cost for this alternative is \$11.83 million, and the estimated annual O&M cost
35 for this alternative is \$1.67 million. For the cost estimate, it is assumed that one POE treatment
36 unit will be required for each of the 777 existing connections to the Benavides-DCC&RD
37 PWS.

1 The reliability of adequate amounts of compliant water under this alternative are fair, but
2 better than POU systems since it relies less on the active cooperation of the customers for
3 system installation, use, and maintenance, and compliant water is supplied to all taps within a
4 house. Additionally, the O&M efforts required for the POE systems will be significant, and the
5 current personnel are inexperienced in this type of work. From the perspective of the
6 Benavides-DCC&RD PWS, this alternative would be characterized as more difficult to operate
7 owing to the on-property requirements and the large number of individual units.

8 The feasibility of this alternative is not dependent on the cooperation, willingness, or
9 capability of other water supply entities.

10 **4.5.11 Alternative BD-11: Public Dispenser for Treated Drinking Water**

11 This alternative consists of the continued operation of the Benavides-DCC&RD PWS, plus
12 dispensing treated water for drinking and cooking at a publicly accessible location.
13 Implementing this alternative would require purchasing and installing four treatment units
14 where customers would be able to come and fill their own containers. This alternative also
15 includes notifying customers of the importance of obtaining drinking water from the dispenser.
16 In this way, only a relatively small volume of water requires treatment, but customers would be
17 required to pick up and deliver their own water. Blending is not an option in this case. It
18 should be noted that this alternative would be considered an interim measure until a compliance
19 alternative is implemented.

20 Benavides-DCC&RD PWS personnel would be responsible for maintenance of the
21 treatment unit, including media or membrane replacement, periodic sampling, and necessary
22 repairs. The spent media or membranes will require disposal. This alternative relies on a great
23 deal of cooperation and action from the customers in order to be effective.

24 This alternative does not present options for a regional solution.

25 The estimated capital cost for this alternative includes purchasing and installing the
26 treatment system to be used for the drinking water dispenser. The estimated O&M cost for this
27 alternative includes purchasing and replacing filters and media or membranes, as well as
28 periodic sampling and record keeping. The estimated capital cost for this alternative is
29 \$71,300, and the estimated annual O&M cost for this alternative is \$138,400.

30 The reliability of adequate amounts of compliant water under this alternative is fair,
31 because of the large amount of effort required from the customers and the associated
32 inconvenience. Benavides-DCC&RD PWS has not provided this type of service in the past.
33 From Benavides-DCC&RD PWS's perspective this alternative would be characterized as
34 relatively easy to operate, since these types of treatment units are highly automated, and there
35 are only four units.

36 The feasibility of this alternative is not dependent on the cooperation, willingness, or
37 capability of other water supply entities.

1 **4.5.12 Alternative BD-12: 100 Percent Bottled Water Delivery**

2 This alternative consists of the continued operation of the Benavides-DCC&RD wells, but
3 compliant drinking water will be delivered to customers in containers. This alternative
4 involves setting up and operating a bottled water delivery program to serve all customers in the
5 system. It is expected that Benavides-DCC&RD PWS would find it most convenient and
6 economical to contract a bottled water service. The bottle delivery program would have to be
7 flexible enough to allow the delivery of smaller containers should customers be incapable of
8 lifting and manipulating 5-gallon bottles. Blending is not an option in this case. It should be
9 noted that this alternative would be considered an interim measure until a compliance
10 alternative is implemented.

11 This alternative does not involve capital cost for construction, but would require some
12 initial costs for system setup, and then ongoing costs to have the bottled water furnished. It is
13 assumed for this alternative that bottled water is provided to 100 percent of the Benavides-
14 DCC&RD PWS customers.

15 This alternative does not present options for a regional solution.

16 The estimated initial capital cost is for setting up the program. The estimated O&M cost
17 for this alternative includes program administration and purchase of the bottled water. The
18 estimated capital cost for this alternative is \$27,000, and the estimated annual O&M cost for
19 this alternative is \$1.01 million. For the cost estimate, it is assumed that each person requires
20 one gallon of bottled water per day.

21 The reliability of adequate amounts of compliant water under this alternative is fair, since
22 it relies on the active cooperation of customers to order and utilize the water. Management and
23 administration of the bottled water delivery program will require attention from Benavides-
24 DCC&RD PWS.

25 The feasibility of this alternative is not dependent on the cooperation, willingness, or
26 capability of other water supply entities.

27 **4.5.13 Alternative BD-13: Public Dispenser for Trucked Drinking Water**

28 This alternative consists of continued operation of the Benavides-DCC&RD wells, plus
29 dispensing compliant water for drinking and cooking at a publicly accessible location. The
30 compliant water would be purchased from Falfurrias Utility Board, and delivered by truck to a
31 tank at a central location where customers would be able to fill their own containers. This
32 alternative also includes notifying customers of the importance of obtaining drinking water
33 from the dispenser. In this way, only a relatively small volume of water requires treatment, but
34 customers are required to pick up and deliver their own water. Blending is not an option in this
35 case. It should be noted that this alternative would be considered an interim measure until a
36 compliance alternative is implemented.

1 Benavides-DCC&RD PWS would purchase a truck suitable for hauling potable water, and
2 install a storage tank. It is assumed the storage tank would be filled once a week, and that the
3 chlorine residual would be tested for each truckload. The truck would have to meet
4 requirements for potable water, and each load would be treated with bleach. This alternative
5 relies on a great deal of cooperation and action from the customers for it to be effective.

6 This alternative presents limited options for a regional solution if two or more systems
7 share the purchase and operation of the water truck.

8 The estimated capital cost for this alternative includes purchasing a water truck and
9 construction of the storage tank to be used for the drinking water dispenser. The estimated
10 O&M cost for this alternative includes O&M for the truck, maintenance for the tank, water
11 quality testing, record keeping, and water purchase. The estimated capital cost for this
12 alternative is \$149,500, and the estimated annual O&M cost for this alternative is \$49,900.

13 The reliability of adequate amounts of compliant water under this alternative is fair
14 because of the large amount of effort required from the customers and the associated
15 inconvenience. Current personnel have not provided this type of service in the past. From the
16 perspective of Benavides-Duval PWS, this alternative would be characterized as relatively easy
17 to operate, but the water hauling and storage would have to be done with care to ensure sanitary
18 conditions.

19 The feasibility of this alternative is not dependent on the cooperation, willingness, or
20 capability of other water supply entities.

21 **4.5.14 Summary of Alternatives**

22 Table 4.3 provides a summary of the key features of each alternative for Benavides-
23 DCC&RD PWS.

24

1 **Table 4.3 Summary of Compliance Alternatives for Benavides-DCC&RD PWS**

Alt No.	Alternative Description	Major Components	Capital Cost ¹	Annual O&M Cost	Total Annualized Cost	Reliability	System Impact	Remarks
BD-1	Purchase water from City of Premont	- Four pump stations / feed tanks - 32.9-mile pipeline	\$8,794,000	\$309,700	\$1,076,400	Good	N	Agreement must be successfully negotiated with City of Premont. Blending may be possible. Costs could possibly be shared with small systems along pipeline route.
BD-2	Purchase water from Falfurrias Utility Board	- Four pump stations / feed tanks - 39.8-mile pipeline	\$10,836,800	\$274,000	\$1,218,800	Good	N	Agreement must be successfully negotiated with Falfurrias Utility Board. Blending may be possible. Costs could possibly be shared with small systems along pipeline route.
BD-3	Install new compliant well within 10 miles	- Two new wells - Two pump stations/ feed tanks - 10-mile pipeline	\$3,109,000	\$69,800	\$340,900	Good	N	May be difficult to find well with good water quality. Costs could possibly be shared with small systems along pipeline route.
BD-4	Install new compliant well within 5 miles	- Two new wells - Pump station / feed tank - 5-mile pipeline	\$1,668,800	\$34,900	\$180,400	Good	N	May be difficult to find well with good water quality. Costs could possibly be shared with small systems along pipeline route.
BD-5	Install new compliant well within 1 mile	- Two new wells - 1-mile pipeline	\$538,300	\$300	\$47,200	Good	N	May be difficult to find well with good water quality.
BD-6	Continue operation of Benavides-DCC&RD well field with central RO treatment	- Central RO treatment plant	\$3,233,000	\$441,800	\$723,700	Good	T	No nearby system to possibly share treatment plant cost.
BD-7	Continue operation of Benavides-DCC&RD well field with central iron adsorption treatment	- Central adsorption treatment plant	\$1,588,300	\$100,400	\$238,900	Good	T	No nearby system to possibly share treatment plant cost.
BD-8	Continue operation of Benavides-DCC&RD well field with central coagulation/filtration treatment	- Central coagulation/filtration treatment plant	\$1,772,200	\$136,700	\$291,200	Good	T	No nearby system to possibly share treatment plant cost.
BD-9	Continue operation of Benavides-DCC&RD well field, and POU treatment	- POU treatment units.	\$987,200	\$648,800	\$734,900	Fair	T, M	Only one compliant tap in home. Cooperation of residents required for installation, maintenance, and testing.
BD-10	Continue operation of Benavides-DCC&RD well field, and POE treatment	- POE treatment units.	\$11,826,900	\$1,666,700	\$2,697,800	Fair (better than POU)	T, M	All home taps compliant and less resident cooperation required.

Alt No.	Alternative Description	Major Components	Capital Cost ¹	Annual O&M Cost	Total Annualized Cost	Reliability	System Impact	Remarks
BD-11	Continue operation of Benavides-DCC&RD well field, but furnish public dispenser for treated drinking water	- Water treatment and dispenser unit	\$71,300	\$138,400	\$144,700	Fair/interim measure	T	Does not provide compliant water to all taps, and requires a lot of effort by customers.
BD-12	Continue operation of Benavides-DCC&RD well field, but furnish bottled drinking water for all customers	- Set up bottled water system	\$27,000	\$1,010,800	\$1,013,200	Fair/interim measure	M	Does not provide compliant water to all taps, and requires customers to order and use. Management of program may be significant.
BD-13	Continue operation of Benavides-DCC&RD well field, but furnish public dispenser for trucked drinking water.	- Construct storage tank and dispenser - Purchase potable water truck	\$149,500	\$49,900	\$63,000	Fair/interim measure	M	Does not provide compliant water to all taps, and requires a lot of effort by customers.

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Notes: N – No significant increase required in technical or management capability
T – Implementation of alternative will require increase in technical capability
M – Implementation of alternative will require increase in management capability
1 – See cost breakdown in Appendix C
2 – 20-year return period and 6 percent interest

4.6 COST OF SERVICE AND FUNDING ANALYSIS

To evaluate the financial impact of implementing the compliance alternatives, a 30-year financial planning model was developed. This model can be found in Appendix D. The financial model is based on estimated cash flows, with and without implementation of the compliance alternatives. Data for such models are typically derived from established budgets, audited financial reports, published water tariffs, and consumption data. The Duval County Conservation & Reclamation District operates the system for Benavides-DCC&RD PWS, which also includes two other systems. The Benavides-DCC&RD PWS has 777 connections serving a population of 1,686 with an additional 138 connections in the other two systems. A financial report was provided for 2007 for the Duval County Conservation & Reclamation District.

This analysis will need to be performed in a more detailed fashion and applied to alternatives deemed attractive and worthy of more detailed evaluation. A more detailed analysis should include additional factors such as:

- Cost escalation,
- Price elasticity effects where increased rates may result in lower water consumption,
- Costs for other system upgrades and rehabilitation needed to maintain compliant operation.

4.6.1 Financial Plan Development

Revenues for the Benavides-DCC&RD PWS were estimated based on the DCC&RD financial report, and expenses were estimate based on expenses for other similar size systems, since the DCC&RD financial report included combined expenses for all the water and wastewater systems. According to records for FY2007, a total of 109.5 million gallons of water were sold in fiscal year 2007. The base rate for water is \$21.50 per month, which includes the first 3,000 gallons of water. The Benavides-DCC&RD PWS uses a two tiered system for water usage greater than the first 3,000 gallons. The rates for the two tiered system are: \$3.50/1,000 gallons for usage volumes 3,000-6,000 gallons; and \$4.00/1,000 gallons for usage volumes greater than 6,000 gallons. DCC&RD reports Benavides-DCC&RD PWS water customer service fees of \$284,600 and sewer fees of \$119,425 in 2007, and when combined with other revenues in other parts of the district jurisdiction, the district reports total revenues of \$524,315. Current assets and current liabilities for the Benavides-DCC&RD PWS were not available, since the actual PWS operating expenses were co-mingled with all other capital assets and liabilities of the DCC&RD Financial Statement. District level values were used for the cash flow and ratio analyses; however, because these values do not separate the water portion for Benavides-DCC&RD PWS estimates were developed for the financial model.

1 **4.6.2 Current Financial Condition**

2 **4.6.2.1 Cash Flow Needs**

3 Using the base rate and water usage rates as noted above, the current average annual water
4 bill for Benavides-DCC&RD PWS customers is estimated at \$366 or about 1.7 percent of the
5 Benavides-DCC&RD PWS MHI of \$21,442, as given in the 2000 census.

6 It was not possible to complete a review of the Benavides-DCC&RD PWS portion of the
7 DCC&RD, but an overall review of the actual revenues and the actual operating expenses for
8 the district as whole suggest that the PWS needs to raise its future water rates for its customers
9 as the operating expenses exceed revenues by \$34,145, or approximately 6.0 percent.
10 Additionally, the Benavides-DCC&RD PWS may need to raise rates in the future to service the
11 debt associated with any capital improvements for the various alternatives that may be
12 implemented to address compliance issues.

13 **4.6.2.2 Ratio Analysis**

14 The financial report obtained did not include assets and liabilities.

15 *Current Ratio*

16 The Current Ratio for the Benavides-DCC&RD PWS could not be determined because the
17 financial report obtained did not include assets and liabilities.

18 *Debt to Net Ratio*

19 A Debt-to-Net Worth Ratio also could not be determined because the financial report
20 obtained did not include assets and liabilities.

21
22 *Operating Ratio = 0.939*

23
24 The Operating Ratio was determined for DCC&RD as a whole, instead of for the
25 Benavides-DCC&RD PWS alone, because there was no expense information included in the
26 financial report specific to the Benavides-DCC&RD PWS. An operating ratio of 1.0 means
27 that a utility is collecting just enough money to meet expenses. In general, an operating ratio of
28 1.25 or higher is desirable. An operating ratio of 0.939 indicates that the DCC&RD will need
29 to raise rates to meet operational costs.

30 **4.6.3 Financial Plan Results**

31 Each of the compliance alternatives for the Benavides-DCC&RD PWS was evaluated
32 using the financial model to determine the overall increase in water rates that would be
33 necessary to pay for the improvements. Each alternative was examined under the various
34 funding options described in Section 2.4.

1 Results of the financial impact analysis are provided in Table 4.4 and Figure 4.2.
2 Table 4.4 and Figure 4.2 present rate impacts assuming that revenues match expenses, without
3 funding reserve accounts, and that operations and implementation of compliance alternatives
4 are funded with revenue and are not paid for from reserve accounts. Figure 4.2 provides a bar
5 chart that, in terms of the yearly billing to an average customer, shows the following:

- 6 • Current annual average bill,
- 7 • Projected annual average bill including rate increase, if needed, to match existing
8 expenditures, and
- 9 • Projected annual bill including rate increases needed to fund implementation of a
10 compliance alternative (this does not include funding for reserve accounts).

11 The two bars shown for each compliance alternative represent the rate changes necessary
12 for revenues to match total expenditures assuming 100 percent grant funding and 100 percent
13 loan/bond funding. Most funding options will fall between 100 percent grant and 100 percent
14 loan/bond funding, with the exception of 100 percent revenue financing. Establishing or
15 increasing reserve accounts would require an increase in rates. If existing reserves are
16 insufficient to fund a compliance alternative, rates would need to be raised before
17 implementing the compliance alternative. This would allow for accumulation of sufficient
18 reserves to avoid larger but temporary rate increases during the years the compliance
19 alternative was being implemented.

20 **4.6.4 Evaluation of Potential Funding Options**

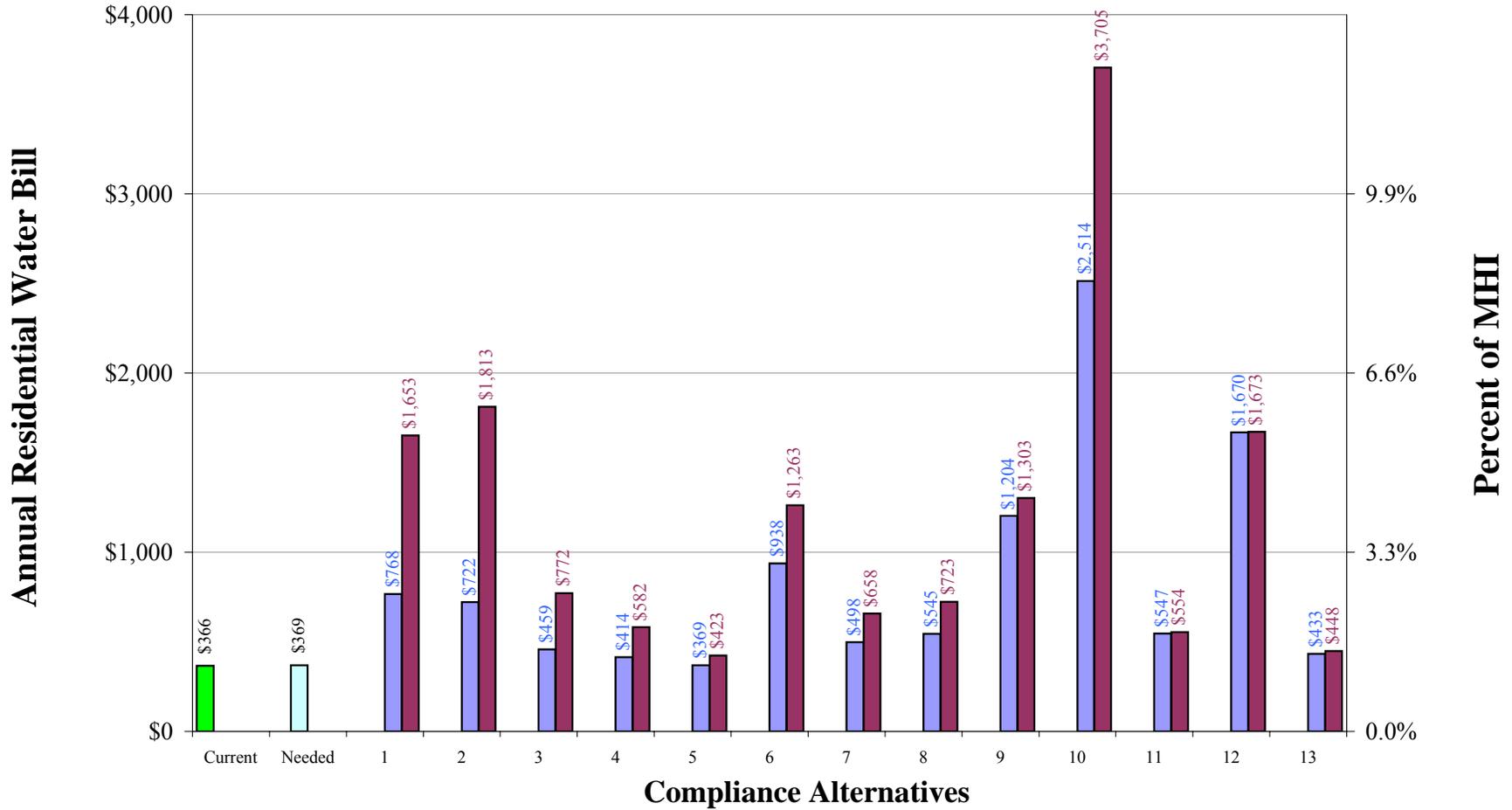
21 There are a variety of funding programs available to entities as described in Section 2.4.
22 Benavides-DCC&RD PWS is most likely to obtain funding from programs administered by the
23 TWDB, ORCA, and Rural Development. This report contains information that would be used
24 for an application for funding. Information such as financial analyses, water supply
25 assessment, and records demonstrating health concerns, failing infrastructure, and financial
26 need, may be required by these agencies. This section describes the candidate funding agencies
27 and their appropriate programs as well as information and steps needed to begin the application
28 process.

29 This report should serve to document the existing water quality issues, infrastructure need
30 and costs, and water system information needed to begin the application process. Although this
31 report is at the conceptual level, it demonstrates that significant funding will be needed to meet
32 Safe Drinking Water Standards. The information provided in this report may serve as the
33 needed documentation to justify a project that may only be possible with significant financial
34 assistance.

Benavides Duval County
Table 4.4 Financial Impact on Households

Alternative	Description		All Revenue	100% Grant	75% Grant	50% Grant	SRF	Bond
1	Purchase Water from Premont	Maximum % of MHI	54.5%	3.6%	4.6%	5.6%	5.8%	7.7%
		Percentage Rate Increase Compared to Current	3089%	109%	170%	230%	241%	351%
		Average Annual Water Bill	\$11,687	\$768	\$989	\$1,210	\$1,249	\$1,653
2	Purchase Water from Falfurrias Utility Board	Maximum % of MHI	66.8%	3.4%	4.6%	5.9%	6.1%	8.5%
		Percentage Rate Increase Compared to Current	3807%	97%	171%	246%	259%	395%
		Average Annual Water Bill	\$14,316	\$722	\$994	\$1,267	\$1,314	\$1,813
3	New Well at 10 Miles	Maximum % of MHI	20.4%	2.1%	2.5%	2.9%	2.9%	3.6%
		Percentage Rate Increase Compared to Current	1093%	25%	47%	68%	72%	111%
		Average Annual Water Bill	\$4,370	\$459	\$537	\$615	\$629	\$772
4	New Well at 5 Miles	Maximum % of MHI	11.7%	1.9%	2.1%	2.3%	2.4%	2.7%
		Percentage Rate Increase Compared to Current	587%	13%	24%	36%	38%	59%
		Average Annual Water Bill	\$2,517	\$414	\$456	\$498	\$505	\$582
5	New Well at 1 Mile	Maximum % of MHI	5.0%	1.7%	1.8%	1.8%	1.9%	2.0%
		Percentage Rate Increase Compared to Current	190%	1%	4%	8%	9%	16%
		Average Annual Water Bill	\$1,062	\$369	\$383	\$396	\$399	\$423
6	Central Treatment -RO	Maximum % of MHI	21.1%	4.4%	4.8%	5.1%	5.2%	5.9%
		Percentage Rate Increase Compared to Current	1136%	156%	178%	200%	204%	245%
		Average Annual Water Bill	\$4,530	\$938	\$1,019	\$1,100	\$1,114	\$1,263
7	Central Treatment -Iron Adsorp	Maximum % of MHI	11.3%	2.3%	2.5%	2.7%	2.7%	3.1%
		Percentage Rate Increase Compared to Current	559%	36%	47%	58%	60%	80%
		Average Annual Water Bill	\$2,413	\$498	\$538	\$578	\$585	\$658
8	Central Treatment - Coag/Filt	Maximum % of MHI	12.4%	2.5%	2.7%	3.0%	3.0%	3.4%
		Percentage Rate Increase Compared to Current	623%	49%	61%	73%	75%	97%
		Average Annual Water Bill	\$2,650	\$545	\$589	\$634	\$642	\$723
9	Point-of-Use Treatment	Maximum % of MHI	7.6%	5.6%	5.7%	5.8%	5.9%	6.1%
		Percentage Rate Increase Compared to Current	347%	229%	235%	242%	243%	256%
		Average Annual Water Bill	\$1,639	\$1,204	\$1,229	\$1,254	\$1,258	\$1,303
10	Point-of-Entry Treatment	Maximum % of MHI	72.7%	11.7%	13.1%	14.5%	14.7%	17.3%
		Percentage Rate Increase Compared to Current	4155%	586%	667%	749%	763%	911%
		Average Annual Water Bill	\$15,590	\$2,514	\$2,812	\$3,109	\$3,161	\$3,705
11	Public Dispenser for Treated Drinking Water	Maximum % of MHI	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
		Percentage Rate Increase Compared to Current	49%	49%	50%	50%	50%	51%
		Average Annual Water Bill	\$547	\$547	\$549	\$551	\$551	\$554
12	Supply Bottled Water to 100% of Population	Maximum % of MHI	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
		Percentage Rate Increase Compared to Current	356%	356%	356%	356%	356%	356%
		Average Annual Water Bill	\$1,670	\$1,670	\$1,670	\$1,671	\$1,671	\$1,673
13	Central Trucked Drinking Water	Maximum % of MHI	2.6%	2.0%	2.0%	2.1%	2.1%	2.1%
		Percentage Rate Increase Compared to Current	53%	18%	19%	20%	20%	22%
		Average Annual Water Bill	\$561	\$433	\$437	\$441	\$441	\$448

Figure 4.2
Alternative Cost Summary: Benavides Duval County



Current Average Monthly Bill = \$30.54
 Median Household Income = \$21,442
 Average Monthly Residential Usage = 9,787 gallons

- Current
- With 100% Grant Funding
- Needed
- With 100% Loan/Bond Funding

1 **4.7.4.1 TWDB Funding Options**

2 TWDB programs include the Drinking Water State Revolving Fund (DWSRF), Rural
3 Water Assistance Fund (RWAF), State Loan Program (Development Fund II), and
4 Economically Distressed Areas Program (EDAP). Additional information on these programs
5 can be found online at the TWDB website under the Assistance tab, Financial Assistance
6 section, under the Public Works Infrastructure Construction subsection.

7 **Drinking Water State Revolving Fund**

8 The DWSRF offers net long-term interest lending rates below the rate the borrower would
9 receive on the open market for a period of 20 years. Because the Benavides-DCC&RD PWS is
10 a “disadvantaged community,” it can receive a 30-year loan term. A cost-recovery loan
11 origination charge is imposed to cover the administrative costs of operating the DWSRF, but an
12 additional interest rate subsidy is offered to offset the charge. The terms of the loan typically
13 require a revenue or tax pledge. Depending on how the origination charge is handled, interest
14 rates can be as low as 0.95 percent below market rates with the possibility of additional federal
15 subsidies for total interest rates 1.95 percent below market rates. Disadvantaged communities
16 may obtain loans at interest rates between 0 percent and 1 percent.

17 The loan application process has several steps: pre-application, application and
18 commitment, loan closing, funding and construction monitoring, and any other special
19 requirements. In the pre-application phase, prospective loan applicants are asked to submit a
20 brief DWSRF Information Form to the TWDB that describes the applicant’s existing water
21 facilities, additional facility needs and the nature of projects being considered for meeting those
22 needs, project cost estimates, and “disadvantaged community” status. The TCEQ assigns a
23 priority rating that includes an applicant’s readiness to proceed. TWDB staff notify
24 prospective applicants of their priority rating and encourage them to schedule a pre-planning
25 conference for guidance in preparing the engineering, planning, environmental, financial, and
26 water conservation portions of the DWSRF application.

27 **Rural Water Assistance Fund**

28 Small rural water utilities can finance water projects with attractive interest rate loans
29 with short and long-term finance options at tax exempt rates. Funding through this program
30 gives an added benefit to nonprofit water supply corporations as construction purchases and
31 qualify for a sales tax exemption. Rural Political Subdivisions are eligible (nonprofit water
32 supply corporations; water districts or municipalities serving a population of up to 10,000; and
33 counties in which no urban area has a population exceeding 50,000). A nonprofit water supply
34 corporation is eligible to apply these funds for design and construction of water projects.
35 Projects can include line extensions, elevated storage, the purchase of well fields, the purchase
36 or lease of rights to produce groundwater, and interim financing of construction projects. The
37 fund may also be used to enable a rural water utility to obtain water service supplied by a larger
38 utility or to finance the consolidation or regionalization of a neighboring utility.

1 A maximum financing life is 50 years for projects. The average financing period is 20
2 to 23 years. System revenues and/or tax pledges are typically required. The lending rate scale
3 varies according to several factors, but is set by the TWDB based on cost of funds to the board,
4 risk factors of managing the board loan portfolio, and market rate scales. The TWDB seeks to
5 make reasonable loans with minimal risk to the state. The TWDB posts rates for comparison
6 for applicants, and in August 2008 the TWDB showed its rates for a 22-year, taxable loan at
7 5.5 percent, where the market was at 7.84 percent. Funds in this program are not restricted.

8 The TWDB's Office of Project Finance and Construction Assistance staff can discuss the
9 terms of the loan and assist applicants during preparation of the application, and this is
10 encouraged. The application materials must include an engineering feasibility report,
11 environmental information, rates and customer base, operating budgets, financial statements,
12 and project information. The TWDB considers the needs of the area; benefits of the project;
13 the relationship of the project to the overall state water needs; relationship of the project to the
14 State Water Plan; and availability of all sources of revenue to the rural utility for the ultimate
15 repayment of the water supply project cost. The board considers applications monthly.

16 **State Loan Program (Development Fund II)**

17 The State Loan Program is a diverse lending program directly from state funding sources.
18 As it does not receive federal subsidies, it is more streamlined. The loans can incorporate more
19 than one project under the umbrella of one loan. Water supply corporations are eligible, but
20 will have taxable rates. Projects can include purchase of water rights, treatment plants, storage
21 and pumping facilities, transmission lines, well development, and acquisitions.

22 The loan requires that the applicant pledge revenue or taxes, as well as some collateral
23 for Benavides-DCC&RD PWS. The maximum financing life is 50 years. The average
24 financing period is 20 to 23 years. The lending rate scale varies according to several factors,
25 but is set by the TWDB based on cost of funds to the board, risk factors of managing the board
26 loan portfolio, and market rate scales. The TWDB seeks to make reasonable loans with
27 minimal risk to the state. The TWDB post rates for comparison for applicants and in August
28 2008, the TWDB showed their rates for a 22-year, taxable loan at 5.5 percent where the market
29 was at 7.84 percent.

30 The TWDB staff can discuss the terms of the loan and assist applicants during preparation
31 of the application, and a preapplication conference is encouraged. The application materials
32 must include an engineering feasibility report, environmental information, rates and customer
33 base, operating budgets, financial statements, and project information. The TWDB considers
34 the needs of the area; benefits of the project; the relationship of the project to the overall state
35 water needs and the State Water Plan; and the availability of all sources of revenue to the rural
36 utility for the ultimate repayment of the loan. The board considers applications monthly.

37 **Economically Distressed Areas Program**

38 The EDAP Program was designed to assist areas along the U.S./Mexico border in areas
39 that were economically distressed. In 2008, this program was extended to apply to the entire

1 state so long as requirements are met. This program provides financial assistance through the
2 provision of grants and loans to communities where present facilities are inadequate to meet
3 residents minimal needs. Eligible communities are those that have median household income
4 less than 75 percent of the state household income. Non-profit water supply corporations can
5 apply, but they must be capable of maintaining and operating the completed system, and hold
6 or be in the process of obtaining a Certificate of Convenience and Necessity. The county
7 where the project is located must adopt model rules for the regulation of subdivisions prior to
8 application for financial assistance. If the applicant is a city, the city must also adopt Model
9 Subdivision Rules of TWDB (31 TAC Chapter 364). The program funds design, construction,
10 improvements, and acquisition, and includes measures to prevent future substandard
11 development. The TWDB works with the applicant to find ways to leverage other state and
12 federal financial resources.

13 The loan requires that the applicant pledge revenue or taxes, as well as some collateral
14 for Benavides-DCC&RD PWS. The maximum financing life is 50 years. The average
15 financing period is 20 to 23 years. The lending rate scale varies according to several factors
16 but is set by the TWDB based on cost of funds to the board, risk factors of managing the board
17 loan portfolio, and market rate scales. The TWDB seeks to make reasonable loans with
18 minimal loss to the state. The TWDB posts rates for comparison for applicants and in August
19 2008 the TWDB showed its rates for a 22-year, tax exempt loan at 5.11 percent where the
20 market was at 5.60 percent. Most projects have a financial package with the majority of the
21 project financed with grants. Many have received 100 percent grants.

22 The first step in the application process is to meet with TWDB staff to discuss the terms of
23 the loan and assist applicants during preparation of the application. Major components of the
24 application materials must include an engineering feasibility report, environmental information,
25 rates and customer base, operating budgets, financial statements, community information,
26 project information, and other legal information.

27 **4.7.4.2 ORCA Funding Options**

28 Created in 2001, ORCA seeks to strengthen rural communities and assist them with
29 community and economic development and healthcare by providing a variety of rural
30 programs, services, and activities. Of their many programs and funds, the most appropriate
31 programs related to drinking water are the Community Development (CD) Fund, Colonias
32 Program, and Texas Small Towns Environment Program (STEP). These programs offer
33 attractive funding packages to help make improvements to potable water systems to mitigate
34 potential health concerns. These programs are available to counties and cities, which have to
35 submit an ORCA application on behalf of the PWS. All program requirement would have to be
36 met by the benefiting community receiving services by the PWS. Additional information can
37 be found online at the ORCA website under the Community Development tab, Grant Funds
38 Section, and clicking on the name of the program or grant.

1 **Colonia Economically Distressed Areas Program**

2 In the event a community, which is designated as economically distressed, receives TWDB
3 funding through EDAP for water and sewer system improvement projects, it may be eligible to
4 receive ORCA grants that can be used to connect households to the improved system. Funding
5 may be used for connection fees, plumbing improvements, taps and meters, distribution lines,
6 and other connection projects to a TWDB improvement project. Applications are submitted at
7 the time an EDAP project construction begins and should work with CDBG staff to complete
8 the application. In addition to CD Fund requirements, the community must be within 150 miles
9 of the border and be designated a Colonia. These funds are submitted by the county on behalf
10 of the Colonia and can be part of a project taken on by a nearby city to provide services to a
11 nearby Colonia. Awards are given based on utilization of grant funds in a timely manner, past
12 CDBG contract performance, availability of other resources, and effectiveness of funds to make
13 connections to improve systems. Awards are on a “first-come, first serve” basis with a
14 maximum of award of \$500,000.

15 **Community Development Fund**

16 The CD Fund is a competitive grant program for water system improvements as well as
17 other utility services (wastewater, drainage improvements, and housing activities). Funds are
18 distributed between 24 state planning regions where funds are allocated to address each
19 region’s utility priorities. Funds can be used for various types of public works projects,
20 including water system improvements. Communities with a population of less than 50,000 that
21 are not eligible for direct CDBG funding from the U.S. Department of Housing and Urban
22 Development are eligible. Funds are awarded on a competitive basis decided twice a year by
23 regional review committees using a defined scoring system (past performance with CDBG is a
24 factor). Awards are no less than \$75,000 and cannot exceed \$800,000. More information can
25 be found at the Office of Community Affairs website under Community Development Fund.

26 **Texas Small Towns Environment Program**

27 Under special occasions some communities are invited to participate in grant programs
28 when self-help is a feasible method for completing a water project, the community is
29 committed to self-help, and the community has the capacity to complete the project. The
30 purpose is to significantly reduce the cost of the project by using the communities’ own human,
31 material, and financial capital. Projects typically are repair, rehabilitation, improvements,
32 service connections, and yard services. Reasonable associated administration and engineering
33 cost can be funded. A letter of interest is first submitted, and after CDBG staff determine
34 eligibility, an application may be submitted. Awards are only given twice per year on a priority
35 basis so long as the project can be fully funded (\$350,000 maximum award). Ranking criteria
36 are project impact, local effort, past performance, percent of savings, and benefit to low to
37 medium-income persons.

1 **4.7.4.3 Rural Development**

2 The RUS agency of Rural Development established a Revolving Fund Program (RFP)
3 administered by the staff of the Water and Environment Program (WEP) to assist communities
4 with water and wastewater systems. The purpose is to fund technical assistance and projects to
5 help communities bring safe drinking water and sanitary, environmentally sound, waste
6 disposal facilities to rural Americans in greatest need. WEP provides loans, grants, and loan
7 guarantees for drinking water, sanitary sewer, solid waste, and storm drainage facilities in rural
8 areas and cities and towns with a population of 10,000 or less. Recipients must be public
9 entities such as municipalities, counties, special purpose districts, Indian tribes, and
10 corporations not operated for profit. Projects include all forms of infrastructure improvement,
11 acquisition of land and water rights, and design fees. Rural Development attempts to provide
12 some level of assistance to all communities that apply. Funds are provided on a first come, first
13 serve basis; however, staff do evaluate need and assign priorities as funds are limited.
14 Grant/loan mixes vary on a case by case basis and some communities may have to wait though
15 several funding cycles until funds become available.

16 **Water and Wastewater Disposal Program**

17 The major components of the RFP are loan, loan guarantees, and grant funding for water
18 and waste disposal systems. Entities must demonstrate that they cannot obtain reasonable loans
19 at market rates, but have the capacity to repay loans, pledge security, and operate the facilities.
20 Grants can be up to 75 percent of the project costs, and loan guarantees can be up to 90 percent
21 of eligible loss. Loans are not to exceed a 40-year repayment period, require tax or revenue
22 pledges, and are offered at three rates:

- 23 • Poverty Rate - The lowest rate is the poverty interest rate of 4.5 percent. Loans must be
24 used to upgrade or construct new facilities to meet health standards, and the MHI in the
25 service area must be below the poverty line for a family of four or below 80 percent of
26 the statewide MHI for non-metropolitan communities.
- 27 • Market Rate – Where the MHI in the service exceeds the state MHI, the rate is based on
28 the average of the “Bond Buyer” 11-Bond Index over a four week period.
- 29 • Intermediate Rate – the average of the Poverty Rate and the Market Rate, but not to
30 exceed seven percent.

31 **Water and Waste Disposal Grants and Loans (Section 306C for Colonias)**

32 Grant funds at 100 percent are provided for areas along the U.S./Mexico border known as
33 Colonias. Projects must construct basic drinking water, sanitary sewer, solid waste disposal,
34 and storm drainage to serve residents of Colonias. Also, the systems can obtain funds to
35 provide grant assistance directly to individuals to install necessary indoor plumbing and pay
36 other costs of connecting to the system. Residents of the rural area to be served must face
37 significant health risks when a significant proportion of the community’s residents do not have
38 access to or are not served by adequate, affordable water and/or waste disposal systems.

1 Colonias is a term used to describe subdivisions that exist outside incorporated areas located
2 along the United States-Mexico border. Colonias are generally characterized as small
3 communities with inadequate drinking water, poor sanitary waste disposal facilities, and
4 substandard housing. Aside from demonstrating health risks, areas not designated as a Colonia
5 must show that (1) per capita income of the residents is not more than 70 percent of the most
6 recent national average per capita income, as determined by the Department of Commerce; and
7 (2) unemployment rate of the residents is not less than 125 percent of the most recent national
8 average unemployment rate, as determined by the Bureau of Labor Statistics. Projects are
9 ranked according to eligibility, a state preapplication review, RUS administrative review,
10 population, income, other matching funds, Colonia status, and natural disaster effect.

- 1 USEPA. 2008a. List of Drinking Water Contaminants & MCLs. Online. Last updated on Thursday,
2 June 5th, 2008. <http://www.epa.gov/safewater/mcl.html>.
- 3 USEPA. 2008b. United States Environmental Protection Agency Drinking Water Contaminants for
4 Radium. Last updated on Tuesday, November 28th, 2006. Website accessed on June 5, 2008,
5 [http:// http://www.epa.gov/safewater/hfacts.html#Radioactive](http://http://www.epa.gov/safewater/hfacts.html#Radioactive)
- 6
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**APPENDIX A
PWS INTERVIEW FORM**

CAPACITY DEVELOPMENT ASSESSMENT FORM

Prepared By _____

Date _____

Section 1. Public Water System Information

1. PWS ID # 2. Water System Name

3. County

4. Owner Address

Tele. E-mail

Fax Message

5. Admin Address

Tele. E-mail

Fax Message

6. Operator Address

Tele. E-mail

Fax Message

7. Population Served 8. No. of Service Connections

9. Ownership Type 10. Metered (Yes or No)

11. Source Type

12. Total PWS Annual Water Used

13. Number of Water Quality Violations (Prior 36 months)

Total Coliform Chemical/Radiological

Monitoring (CCR, Public Notification, etc.) Treatment Technique, D/DBP

A. Basic Information

1. Name of Water System:
2. Name of Person Interviewed:
3. Position:
4. Number of years at job:
5. Number of years experience with drinking water systems:
6. Percent of time (day or week) on drinking water system activities, with current position (how much time is dedicated exclusively to the water system, not wastewater, solid waste or other activities):
7. Certified Water Operator (Yes or No):
 If Yes,
 7a. Certification Level (water):
 7b. How long have you been certified?
8. Describe your water system related duties on a typical day.

B. Organization and Structure

1. Describe the organizational structure of the Utility. Please provide an organizational chart. (Looking to find out the governance structure (who reports to whom), whether or not there is a utility board, if the water system answers to public works or city council, etc.)

2. If not already covered in Question 1, to whom do you report?
3. Do all of the positions have a written job description?
 - 3a. If yes, is it available to employees?
 - 3b. May we see a copy?

C. Personnel

1. What is the current staffing level (include all personnel who spend more than 10% of their time working on the water system)?

2. Are there any vacant positions? How long have the positions been vacant?

3. In your opinion, is the current staffing level adequate? If not adequate, what are the issues or staffing needs (how many and what positions)?

4. What is the rate of employee turnover for management and operators? What are the major issues involved in the turnover (e.g., operator pay, working conditions, hours)?

5. Is the system staffed 24 hours a day? How is this handled (on-site or on-call)? Is there an alarm system to call an operator if an emergency occurs after hours?

D. Communication

1. Does the utility have a mission statement? If yes, what is it?

2. Does the utility have water quality goals? What are they?

3. How are your work priorities set?

4. How are work tasks delegated to staff?

5. Does the utility have regular staff meetings? How often? Who attends?

6. Are there separate management meetings? If so, describe.

7. Do management personnel ever visit the treatment facility? If yes, how often?

8. Is there effective communication between utility management and state regulators (e.g., NMED)?

9. Describe communication between utility and customers.

E. Planning and Funding

1. Describe the rate structure for the utility.

2. Is there a written rate structure, such as a rate ordinance? May we see it?
 - 2a. What is the average rate for 6,000 gallons of water?

3. How often are the rates reviewed?

4. What process is used to set or revise the rates?

5. In general, how often are the new rates set?

6. Is there an operating budget for the water utility? Is it separate from other activities, such as wastewater, other utilities, or general city funds?

7. Who develops the budget, how is it developed and how often is a new budget created or the old budget updated?

8. How is the budget approved or adopted?

9. In the last 5 years, how many budget shortfalls have there been (i.e., didn't collect enough money to cover expenses)? What caused the shortfall (e.g., unpaid bills, an emergency repair, weather conditions)?

9a. How are budget shortfalls handled?
10. In the last 5 years how many years have there been budget surpluses (i.e., collected revenues exceeded expenses)?

10a. How are budget surpluses handled (i.e., what is done with the money)?
11. Does the utility have a line-item in the budget for emergencies or some kind of emergency reserve account?
12. How do you plan and pay for short-term system needs?
13. How do you plan and pay for long- term system needs?
14. How are major water system capital improvements funded? Does the utility have a written capital improvements plan?
15. How is the facility planning for future growth (either new hook-ups or expansion into new areas)?
16. Does the utility have and maintain an annual financial report? Is it presented to policy makers?

17. Has an independent financial audit been conducted of the utility finances? If so, how often? When was the last one?
18. Will the system consider any type of regionalization with any other PWS, such as system interconnection, purchasing water, sharing operator, emergency water connection, sharing bookkeeper/billing or other?

F. Policies, Procedures, and Programs
--

1. Are there written operational procedures? Do the employees use them?
2. Who in the utility department has spending authorization? What is the process for obtaining needed equipment or supplies, including who approves expenditures?
3. Does the utility have a source water protection program? What are the major components of the program?
4. Are managers and operators familiar with current SDWA regulations?
5. How do the managers and operators hear about new or proposed regulations, such as arsenic, DBP, Groundwater Rule? Are there any new regulations that will be of particular concern to the utility?
6. What are the typical customer complaints that the utility receives?
7. Approximately how many complaints are there per month?

8. How are customer complaints handled? Are they recorded?
9. (If not specifically addressed in Question 7) If the complaint is of a water quality nature, how are these types of complaints handled?
10. Does the utility maintain an updated list of critical customers?
11. Is there a cross-connection control plan for the utility? Is it written? Who enforces the plan's requirements?
12. Does the utility have a written water conservation plan?
13. Has there been a water audit of the system? If yes, what were the results?
14. (If not specifically answered in 11 above) What is the estimated percentage for loss to leakage for the system?
15. Are you, or is the utility itself, a member of any trade organizations, such as AWWA or Rural Water Association? Are you an active member (i.e., attend regular meetings or participate in a leadership role)? Do you find this membership helpful? If yes, in what ways does it help you?

G. Operations and Maintenance

1. How is decision-making authority split between operations and management for the following items:
 - a. Process Control
 - b. Purchases of supplies or small equipment
 - c. Compliance sampling/reporting
 - d. Staff scheduling

2. Describe your utility's preventative maintenance program.

3. Do the operators have the ability to make changes or modify the preventative maintenance program?

4. How does management prioritize the repair or replacement of utility assets? Do the operators play a role in this prioritization process?

5. Does the utility keep an inventory of spare parts?

6. Where does staff have to go to buy supplies/minor equipment? How often?
 - 6a. How do you handle supplies that are critical, but not in close proximity (for example if chlorine is not available in the immediate area or if the components for a critical pump are not in the area)

7. Describe the system's disinfection process. Have you had any problems in the last few years with the disinfection system?

7a. Who has the ability to adjust the disinfection process?

8. How often is the disinfectant residual checked and where is it checked?

8a. Is there an official policy on checking residuals or is it up to the operators?

9. Does the utility have an O & M manual? Does the staff use it?

10. Are the operators trained on safety issues? How are they trained and how often?

11. Describe how on-going training is handled for operators and other staff. How do you hear about appropriate trainings? Who suggests the trainings – the managers or the operators? How often do operators, managers, or other staff go to training? Who are the typical trainers used and where are the trainings usually held?

12. In your opinion is the level of your on-going training adequate?

13. In your opinion is the level of on-going training for other staff members, particularly the operators, adequate?

14. Does the facility have mapping of the water utility components? Is it used on any routine basis by the operators or management? If so, how is it used? If not, what is the process used for locating utility components?
15. In the last sanitary survey, were any deficiencies noted? If yes, were they corrected?
16. How often are storage tanks inspected? Who does the inspection?
 - 16a. Have you experienced any problems with the storage tanks?

H. SDWA Compliance

1. Has the system had any violations (monitoring or MCL) in the past 3 years? If so, describe.
2. How were the violations handled?
3. Does the system properly publish public notifications when notified of a violation?
4. Is the system currently in violation of any SDWA or state regulatory requirements, including failure to pay fees, fines, or other administrative type requirements?
5. Does the utility prepare and distribute a Consumer Confidence Report (CCR)? Is it done every year? What type of response does the utility get to the CCR from customers?

I. Emergency Planning

1. Does the system have a written emergency plan to handle emergencies such as water outages, weather issues, loss of power, loss of major equipment, etc?
2. When was the last time the plan was updated?
3. Do all employees know where the plan is? Do they follow it?
4. Describe the last emergency the facility faced and how it was handled.

Attachment A

A. Technical Capacity Assessment Questions

1. Based on available information of water rights on record and water pumped has the system exceeded its water rights in the past year? YES NO

In any of the past 5 years? YES NO How many times? _____

2. Does the system have the proper level of certified operator? (Use questions a – c to answer.)
YES NO

a. What is the Classification Level of the system by NMED? _____

b. Does the system have one or more certified operator(s)? [20 NMAC 7.4.20]

YES NO

c. If YES, provide the number of operators at each New Mexico Certification Level. [20 NMAC 7.4.12]

_____ NM Small System _____ Class 2

_____ NM Small System Advanced _____ Class 3

_____ Class 1 _____ Class 4

3. Did the system correct any sanitary deficiency noted on the most recent sanitary survey within 6 months of receiving that information? [20 NMAC 7.20.504]

YES NO No Deficiencies

What was the type of deficiency? (Check all that are applicable.)

Source Storage

Treatment Distribution

Other _____

From the system's perspective, were there any other deficiencies that were not noted on the sanitary survey?
Please describe.

4. Will the system's current treatment process meet known future regulations?

Radionuclides YES NO Doesn't Apply

Arsenic YES NO Doesn't Apply

Stage 1 Disinfectants and Disinfection By-Product (DBP)

YES NO Doesn't Apply

Surface Water Treatment Rule YES NO Doesn't Apply

5. Does the system have a current site plan/map? [20 NMAC 7.10.302 A.1.]

YES NO

6. Has the system had a water supply outage in the prior 24 months?

YES NO

What were the causes of the outage(s)? (Include number of outages for each cause.)

Drought _____ Limited Supply _____

System Failure _____ Other _____

7. Has the system ever had a water audit or a leak evaluation?

YES NO Don't Know

If YES, please complete the following table.

Type of Investigation	Date Done	Water Loss (%)	What approach or technology was used to complete the investigation?	Was any follow-up done? If so, describe

8. Have all drinking water projects received NMED review and approval? [20 NMAC 7.10.201]

YES NO

If NO, what types of projects have not received NMED review and approval.

Source Storage

Treatment Distribution

Other _____

9. What are the typical customer complaints that the utility receives?

10. Approximately how many complaints are there per month? _____

11. How are customer complaints handled? Are they recorded?

12. What is the age and composition of the distribution system? *(Collect this information from the Sanitary Survey)*

Pipe Material	Approximate Age	Percentage of the system	Comments
			Sanitary Survey Distribution System Records Attached

13. Are there any dead end lines in the system?
 YES NO

14. Does the system have a flushing program?
 YES NO
 If YES, please describe.

15. Are there any pressure problems within the system?
 YES NO
 If YES, please describe.

16. Does the system disinfect the finished water?
 YES NO
 If yes, which disinfectant product is used? _____

Interviewer Comments on Technical Capacity:

B. Managerial Capacity Assessment Questions

17. Has the system completed a 5-year Infrastructure Capital Improvement Plan (ICIP) plan?
 YES NO

If YES, has the plan been submitted to Local Government Division?
 YES NO

18. Does the system have written operating procedures?
 YES NO

19. Does the system have written job descriptions for all staff?
 YES NO

20. Does the system have:
- A preventative maintenance plan?
YES NO
 - A source water protection plan?
YES NO N/A
 - An emergency plan?
YES NO
 - A cross-connection control program?
YES NO
 - An emergency source?
YES NO
 - System security measures?
YES NO
21. Does the system report and maintain records in accordance with the drinking water regulations concerning:
- Water quality violations
YES NO
 - Public notification
YES NO
 - Sampling exemptions
YES NO
22. Please describe how the above records are maintained:
23. Describe the management structure for the water system, including board and operations staff. Please include examples of duties, if possible.
24. Please describe type and quantity of training or continuing education for staff identified above.
25. Describe last major project undertaken by the water system, including the following: project in detail, positive aspects, negative aspects, the way in which the project was funded, any necessary rate increases, the public response to the project, whether the project is complete or not, and any other pertinent information.

26. Does the system have any debt? YES NO

If yes, is the system current with all debt payments?

YES NO

If no, describe the applicable funding agency and the default.

27. Is the system currently contemplating or actively seeking funding for any project?

YES NO

If yes, from which agency and how much?

Describe the project?

Is the system receiving assistance from any agency or organization in its efforts?

28. Will the system consider any type of regionalization with other PWS? (Check YES if the system has already regionalized.)

YES NO

If YES, what type of regionalization has been implemented/considered/discussed? (Check all that apply.)

System interconnection

Sharing operator

Sharing bookkeeper

Purchasing water

Emergency water connection

Other: _____

29. Does the system have any of the following? (Check all that apply.)

Water Conservation Policy/Ordinance Current Drought Plan

Water Use Restrictions Water Supply Emergency Plan

Interviewer Comments on Managerial Capacity:

C. Financial Capacity Assessment

30. Does the system have a budget?
 YES NO
 If YES, what type of budget?
 Operating Budget
 Capital Budget
31. Have the system revenues covered expenses and debt service for the past 5 years?
 YES NO
 If NO, how many years has the system had a shortfall? _____
32. Does the system have a written/adopted rate structure?
 YES NO
33. What was the date of the last rate increase? _____
34. Are rates reviewed annually?
 YES NO
 IF YES, what was the date of the last review? _____
35. Did the rate review show that the rates covered the following expenses? *(Check all that apply.)*
- | | |
|-------------------------------------|--------------------------|
| Operation & Maintenance | <input type="checkbox"/> |
| Infrastructure Repair & replacement | <input type="checkbox"/> |
| Staffing | <input type="checkbox"/> |
| Emergency/Reserve fund | <input type="checkbox"/> |
| Debt payment | <input type="checkbox"/> |
36. Is the rate collection above 90% of the customers?
 YES NO
37. Is there a cut-off policy for customers who are in arrears with their bill or for illegal connections?
 YES NO
 If yes, is this policy implemented?
38. What is the residential water rate for 6,000 gallons of usage in one month. _____
39. In the past 12 months, how many customers have had accounts frozen or dropped for non-payment? _____
 [Convert to % of active connections
 Less than 1% 1% - 3% 4% - 5% 6% - 10%
 11% - 20% 21% - 50% Greater than 50%]

40. The following questions refer to the process of obtaining needed equipment and supplies.

a. Can the water system operator buy or obtain supplies or equipment when they are needed?

YES NO

b. Is the process simple or burdensome to the employees?

c. Can supplies or equipment be obtained quickly during an emergency?

YES NO

d. Has the water system operator ever experienced a situation in which he/she couldn't purchase the needed supplies?

YES NO

e. Does the system maintain some type of spare parts inventory?

YES NO

If yes, please describe.

41. Has the system ever had a financial audit?

YES NO

If YES, what is the date of the most recent audit? _____

42. Has the system ever had its electricity or phone turned off due to non-payment? Please describe.

Interviewer Comments on Financial Assessment:

43. What do you think the system capabilities are now and what are the issues you feel your system will be facing in the future? In addition, are there any specific needs, such as types of training that you would like to see addressed by NMED or its contractors?

APPENDIX B COST BASIS

This section presents the basis for unit costs used to develop the conceptual cost estimates for the compliance alternatives. Cost estimates are conceptual in nature (+50%/-30%), and are intended to make comparisons between compliance options and to provide a preliminary indication of possible rate impacts. Consequently, these costs are pre-planning level and should not be viewed as final estimated costs for alternative implementation. Capital cost includes an allowance for engineering and construction management. It is assumed that adequate electrical power is available near the site. The cost estimates specifically do not include costs for the following:

- Obtaining land or easements.
- Surveying.
- Mobilization/demobilization for construction.
- Insurance and bonds

In general, unit costs are based on recent construction bids for similar work in the area; when possible, consultations with vendors or other suppliers; published construction and O&M cost data; and USEPA cost guidance. Unit costs used for the cost estimates are summarized in Table B.1.

Unit costs for pipeline components are based on 2008 RS Means Site Work & Landscape Cost Data. The number of borings and encasements and open cuts and encasements is estimated by counting the road, highway, railroad, stream, and river crossings for a conceptual routing of the pipeline. The number of air release valves is estimated by examining the land surface profile along the conceptual pipeline route. It is assumed that gate valves and flush valves would be installed, on average, every 5,000 feet along the pipeline. Pipeline cost estimates are based on the use of C-900 PVC pipe. Other pipe materials could be considered for more detailed development of attractive alternatives.

Pump station unit costs are based on experience with similar installations. The cost estimate for the pump stations include two pumps, station piping and valves, station electrical and instrumentation, minor site improvement, installation of a concrete pad, fence and building, and tools. The number of pump stations is based on calculations of pressure losses in the proposed pipeline for each alternative. Back-flow prevention is required in cases where pressure losses are negligible, and pump stations are not needed. Construction cost of a storage tank is based on consultations with vendors and 2008 RS Means Site Work & Landscape Cost Data.

Labor costs are estimated based on 2008 RS Means Site Work & Landscape Cost Data specific to the Nueces County region.

1 Electrical power cost is estimated to be \$0.140 per kWh, as supplied by Simple Power.
2 The annual cost for power to a pump station is calculated based on the pumping head and
3 volume, and includes 11,800 kWh for pump building heating, cooling, and lighting, as
4 recommended in USEPA publication, *Standardized Costs for Water Supply Distribution*
5 *Systems* (1992).

6 In addition to the cost of electricity, pump stations have other maintenance costs. These
7 costs cover: materials for minor repairs to keep the pumps operating; purchase of a
8 maintenance vehicle, fuel costs, and vehicle maintenance costs; utilities; office supplies, small
9 tools and equipment; and miscellaneous materials such as safety, clothing, chemicals, and
10 paint. The non-power O&M costs are estimated based on the USEPA publication,
11 *Standardized Costs for Water Supply Distribution Systems* (1992), which provides cost curves
12 for O&M components. Costs from the 1992 report are adjusted to 2008 dollars based on the
13 ENR construction cost index.

14 Pipeline maintenance costs include routine cleaning and flushing, as well as minor repairs
15 to lines. The unit rate for pipeline maintenance is calculated based on the USEPA technical
16 report, *Innovative and Alternate Technology Assessment Manual MCD 53* (1978). Costs from
17 the 1978 report are adjusted to 2008 dollars based on the ENR construction cost index.

18 Storage tank maintenance costs include cleaning and renewal of interior lining and exterior
19 coating. Unit costs for storage tank O&M are based on USEPA publication *Standardized Costs*
20 *for Water Supply Distribution Systems* (1992). Costs from the 1992 report are adjusted to 2008
21 dollars based on the ENR construction cost index.

22 The purchase price for point-of-use (POU) water treatment units is based on vendor price
23 lists for treatment units, plus installation. O&M costs for POU treatment units are also based
24 on vendor price lists. It is assumed that a yearly water sample would be analyzed for the
25 contaminant of concern.

26 The purchase price for point-of-entry (POE) water treatment units is based on vendor price
27 lists for treatment units, plus an allowance for installation, including a concrete pad and shed,
28 piping modifications, and electrical connection. O&M costs for POE treatment units are also
29 based on vendor price lists. It is assumed that a yearly water sample would be analyzed for the
30 contaminant of concern.

31 Central treatment plant costs include pricing for buildings, utilities, and site work. Costs
32 are based on pricing given in the various R.S. Means Construction Cost Data References, as
33 well as prices obtained from similar work on other projects. Pricing for treatment equipment
34 was obtained from vendors.

35 Well installation costs are based on 2008 RS Means Site Work & Landscape Cost Data.
36 Well installation costs include drilling, a well pump, electrical and instrumentation installation,
37 well finishing, piping, and water quality testing. O&M costs for water wells include power,
38 materials, and labor. It is assumed that new wells located more than 1 mile from the intake
39 point of an existing system would require a storage tank and pump station.

1 Purchase price for the treatment unit dispenser is based on vendor price lists, plus an
2 allowance for installation at a centralized public location. The O&M costs are also based on
3 vendor price lists. It is assumed that weekly water samples would be analyzed for the
4 contaminant of concern.

5 Costs for bottled water delivery alternatives are based on consultation with vendors that
6 deliver residential bottled water. The cost estimate includes an initial allowance for set-up of
7 the program, and a yearly allowance for program administration.

8 The cost estimate for a public dispenser for trucked water includes the purchase price for a
9 water truck and construction of a storage tank. Annual costs include labor for purchasing the
10 water, picking up and delivering the water, truck maintenance, and water sampling and testing.
11 It is assumed the water truck would be required to make one trip each week, and that chlorine
12 residual would be determined for each truck load.

13

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APPENDIX C COMPLIANCE ALTERNATIVE CONCEPTUAL COST ESTIMATES

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This appendix presents the conceptual cost estimates developed for the compliance alternatives. The conceptual cost estimates are given in Tables C.1 through C.13. The cost estimates are conceptual in nature (+50%/-30%), and are intended for making comparisons between compliance options and to provide a preliminary indication of possible water rate impacts. Consequently, these costs are pre-planning level and should not be viewed as final estimated costs for alternative implementation.

Table C.1

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Purchase Water from Premont*
Alternative Number *BD-1*

Distance from Alternative to PWS (along pipe) 32.9 miles
Total PWS annual water usage 91.250 MG
Treated water purchase cost \$ 2.25 per 1,000 gals
Pump Stations needed w/ 1 feed tank each 4
On site storage tanks / pump sets needed 0

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	6	n/a	n/a	n/a
Number of Crossings, open cut	47	n/a	n/a	n/a
PVC water line, Class 200, 08"	173,762	LF	\$ 27	\$ 4,691,574
Bore and encasement, 12"	1,200	LF	\$ 240	\$ 288,000
Open cut and encasement, 12"	2,350	LF	\$ 130	\$ 305,500
Gate valve and box, 08"	35	EA	\$ 785	\$ 27,281
Air valve	46	EA	\$ 2,050	\$ 94,300
Flush valve	35	EA	\$ 1,025	\$ 35,621
Metal detectable tape	173,762	LF	\$ 2	\$ 347,524
Subtotal				\$ 5,789,800

Pump Station(s) Installation

Pump	8	EA	\$ 8,000	\$ 64,000
Pump Station Piping, 08"	4	EA	\$ 1,315	\$ 5,260
Gate valve, 08"	16	EA	\$ 785	\$ 12,560
Check valve, 08"	8	EA	\$ 1,470	\$ 11,760
Electrical/Instrumentation	4	EA	\$ 10,250	\$ 41,000
Site work	4	EA	\$ 2,560	\$ 10,240
Building pad	4	EA	\$ 5,125	\$ 20,500
Pump Building	4	EA	\$ 10,250	\$ 41,000
Fence	4	EA	\$ 6,150	\$ 24,600
Tools	4	EA	\$ 1,025	\$ 4,100
5,000 gal feed tank	4	EA	\$ 10,000	\$ 40,000
100,000 gal ground storage tank	-	EA	\$ 100,000	\$ -
Backflow Preventor	-	EA	\$ 6,075	\$ -
Subtotal				\$ 275,020

Subtotal of Component Costs \$ 6,064,820

Contingency 20% \$ 1,212,964
 Design & Constr Management 25% \$ 1,516,205

TOTAL CAPITAL COSTS **\$ 8,793,989**

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline O&M</i>				
Pipeline O&M	32.9	mile	\$ 275	\$ 9,050
Subtotal				\$ 9,050
<i>Water Purchase Cost</i>				
From PWS	91,250	1,000 gal	\$ 2.25	\$ 205,313
Subtotal				\$ 205,313

Pump Station(s) O&M

Building Power	47,200	kWH	\$ 0.140	\$ 6,608
Pump Power	742,686	kWH	\$ 0.140	\$ 103,976
Materials	4	EA	\$ 1,540	\$ 6,160
Labor	1,460	Hrs	\$ 40.00	\$ 58,400
Tank O&M	-	EA	\$ 1,025	\$ -
Backflow Test/Cert	-	EA	\$ 105	\$ -
Subtotal				\$ 175,144

O&M Credit for Existing Well Closure

Pump power	444,918	kWH	\$ 0.140	\$ (62,289)
Well O&M matl	2	EA	\$ 1,540	\$ (3,080)
Well O&M labor	360	Hrs	\$ 40	\$ (14,400)
Subtotal				\$ (79,769)

TOTAL ANNUAL O&M COSTS **\$ 309,738**

Table C.2

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Purchase Water from Falfurrias Utility Board*
Alternative Number *BD-2*

Distance from Alternative to PWS (along pipe) 39.8 miles
Total PWS annual water usage 91.250 MG
Treated water purchase cost \$ 1.61 per 1,000 gals
Pump Stations needed w/ 1 feed tank each 4
On site storage tanks / pump sets needed 0

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	14	n/a	n/a	n/a
Number of Crossings, open cut	41	n/a	n/a	n/a
PVC water line, Class 200, 08"	209,993	LF	\$ 27	\$ 5,669,811
Bore and encasement, 12"	2,800	LF	\$ 240	\$ 672,000
Open cut and encasement, 12"	2,050	LF	\$ 130	\$ 266,500
Gate valve and box, 08"	42	EA	\$ 785	\$ 32,969
Air valve	46	EA	\$ 2,050	\$ 94,300
Flush valve	42	EA	\$ 1,025	\$ 43,049
Metal detectable tape	209,993	LF	\$ 2	\$ 419,986
Subtotal				\$ 7,198,614

Pump Station(s) Installation

Pump	8	EA	\$ 8,000	\$ 64,000
Pump Station Piping, 08"	4	EA	\$ 1,315	\$ 5,260
Gate valve, 08"	16	EA	\$ 785	\$ 12,560
Check valve, 08"	8	EA	\$ 1,470	\$ 11,760
Electrical/Instrumentation	4	EA	\$ 10,250	\$ 41,000
Site work	4	EA	\$ 2,560	\$ 10,240
Building pad	4	EA	\$ 5,125	\$ 20,500
Pump Building	4	EA	\$ 10,250	\$ 41,000
Fence	4	EA	\$ 6,150	\$ 24,600
Tools	4	EA	\$ 1,025	\$ 4,100
5,000 gal feed tank	4	EA	\$ 10,000	\$ 40,000
100,000 gal ground storage tank	-	EA	\$ 100,000	\$ -
Backflow Preventor	-	EA	\$ 6,075	\$ -
Subtotal				\$ 275,020

Subtotal of Component Costs \$ 7,473,634

Contingency 20% \$ 1,494,727
 Design & Constr Management 25% \$ 1,868,409

TOTAL CAPITAL COSTS \$ 10,836,770

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline O&M</i>				
Pipeline O&M	39.8	mile	\$ 275	\$ 10,937
Subtotal				\$ 10,937
<i>Water Purchase Cost</i>				
From PWS	91,250	1,000 gal	\$ 1.61	\$ 146,913
Subtotal				\$ 146,913

Pump Station(s) O&M

Building Power	47,200	kWH	\$ 0.140	\$ 6,608
Pump Power	891,430	kWH	\$ 0.140	\$ 124,800
Materials	4	EA	\$ 1,540	\$ 6,160
Labor	1,460	Hrs	\$ 40.00	\$ 58,400
Tank O&M	-	EA	\$ 1,025	\$ -
Backflow Test/Cert	0	EA	\$ 105	\$ -
Subtotal				\$ 195,968

O&M Credit for Existing Well Closure

Pump power	444,918	kWH	\$ 0.140	\$ (62,289)
Well O&M matl	2	EA	\$ 1,540	\$ (3,080)
Well O&M labor	360	Hrs	\$ 40	\$ (14,400)
Subtotal				\$ (79,769)

TOTAL ANNUAL O&M COSTS \$ 274,049

Table C.3

PWS Name *Benavides-Duval County Conservation*
Alternative Name *New Well at 10 Miles*
Alternative Number *BD-3*

Distance from PWS to new well location 10.0 miles
Estimated well depth 550 feet
Number of wells required 2
Well installation cost (location specific) \$149 per foot
Pump Stations needed w/ 1 feed tank each 2
On site storage tanks / pump sets needed 0

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	3	n/a	n/a	n/a
Number of Crossings, open cut	12	n/a	n/a	n/a
PVC water line, Class 200, 08"	52,800	LF	\$ 27	\$ 1,425,600
Bore and encasement, 12"	600	LF	\$ 240	\$ 144,000
Open cut and encasement, 12"	600	LF	\$ 130	\$ 78,000
Gate valve and box, 08"	11	EA	\$ 785	\$ 8,290
Air valve	13	EA	\$ 2,050	\$ 26,650
Flush valve	11	EA	\$ 1,025	\$ 10,824
Metal detectable tape	52,800	LF	\$ 2	\$ 105,600
Subtotal				\$ 1,798,964

Pump Station(s) Installation

Pump	4	EA	\$ 8,000	\$ 32,000
Pump Station Piping, 08"	2	EA	\$ 1,315	\$ 2,630
Gate valve, 08"	8	EA	\$ 785	\$ 6,280
Check valve, 08"	4	EA	\$ 1,470	\$ 5,880
Electrical/Instrumentation	2	EA	\$ 10,250	\$ 20,500
Site work	2	EA	\$ 2,560	\$ 5,120
Building pad	2	EA	\$ 5,125	\$ 10,250
Pump Building	2	EA	\$ 10,250	\$ 20,500
Fence	2	EA	\$ 6,150	\$ 12,300
Tools	2	EA	\$ 1,025	\$ 2,050
5,000 gal feed tank	2	EA	\$ 10,000	\$ 20,000
100,000 gal ground storage tank	-	EA	\$ 100,000	\$ -
Subtotal				\$ 137,510

Well Installation

Well installation	1,100	LF	\$ 149	\$ 163,900
Water quality testing	4	EA	\$ 1,280	\$ 5,120
Well pump	2	EA	\$ 7,550	\$ 15,100
Well electrical/instrumentation	2	EA	\$ 5,635	\$ 11,270
Well cover and base	2	EA	\$ 3,075	\$ 6,150
Piping	2	EA	\$ 3,075	\$ 6,150
Subtotal				\$ 207,690

Subtotal of Component Costs **\$ 2,144,164**

Contingency 20% \$ 428,833
 Design & Constr Management 25% \$ 536,041

TOTAL CAPITAL COSTS **\$ 3,109,037**

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline O&M</i>				
Pipeline O&M	10.0	mile	\$ 275	\$ 2,750
Subtotal				\$ 2,750

Pump Station(s) O&M

Building Power	23,600	kWH	\$ 0.140	\$ 3,304
Pump Power	224,834	kWH	\$ 0.140	\$ 31,477
Materials	2	EA	\$ 1,540	\$ 3,080
Labor	730	Hrs	\$ 40.00	\$ 29,200
Tank O&M	-	EA	\$ 1,025	\$ -
Subtotal				\$ 67,061

Well O&M

Pump power	444,918	kWH	\$ 0.140	\$ 62,289
Well O&M matl	2	EA	\$ 1,540	\$ 3,080
Well O&M labor	360	Hrs	\$ 40	\$ 14,400
Subtotal				\$ 79,769

O&M Credit for Existing Well Closure

Pump power	444,918	kWH	\$ 0.140	\$ (62,289)
Well O&M matl	2	EA	\$ 1,540	\$ (3,080)
Well O&M labor	360	Hrs	\$ 40	\$ (14,400)
Subtotal				\$ (79,769)

TOTAL ANNUAL O&M COSTS **\$ 69,811**

Table C.4

PWS Name *Benavides-Duval County Conservation*
Alternative Name *New Well at 5 Miles*
Alternative Number *BD-4*

Distance from PWS to new well location 5.0 miles
Estimated well depth 550 feet
Number of wells required 2
Well installation cost (location specific) \$149 per foot
Pump Stations needed w/ 1 feed tank each 1
On site storage tanks / pump sets needed 0

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	1	n/a	n/a	n/a
Number of Crossings, open cut	6	n/a	n/a	n/a
PVC water line, Class 200, 08"	26,400	LF	\$ 27	\$ 712,800
Bore and encasement, 12"	200	LF	\$ 240	\$ 48,000
Open cut and encasement, 12"	300	LF	\$ 130	\$ 39,000
Gate valve and box, 08"	5	EA	\$ 785	\$ 4,145
Air valve	6	EA	\$ 2,050	\$ 12,300
Flush valve	5	EA	\$ 1,025	\$ 5,412
Metal detectable tape	26,400	LF	\$ 2	\$ 52,800
Subtotal				\$ 874,457

Pump Station(s) Installation

Pump	2	EA	\$ 8,000	\$ 16,000
Pump Station Piping, 08"	1	EA	\$ 1,315	\$ 1,315
Gate valve, 08"	4	EA	\$ 785	\$ 3,140
Check valve, 08"	2	EA	\$ 1,470	\$ 2,940
Electrical/Instrumentation	1	EA	\$ 10,250	\$ 10,250
Site work	1	EA	\$ 2,560	\$ 2,560
Building pad	1	EA	\$ 5,125	\$ 5,125
Pump Building	1	EA	\$ 10,250	\$ 10,250
Fence	1	EA	\$ 6,150	\$ 6,150
Tools	1	EA	\$ 1,025	\$ 1,025
5,000 gal feed tank	1	EA	\$ 10,000	\$ 10,000
100,000 gal ground storage tank	-	EA	\$ 100,000	\$ -
Subtotal				\$ 68,755

Well Installation

Well installation	1,100	LF	\$ 149	\$ 163,900
Water quality testing	4	EA	\$ 1,280	\$ 5,120
Well pump	2	EA	\$ 7,550	\$ 15,100
Well electrical/instrumentation	2	EA	\$ 5,635	\$ 11,270
Well cover and base	2	EA	\$ 3,075	\$ 6,150
Piping	2	EA	\$ 3,075	\$ 6,150
Subtotal				\$ 207,690

Subtotal of Component Costs **\$ 1,150,902**

Contingency 20% \$ 230,180
 Design & Constr Management 25% \$ 287,725

TOTAL CAPITAL COSTS **\$ 1,668,808**

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline O&M</i>				
Pipeline O&M	5.0	mile	\$ 275	\$ 1,375
Subtotal				\$ 1,375

Pump Station(s) O&M

Building Power	11,800	KWH	\$ 0.140	\$ 1,652
Pump Power	112,417	KWH	\$ 0.140	\$ 15,738
Materials	1	EA	\$ 1,540	\$ 1,540
Labor	365	Hrs	\$ 40.00	\$ 14,600
Tank O&M	-	EA	\$ 1,025	\$ -
Subtotal				\$ 33,530

Well O&M

Pump power	444,918	kWH	\$ 0.140	\$ 62,289
Well O&M matl	2	EA	\$ 1,540	\$ 3,080
Well O&M labor	360	Hrs	\$ 40	\$ 14,400
Subtotal				\$ 79,769

O&M Credit for Existing Well Closure

Pump power	444,918	kWH	\$ 0.140	\$ (62,289)
Well O&M matl	2	EA	\$ 1,540	\$ (3,080)
Well O&M labor	360	Hrs	\$ 40	\$ (14,400)
Subtotal				\$ (79,769)

TOTAL ANNUAL O&M COSTS **\$ 34,905**

Table C.5

PWS Name *Benavides-Duval County Conservation*
Alternative Name *New Well at 1 Mile*
Alternative Number *BD-5*

Distance from PWS to new well location 1.0 miles
Estimated well depth 550 feet
Number of wells required 2
Well installation cost (location specific) \$149 per foot
Pump Stations needed w/ 1 feed tank each 0
On site storage tanks / pump sets needed 0

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	-	n/a	n/a	n/a
Number of Crossings, open cut	1	n/a	n/a	n/a
PVC water line, Class 200, 08"	5,280	LF	\$ 27	\$ 142,560
Bore and encasement, 12"	-	LF	\$ 240	\$ -
Open cut and encasement, 12"	50	LF	\$ 130	\$ 6,500
Gate valve and box, 08"	1	EA	\$ 785	\$ 829
Air valve	1	EA	\$ 2,050	\$ 2,050
Flush valve	1	EA	\$ 1,025	\$ 1,082
Metal detectable tape	5,280	LF	\$ 2	\$ 10,560
Subtotal				\$ 163,581

Pump Station(s) Installation

Pump	-	EA	\$ 8,000	\$ -
Pump Station Piping, 08"	-	EA	\$ 1,315	\$ -
Gate valve, 08"	-	EA	\$ 785	\$ -
Check valve, 08"	-	EA	\$ 1,470	\$ -
Electrical/Instrumentation	-	EA	\$ 10,250	\$ -
Site work	-	EA	\$ 2,560	\$ -
Building pad	-	EA	\$ 5,125	\$ -
Pump Building	-	EA	\$ 10,250	\$ -
Fence	-	EA	\$ 6,150	\$ -
Tools	-	EA	\$ 1,025	\$ -
5,000 gal feed tank	-	EA	\$ 10,000	\$ -
100,000 gal ground storage tank	-	EA	\$ 100,000	\$ -
Subtotal				\$ -

Well Installation

Well installation	1,100	LF	\$ 149	\$ 163,900
Water quality testing	4	EA	\$ 1,280	\$ 5,120
Well pump	2	EA	\$ 7,550	\$ 15,100
Well electrical/instrumentation	2	EA	\$ 5,635	\$ 11,270
Well cover and base	2	EA	\$ 3,075	\$ 6,150
Piping	2	EA	\$ 3,075	\$ 6,150
Subtotal				\$ 207,690

Subtotal of Component Costs \$ 371,271

Contingency 20% \$ 74,254
 Design & Constr Management 25% \$ 92,818

TOTAL CAPITAL COSTS **\$ 538,343**

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline O&M</i>				
Pipeline O&M	1.0	mile	\$ 275	\$ 275
Subtotal				\$ 275

Pump Station(s) O&M

Building Power	-	kWH	\$ 0.140	\$ -
Pump Power	-	kWH	\$ 0.140	\$ -
Materials	-	EA	\$ 1,540	\$ -
Labor	-	Hrs	\$ 40.00	\$ -
Tank O&M	-	EA	\$ 1,025	\$ -
Subtotal				\$ -

Well O&M

Pump power	444,918	kWH	\$ 0.140	\$ 62,289
Well O&M matl	2	EA	\$ 1,540	\$ 3,080
Well O&M labor	360	Hrs	\$ 40	\$ 14,400
Subtotal				\$ 79,769

O&M Credit for Existing Well Closure

Pump power	444,918	kWH	\$ 0.140	\$ (62,289)
Well O&M matl	2	EA	\$ 1,540	\$ (3,080)
Well O&M labor	360	Hrs	\$ 40	\$ (14,400)
Subtotal				\$ (79,769)

TOTAL ANNUAL O&M COSTS **\$ 275**

Table C.6

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Central Treatment - Reverse Osmosis*
Alternative Number *BD-6*

Capital Costs

Cost Item	Well 1 RO	Well 2 RO	Total Cost
<i>Reverse Osmosis Unit Purchase/Installation</i>			
Site preparation	\$ 2,600	\$ 2,600	\$ 5,200
Slab	\$ 40,000	\$ 45,000	\$ 85,000
Building	\$ 114,000	\$ 120,000	\$ 234,000
Building electrical	\$ 15,200	\$ 16,000	\$ 31,200
Building plumbing	\$ 15,200	\$ 16,000	\$ 31,200
Heating and ventilation	\$ 13,300	\$ 14,000	\$ 27,300
Fence	\$ 12,000	\$ 12,000	\$ 24,000
Paving	\$ 10,000	\$ 10,000	\$ 20,000
Electrical	\$ 100,000	\$ 100,000	\$ 200,000
Piping	\$ 50,000	\$ 50,000	\$ 100,000
Reverse osmosis package including:			
High pressure pumps - 10 hp			
Cartridge filters and vessels			
RO membranes and vessels			
Control system			
Chemical feed systems			
Freight cost			
Vendor start-up services	\$ 580,000	\$ 780,000	\$ 1,360,000
Transfer pumps	\$ 15,000	\$ 15,000	\$ 30,000
Permeate tank	\$ 30,000	\$ 30,000	\$ 60,000
Subtotal Design/Construction	\$ 1,032,300	\$ 1,245,600	\$ 2,207,900
Contingency	\$ 206,460	\$ 249,120	\$ 455,580
Design & Constr Management	\$ 258,075	\$ 311,400	\$ 569,475
	\$ 1,496,835	\$ 1,806,120	\$ 3,232,955
	Well 1 RO	Well 2 RO	Total Cost

Annual Operations and Maintenance Costs

Cost Item	Well 1 RO	Well 2 RO	Total Cost
<i>Reverse Osmosis Unit O&M</i>			
Building Power	\$ 1,120	\$ 1,120	\$ 2,240
Equipment power	\$ 58,565	\$ 2,800	\$ 61,365
Labor	\$ 80,000	\$ 20,000	\$ 100,000
RO materials and Chemicals	\$ 94,600	\$ 21,500	\$ 116,100
Analyses	\$ 4,800	\$ 4,800	\$ 9,600
Subtotal	\$ 239,085	\$ 50,220	\$ 289,305
<i>Backwash Disposal</i>			
Backwash disposal fee	\$ 152,500		\$ 152,500
Subtotal	\$ 152,500	\$ -	\$ 152,500

Note - all primary O&M costs are presented in Well 1 RO
O&M costs are based on total water production, independent of plant location.

\$ 391,585	\$ 50,220	\$ 441,805
Well 1 RO	Well 2 RO	Total Cost

Table C.6.1

PWS Name *Benavides-Duval County Conservation* 225 gpm capacity
Alternative Name *RO - Well 1*
Alternative Number *BD-6*

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Reverse Osmosis Unit Purchase/Installation</i>				
Site preparation	0.65	acre	\$ 4,000	\$ 2,600
Slab	40	CY	\$ 1,000	\$ 40,000
Building	1,900	SF	\$ 60	\$ 114,000
Building electrical	1,900	SF	\$ 8	\$ 15,200
Building plumbing	1,900	SF	\$ 8	\$ 15,200
Heating and ventilation	1,900	SF	\$ 7	\$ 13,300
Fence	800	LF	\$ 15	\$ 12,000
Paving	5,000	SF	\$ 2	\$ 10,000
Electrical	1	JOB	\$ 100,000	\$ 100,000
Piping	1	JOB	\$ 50,000	\$ 50,000
Reverse osmosis package including:				
High pressure pumps - 10 hp				
Cartridge filters and vessels				
RO membranes and vessels				
Control system				
Chemical feed systems				
Freight cost				
Vendor start-up services	1	UNIT	\$ 580,000	\$ 580,000
Transfer pumps	3	EA	\$ 5,000	\$ 15,000
Permeate tank	10,000	gal	\$ 3	\$ 30,000
Brine Pipeline to Sewer	1	EA	\$ 35,000	\$ 35,000
Subtotal of Design/Construction Costs				\$ 1,032,300
Contingency	20%		\$	206,460
Design & Constr Management	25%		\$	258,075

TOTAL CAPITAL COSTS **\$ 1,496,835**

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Reverse Osmosis Unit O&M</i>				
Building Power	8,000	kwh/yr	\$ 0.140	\$ 1,120
Equipment power	418,319	kwh/yr	\$ 0.140	\$ 58,565
Labor	2,000	hrs/yr	\$ 40.00	\$ 80,000
RO materials and Chemicals	220,000	kgal	\$ 0.43	\$ 94,600
Analyses	24	test	\$ 200	\$ 4,800
Subtotal				\$ 239,085
<i>Backwash Disposal</i>				
Backwash disposal fee	30,500	kgal/yr	\$ 5.00	\$ 152,500
Subtotal				\$ 152,500

TOTAL ANNUAL O&M COSTS **\$ 391,585**

Table C.6.2

PWS Name
Alternative Name
Alternative Number

Benavides-Duval County Conservation
RO - Well 2
BD-6

350 gpm capacity

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Reverse Osmosis Unit Purchase/Installation</i>				
Site preparation	0.65	acre	\$ 4,000	\$ 2,600
Slab	45	CY	\$ 1,000	\$ 45,000
Building	2,000	SF	\$ 60	\$ 120,000
Building electrical	2,000	SF	\$ 8	\$ 16,000
Building plumbing	2,000	SF	\$ 8	\$ 16,000
Heating and ventilation	2,000	SF	\$ 7	\$ 14,000
Fence	800	LF	\$ 15	\$ 12,000
Paving	5,000	SF	\$ 2	\$ 10,000
Electrical	1	JOB	\$ 100,000	\$ 100,000
Piping	1	JOB	\$ 50,000	\$ 50,000
Reverse osmosis package including:				
High pressure pumps - 10 hp				
Cartridge filters and vessels				
RO membranes and vessels				
Control system				
Chemical feed systems				
Freight cost				
Vendor start-up services	1	UNIT	\$ 780,000	\$ 780,000
Transfer pumps	3	EA	\$ 5,000	\$ 15,000
Permeate tank	10,000	gal	\$ 3	\$ 30,000
Brine Pipeline to Sewer	1	EA	\$ 35,000	\$ 35,000
Reject pond:				
Excavation		CYD	\$ 3.00	\$ -
Compacted fill		CYD	\$ 7.00	\$ -
Lining		SF	\$ 1.50	\$ -
Vegetation		SY	\$ 1.50	\$ -
Access road		LF	\$ 30.00	\$ -
Subtotal of Design/Construction Costs				\$ 1,245,600
Contingency	20%		\$	249,120
Design & Constr Management	25%		\$	311,400
Reject water haulage truck	-	EA	\$ 100,000	\$ -
TOTAL CAPITAL COSTS				\$ 1,806,120

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Reverse Osmosis Unit O&M</i>				
Building Power	8,000	kwh/yr	\$ 0.140	\$ 1,120
Equipment power	20,000	kwh/yr	\$ 0.140	\$ 2,800
Labor	500	hrs/yr	\$ 40.00	\$ 20,000
RO materials and Chemicals	50,000	kgal	\$ 0.43	\$ 21,500
Analyses	24	test	\$ 200	\$ 4,800
Subtotal				\$ 50,220
<i>Backwash Disposal</i>				
Disposal truck mileage	-	miles	\$ 1.50	\$ -
Backwash disposal fee	30,660	kgal/yr	\$ 5.00	\$ 153,300
Subtotal				\$ 153,300

Note - all primary O&M costs are presented in Well 1 RO
O&M costs are based on total water production, independent of plant location.

TOTAL ANNUAL O&M COSTS **\$ 203,520**

Table C.7

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Central Treatment - Iron Adsorption*
Alternative Number *BD-7*

Capital Costs

Cost Item	Well 1 IA	Well 2 IA	Total Cost
<i>Adsorption Unit Purchase/Installation</i>			
Site preparation	\$ 2,400	\$ 2,400	\$ 4,800
Slab	\$ 35,000	\$ 35,000	\$ 70,000
Building	\$ 96,000	\$ 96,000	\$ 192,000
Building electrical	\$ 12,800	\$ 12,800	\$ 25,600
Building plumbing	\$ 12,800	\$ 12,800	\$ 25,600
Heating and ventilation	\$ 11,200	\$ 11,200	\$ 22,400
Fence	\$ 12,000	\$ 12,000	\$ 24,000
Paving	\$ 6,000	\$ 6,000	\$ 12,000
Electrical	\$ 60,000	\$ 60,000	\$ 120,000
Piping	\$ 40,000	\$ 40,000	\$ 80,000
Adsorption package including:			
3 Adsorption vessels			
E33 Iron oxide media			
Controls & instruments	\$ 178,000	\$ 227,000	\$ 405,000
Backwash Tank	\$ 30,000	\$ 46,000	\$ 76,000
Sewer Connection Fee	\$ 15,000	\$ 15,000	\$ 30,000
Chlorination Point	\$ 4,000	\$ 4,000	\$ 8,000
Subtotal Design/Construction	\$ 515,200	\$ 580,200	\$ 1,095,400
Contingency	\$ 103,040	\$ 116,040	\$ 219,080
Design & Constr Management	\$ 128,800	\$ 145,050	\$ 273,850
TOTAL CAPITAL COSTS	\$ 747,040	\$ 841,290	\$ 1,588,330
	Well 1 IA	Well 2 IA	Total Cost

Annual Operations and Maintenance Costs

Cost Item	Well 1 IA	Well 2 IA	Total Cost
<i>Adsorption Unit O&M</i>			
Building Power	\$ 840	\$ 840	\$ 1,680
Equipment power	\$ 3,710	\$ 280	\$ 3,990
Labor	\$ 32,000	\$ 16,000	\$ 48,000
Media replacement	\$ 36,600	\$ -	\$ 36,600
Analyses	\$ 4,800	\$ 4,800	\$ 9,600
Backwash discharge to sewer	\$ 150	\$ 150	\$ 300
Spent Media Disposal	\$ 120	\$ 120	\$ 240
Subtotal	\$ 78,220	\$ 22,190	\$ 100,410

Note - all primary O&M costs are presented in Well 1 IA
O&M costs are based on total water production, independent of plant location.

TOTAL ANNUAL O&M COSTS	\$ 78,220	\$ 22,190	\$ 100,410
	Well 1 IA	Well 2 IA	Total Cost

Table C.7.1

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Iron Adsorp - Well 1*
Alternative Number *BD-7*

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Adsorption Unit Purchase/Installation</i>				
Site preparation	0.60	acre	\$ 4,000	\$ 2,400
Slab	35	CY	\$ 1,000	\$ 35,000
Building	1,600	SF	\$ 60	\$ 96,000
Building electrical	1,600	SF	\$ 8	\$ 12,800
Building plumbing	1,600	SF	\$ 8	\$ 12,800
Heating and ventilation	1,600	SF	\$ 7	\$ 11,200
Fence	800	LF	\$ 15	\$ 12,000
Paving	3,000	SF	\$ 2	\$ 6,000
Electrical	1	JOB	\$ 60,000	\$ 60,000
Piping	1	JOB	\$ 40,000	\$ 40,000

Adsorption package including:

3 Adsorption vessels				
E33 Iron oxide media				
Controls & instruments	1	UNIT	\$ 178,000	\$ 178,000

Backwash Tank	15,000	GAL	\$ 2	\$ 30,000
Sewer Connection Fee	1	EA	\$ 15,000	\$ 15,000
Chlorination Point	1	EA	\$ 4,000	\$ 4,000

Subtotal of Component Costs \$ 515,200

Contingency	20%		\$ 103,040
Design & Constr Management	25%		\$ 128,800

TOTAL CAPITAL COSTS \$ 747,040

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Adsorption Unit O&M</i>				
Building Power	6,000	kwh/yr	\$ 0.140	\$ 840
Equipment power	26,500	kwh/yr	\$ 0.140	\$ 3,710
Labor	800	hrs/yr	\$ 40	\$ 32,000
Media replacement	91,500	kgal	\$ 0.40	\$ 36,600
Analyses	24	test	\$ 200	\$ 4,800
Backwash discharge to sewer	0.03	MG/yr	\$ 5,000	\$ 150
Spent Media Disposal	6	CY	\$ 20	\$ 120
Subtotal				\$ 78,220

TOTAL ANNUAL O&M COSTS \$ 78,220

Table C.7.2

PWS Name *Benavides-Duval County Conservation* 350 gpm Installed Capacity
Alternative Name *Iron Adsorp - Well 2*
Alternative Number *BD-7*

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Adsorption Unit Purchase/Installation</i>				
Site preparation	0.60	acre	\$ 4,000	\$ 2,400
Slab	35	CY	\$ 1,000	\$ 35,000
Building	1,600	SF	\$ 60	\$ 96,000
Building electrical	1,600	SF	\$ 8	\$ 12,800
Building plumbing	1,600	SF	\$ 8	\$ 12,800
Heating and ventilation	1,600	SF	\$ 7	\$ 11,200
Fence	800	LF	\$ 15	\$ 12,000
Paving	3,000	SF	\$ 2	\$ 6,000
Electrical	1	JOB	\$ 60,000	\$ 60,000
Piping	1	JOB	\$ 40,000	\$ 40,000

Adsorption package including:

3 Adsorption vessels				
E33 Iron oxide media				
Controls & instruments	1	UNIT	\$ 227,000	\$ 227,000

Backwash Tank	23,000	GAL	\$ 2	\$ 46,000
Sewer Connection Fee	1	EA	\$ 15,000	\$ 15,000
Chlorination Point	1	EA	\$ 4,000	\$ 4,000

Subtotal of Component Costs \$ 580,200

Contingency	20%		\$ 116,040
Design & Constr Management	25%		\$ 145,050

TOTAL CAPITAL COSTS \$ 841,290

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Adsorption Unit O&M</i>				
Building Power	6,000	kwh/yr	\$ 0.140	\$ 840
Equipment power	2,000	kwh/yr	\$ 0.140	\$ 280
Labor	400	hrs/yr	\$ 40	\$ 16,000
Media replacement	-	kgal	\$ 0.40	\$ -
Analyses	24	test	\$ 200	\$ 4,800
Backwash discharge to sewer	0.03	MG/yr	\$ 5,000	\$ 150
Spent Media Disposal	6	CY	\$ 20	\$ 120
Subtotal				\$ 22,190

TOTAL ANNUAL O&M COSTS \$ 22,190

Table C.8

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Central Treatment - Coagulation/Filtration*
Alternative Number *BD-8*

Capital Costs

Cost Item	Well 1 CF	Well 2 CF	Total Cost
<i>Coagulation/Filtration Unit Purchase/Installation</i>			
Site preparation	\$ 2,000	\$ 2,000	\$ 4,000
Slab	\$ 40,000	\$ 40,000	\$ 80,000
Building	\$ 110,400	\$ 110,400	\$ 220,800
Building electrical	\$ 14,720	\$ 14,720	\$ 29,440
Building plumbing	\$ 14,720	\$ 14,720	\$ 29,440
Heating and ventilation	\$ 12,880	\$ 12,880	\$ 25,760
Fence	\$ 22,500	\$ 22,500	\$ 45,000
Paving	\$ 6,000	\$ 6,000	\$ 12,000
Electrical	\$ 70,000	\$ 70,000	\$ 140,000
Piping	\$ 40,000	\$ 40,000	\$ 80,000
Coagulant/filter package including:			
Chemical feed system			
Pressure ceramic filters			
Controls & Instruments	\$ 162,000	\$ 230,000	\$ 392,000
Backwash Tank	\$ 54,000	\$ 70,000	\$ 124,000
Coagulant Tank	\$ 900	\$ 900	\$ 1,800
Sewer Connection Fee	\$ 15,000	\$ 15,000	\$ 30,000
Chlorination Point	\$ 4,000	\$ 4,000	\$ 8,000
Subtotal Design/Construction	\$ 569,120	\$ 653,120	\$ 1,222,240
Contingency	\$113,824	\$130,624	\$ 244,448
Design & Constr Management	\$142,280	\$163,280	\$ 305,560
TOTAL CAPITAL COSTS	\$ 825,224	\$ 947,024	\$ 1,772,248
	Well 1 RO	Well 2 RO	Total Cost

Annual Operations and Maintenance Costs

Cost Item	Well 1 CF	Well 2 CF	Total Cost
<i>Coagulation/Filtration Unit O&M</i>			
Building Power	\$ 1,120	\$ 560	\$ 1,680
Equipment power	\$ 4,200	\$ 1,400	\$ 5,600
Labor	\$ 80,000	\$ 24,000	\$ 104,000
Materials	\$ 8,000	\$ 4,000	\$ 12,000
Chemicals	\$ 2,000	\$ 2,000	\$ 4,000
Analyses	\$ 4,800	\$ 2,400	\$ 7,200
Backwash discharge to sewer	\$ 2,250	\$ -	\$ 2,250
Subtotal	\$ 102,370	\$ 34,360	\$ 136,730

Note - all primary O&M costs are presented in Well 1 RO
O&M costs are based on total water production, independent of plant location.

TOTAL ANNUAL O&M COSTS	\$ 102,370	\$ 34,360	\$ 136,730
	Well 1 RO	Well 2 RO	Total Cost

Table C.8.1

PWS Name *Benavides-Duval County Conservation* 225 gpm Capacity
Alternative Name *Coag/Filt - Well 1*
Alternative Number *BD-8*

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Coagulation/Filtration Unit Purchase/Installation</i>				
Site preparation	0.50	acre	\$ 4,000	\$ 2,000
Slab	40	CY	\$ 1,000	\$ 40,000
Building	1,840	SF	\$ 60	\$ 110,400
Building electrical	1,840	SF	\$ 8	\$ 14,720
Building plumbing	1,840	SF	\$ 8	\$ 14,720
Heating and ventilation	1,840	SF	\$ 7	\$ 12,880
Fence	1,500	LF	\$ 15	\$ 22,500
Paving	3,000	SF	\$ 2	\$ 6,000
Electrical	1	JOB	\$ 70,000	\$ 70,000
Piping	1	JOB	\$ 40,000	\$ 40,000

Coagulant/filter package including:

Chemical feed system				
Pressure ceramic filters				
Controls & Instruments	1	UNIT	\$ 162,000	\$ 162,000
Backwash Tank	27,000	GAL	\$ 2	\$ 54,000
Coagulant Tank	300	GAL	\$ 3	\$ 900
Sewer Connection Fee	1	EA	\$ 15,000	\$ 15,000
Chlorination Point	1	EA	\$ 4,000	\$ 4,000

Subtotal of Component Costs **\$ 569,120**

Contingency	20%	\$ 113,824
Design & Constr Management	25%	\$ 142,280

TOTAL CAPITAL COSTS **\$ 825,224**

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Coagulation/Filtration Unit O&M</i>				
Building Power	8,000	kwh/yr	\$ 0.140	\$ 1,120
Equipment power	30,000	kwh/yr	\$ 0.140	\$ 4,200
Labor	2,000	hrs/yr	\$ 40	\$ 80,000
Materials	1	year	\$ 8,000	\$ 8,000
Chemicals	1	year	\$ 2,000	\$ 2,000
Analyses	24	test	\$ 200	\$ 4,800
Backwash discharge to sewer	0.45	MG/yr	\$ 5,000	\$ 2,250
Subtotal				\$ 102,370

TOTAL ANNUAL O&M COSTS **\$ 102,370**

Table C.8.2

PWS Name *Benavides-Duval County Conservation* 350 gpm Capacity
Alternative Name *Coag/Filt - Well 2*
Alternative Number *BD-8*

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Coagulation/Filtration Unit Purchase/Installation</i>				
Site preparation	0.50	acre	\$ 4,000	\$ 2,000
Slab	40	CY	\$ 1,000	\$ 40,000
Building	1,840	SF	\$ 60	\$ 110,400
Building electrical	1,840	SF	\$ 8	\$ 14,720
Building plumbing	1,840	SF	\$ 8	\$ 14,720
Heating and ventilation	1,840	SF	\$ 7	\$ 12,880
Fence	1,500	LF	\$ 15	\$ 22,500
Paving	3,000	SF	\$ 2	\$ 6,000
Electrical	1	JOB	\$ 70,000	\$ 70,000
Piping	1	JOB	\$ 40,000	\$ 40,000
Coagulant/filter package including:				
Chemical feed system				
Pressure ceramic filters				
Controls & Instruments	1	UNIT	\$ 230,000	\$ 230,000
Backwash Tank	35,000	GAL	\$ 2	\$ 70,000
Coagulant Tank	300	GAL	\$ 3	\$ 900
Sewer Connection Fee	1	EA	\$ 15,000	\$ 15,000
Chlorination Point	1	EA	\$ 4,000	\$ 4,000
Subtotal of Component Costs				\$ 653,120
Contingency	20%		\$	130,624
Design & Constr Management	25%		\$	163,280

TOTAL CAPITAL COSTS **\$ 947,024**

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Coagulation/Filtration Unit O&M</i>				
Building Power	4,000	kwh/yr	\$ 0.140	\$ 560
Equipment power	10,000	kwh/yr	\$ 0.140	\$ 1,400
Labor	600	hrs/yr	\$ 40	\$ 24,000
Materials	0.5	year	\$ 8,000	\$ 4,000
Chemicals	1	year	\$ 2,000	\$ 2,000
Analyses	12	test	\$ 200	\$ 2,400
Backwash discharge to sewer	-	MG/yr	\$ 5,000	\$ -
Subtotal				\$ 34,360

TOTAL ANNUAL O&M COSTS **\$ 34,360**

Table C.9

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Point-of-Use Treatment*
Alternative Number *BD-9*

Number of Connections for POU Unit Installation 777 connections

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>POU-Treatment - Purchase/Installation</i>				
POU treatment unit purchase	777	EA	\$ 615	\$ 477,855
POU treatment unit installation	777	EA	\$ 155	\$ 120,435
Subtotal				\$ 598,290
Subtotal of Component Costs				\$ 598,290
Contingency	20%		\$	119,658
Design & Constr Management	25%		\$	149,573
Procurement & Administration	20%		\$	119,658
TOTAL CAPITAL COSTS				\$ 987,179

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>O&M</i>				
POU materials, per unit	777	EA	\$ 230	\$ 178,710
Contaminant analysis, 1/yr per unit	777	EA	\$ 205	\$ 159,285
Program labor, 10 hrs/unit	7,770	hrs	\$ 40	\$ 310,800
Subtotal				\$ 648,795
TOTAL ANNUAL O&M COSTS				\$ 648,795

Table C.10

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Point-of-Entry Treatment*
Alternative Number *BD-10*

Number of Connections for POE Unit Installation 777 connections

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>POE-Treatment - Purchase/Installat</i>				
POE treatment unit purchase	777	EA	\$ 5,125	\$ 3,982,125
Pad and shed, per unit	777	EA	\$ 2,050	\$ 1,592,850
Piping connection, per unit	777	EA	\$ 1,025	\$ 796,425
Electrical hook-up, per unit	777	EA	\$ 1,025	\$ 796,425
Subtotal				\$ 7,167,825

Subtotal of Component Costs \$ 7,167,825

Contingency	20%	\$ 1,433,565
Design & Constr Management	25%	\$ 1,791,956
Procurement & Administration	20%	\$ 1,433,565

TOTAL CAPITAL COSTS \$ 11,826,911

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>O&M</i>				
POE materials, per unit	777	EA	\$ 1,540	\$ 1,196,580
Contaminant analysis, 1/yr per unit	777	EA	\$ 205	\$ 159,285
Program labor, 10 hrs/unit	7,770	hrs	\$ 40	\$ 310,800
Subtotal				\$ 1,666,665

TOTAL ANNUAL O&M COSTS \$ 1,666,665

Table C.11

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Public Dispenser for Treated Drinking Water*
Alternative Number *BD-11*

Number of Treatment Units Recommended 4

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Public Dispenser Unit Installation</i>				
POE-Treatment unit(s)	4	EA	\$ 7,175	\$ 28,700
Unit installation costs	4	EA	\$ 5,125	\$ 20,500
Subtotal				\$ 49,200
Subtotal of Component Costs				\$ 49,200
Contingency	20%			\$ 9,840
Design & Constr Management	25%			\$ 12,300
TOTAL CAPITAL COSTS				71,340

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Program Operation</i>				
Treatment unit O&M, 1 per unit	4	EA	\$ 2,050	\$ 8,200
Contaminant analysis, 1/wk per u	208	EA	\$ 205	\$ 42,640
Sampling/reporting, 1 hr/day	1,460	HRS	\$ 60	\$ 87,600
Subtotal				\$ 138,440
TOTAL ANNUAL O&M COSTS				\$ 138,440

Table C.12

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Supply Bottled Water to 100% of Population*
Alternative Number *BD-12*

Service Population 1,686
Percentage of population requiring supply 100%
Water consumption per person 1.00 gpcd
Calculated annual potable water needs 615,390 gallons

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Program Implementation</i>				
Initial program set-up	500	hours	\$ 45	\$ 22,500
Subtotal				\$ 22,500
Subtotal of Component Costs				\$ 22,500
Contingency	20%			\$ 4,500
TOTAL CAPITAL COSTS				\$ 27,000

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Program Operation</i>				
Water purchase costs	615,390	gals	\$ 1.60	\$ 984,624
Program admin, 9 hrs/wk	468	hours	\$ 45	\$ 21,060
Program materials	1	EA	\$ 5,125	\$ 5,125
Subtotal				\$ 1,010,809
TOTAL ANNUAL O&M COSTS				\$ 1,010,809

Table C.13

PWS Name *Benavides-Duval County Conservation*
Alternative Name *Central Trucked Drinking Water*
Alternative Number *BD-13*

Service Population 1,686
Percentage of population requiring supply 100%
Water consumption per person 1.00 gpcd
Calculated annual potable water needs 615,390 gallons
Travel distance to compliant water source 40 miles

Capital Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Storage Tank Installation</i>				
20,000 gal ground storage tank	1	EA	\$ 25,000	\$ 25,000
Site improvements	1	EA	\$ 3,075	\$ 3,075
Potable water truck	1	EA	\$ 75,000	\$ 75,000
Subtotal				\$ 103,075
Subtotal of Component Costs				\$ 103,075
Contingency	20%		\$	20,615
Design & Constr Management	25%		\$	25,769
TOTAL CAPITAL COSTS				\$ 149,459

Annual Operations and Maintenance Costs

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Program Operation</i>				
Water delivery labor, 4 hrs/wk	208	hrs	\$ 60	\$ 12,480
Truck operation, 1 round trip/wk	4,139	miles	\$ 3.00	\$ 12,418
Water purchase	615	1,000 gals	\$ 13.20	\$ 8,123
Water testing, 1 test/wk	52	EA	\$ 205	\$ 10,660
Sampling/reporting, 2 hrs/wk	104	hrs	\$ 60	\$ 6,240
Subtotal				\$ 49,921
TOTAL ANNUAL O&M COSTS				\$ 49,921

1
2
3

**APPENDIX D
EXAMPLE FINANCIAL MODEL**

Appendix D
General Inputs

Benavides Duval County

Number of Alternatives 13 Selected from Results Sheet

Input Fields are Indicated by:

General Inputs		
Implementation Year	2009	
Months of Working Capital	0	
Depreciation	\$ -	
Percent of Depreciation for Replacement Fund	0%	
Allow Negative Cash Balance (yes or no)	No	
Median Household Income	\$ 21,442	Benavides Duval County
Median HH Income -- Texas	\$ 39,927	
Grant Funded Percentage	0%	Selected from Results
Capital Funded from Revenues	\$ -	
	Base Year	2007
	Growth/Escalation	
Accounts & Consumption		
Metered Residential Accounts		
Number of Accounts	0.0%	777
Number of Bills Per Year		12
Annual Billed Consumption		91,250,000
Consumption per Account Per Pay Period	0.0%	9,787
Consumption Allowance in Rates		-
Total Allowance		-
Net Consumption Billed		91,250,000
Percentage Collected		100.0%
Unmetered Residential Accounts		
Number of Accounts	0.0%	0
Number of Bills Per Year		12
Percentage Collected		100.0%
Metered Non-Residential Accounts		
Number of Accounts	0.0%	0
Number of Bills Per Year		12
Non-Residential Consumption		-
Consumption per Account	0.0%	-
Consumption Allowance in Rates		-
Total Allowance		-
Net Consumption Billed		-
Percentage Collected		0.0%
Unmetered Non-Residential Accounts		
Number of Accounts	0.0%	0
Number of Bills Per Year		12
Percentage Collected		100.0%
Water Purchase & Production		
Water Purchased (gallons)	0.0%	-
Average Cost Per Unit Purchased	0.0%	\$ -
Bulk Water Purchases	0.0%	\$ -
Water Production	0.0%	91,250,000
Unaccounted for Water		-
Percentage Unaccounted for Water		0.0%

Appendix D
General Inputs

Benavides Duval County

Number of Alternatives

13

Selected from Results Sheet

Input Fields are Indicated by:

Residential Rate Structure	Allowance within Tier	
Estimated Average Water Rate (\$/1000gallons)	-	\$ 3.12
Non-Residential Rate Structure		
Estimated Average Water Rate (\$/1000gallons)	-	\$ -
INITIAL YEAR EXPENDITURES	Inflation	Initial Year
Operating Expenditures:		
Salaries & Benefits	0.0%	-
Contract Labor	0.0%	-
Water Purchases	0.0%	-
Chemicals, Treatment	0.0%	-
Utilities	0.0%	-
Repairs, Maintenance, Supplies	0.0%	-
Repairs	0.0%	-
Maintenance	0.0%	-
Supplies	0.0%	-
Administrative Expenses	0.0%	-
Accounting and Legal Fees	0.0%	-
Insurance	0.0%	-
Automotive and Travel	0.0%	-
Professional and Directors Fees	0.0%	-
Bad Debts	0.0%	-
Garbage Pick-up	0.0%	-
Miscellaneous	0.0%	-
Other 3	0.0%	286,634
Other 4	0.0%	-
Incremental O&M for Alternative	0.0%	-
Total Operating Expenses		286,634
Non-Operating Income/Expenditures		
Interest Income	0.0%	-
Other Income	0.0%	-
Other Expense	0.0%	-
Transfers In (Out)	0.0%	-
Net Non-Operating		-
Esisting Debt Service		
Bonds Payable, Less Current Maturities		\$ -
Bonds Payable, Current		\$ -
Interest Expense		\$ 520,000

1 **APPENDIX E**
2 **ANALYSIS OF SHARED SOLUTION FOR OBTAINING WATER FROM**
3 **PREMONT**

4 **E.1 OVERVIEW OF METHOD USED**

5 There are a few small PWSs with water quality problems located in the vicinity of the
6 Benavides-Duval County Conservation & Reclamation District (DCC&RD) that could benefit
7 from joining together and cooperating to share the cost for obtaining compliant drinking water.
8 This cooperation could involve creating a formal organization of individual PWSs to address
9 obtaining compliant drinking water, consolidating to form a single PWS, or having the
10 individual PWSs taken over or bought out by a larger regional entity.

11 The small PWSs with water quality problems near the Benavides-DCC&RD PWS are
12 listed in Table E.1, along with their average water consumption and estimates of the capital
13 cost for each PWS to construct an individual pipeline. It is assumed for this analysis that all
14 the systems would participate in a shared solution.

15 This analysis focuses on compliance alternatives related to obtaining water from large
16 water providers interested in providing water outside their current area, either by wholesaling
17 to PWSs, or by expanding their service areas. This type of solution is most likely to have the
18 best prospects for sustainability, and a reliable provision of compliant drinking water.

19 The purpose of this analysis is to approximate the level of capital cost savings that could
20 be expected from pursuing a shared solution versus a solution where the study PWS obtains
21 compliant drinking water on its own. Regardless of the form a group solution would take,
22 water consumers would have to pay for the infrastructure needed for obtaining compliant
23 water. To keep this analysis as straightforward and realistic as possible, it is assumed the
24 individual PWSs would remain independent, and would share the capital cost for the
25 infrastructure required. Also, to maintain simplicity, this analysis is limited to estimating
26 capital cost savings related to pipeline construction, which is likely to be by far the largest
27 component of the overall capital cost. A shared solution could also produce savings in O&M
28 expenses as a result of reduction in redundant facilities and the potential for shared O&M
29 resources, and these savings would have to be evaluated if the PWSs are interested in
30 implementing a shared solution.

31 There are many ways pipeline capital costs could be divided between participating PWSs,
32 and the final apportioning of costs would likely be based on negotiation between the
33 participating entities. At this preliminary stage of analysis it is not possible to project results
34 from negotiations regarding cost sharing. For this reason, three methods are used to allocate
35 cost between PWSs in an effort to give an approximation of the range of savings that might be
36 attainable for an individual PWS.

37 Method A is based on allocating capital cost of the shared pipeline solution proportionate
38 to the amount of water used by each PWS. In this case, the capital cost for the shared pipeline

1 and the necessary pump stations is estimated, and then this total capital cost is allocated based
2 on the fraction of the total water used by each PWS. For example, PWS #1 has an average
3 daily water use of 0.1 mgd and PWS #2 has an average daily use of 0.3 mgd. Using this
4 method, PWS #1 would be allocated 25 percent of the capital cost of the shared solution. This
5 method is a reasonable method for allocating cost when all the PWSs are different in size but
6 are relatively equidistant from the shared water source.

7 Method B is also based on allocating capital cost of the shared pipeline solution
8 proportionate to the amount of water used by the PWSs. However, rather than allocating the
9 *total* capital cost of the shared solution between each participating PWS, this approach splits
10 the shared pipeline into segments and allocates flow-proportional costs to the PWSs using each
11 segment. Costs for a pipeline segment are not shared by a PWS if the PWS does not use that
12 particular segment. For example, PWS #1 has an average daily water use of 0.3 mgd and PWS
13 #2 has an average daily use of 0.2 mgd. A 3-mile long pipeline segment is common to both
14 PWSs, while PWS #2 requires an additional 4-mile segment. Using this method, PWS #2
15 would be allocated 40 percent of the cost of the 3-mile segment and 100 percent of the cost of
16 the 4-mile segment. This method is a reasonable method for allocating cost when all the PWSs
17 are different in size and are located at different distances from the shared water source.

18 Method C is based on allocating capital cost of the shared pipeline solution proportionate
19 to the cost each PWS would have to pay to obtain compliant water if it were to implement an
20 individual solution. In this case, the total capital cost for the shared pipeline and the necessary
21 pump stations is estimated as well as the capital cost each PWS would have for obtaining its
22 own pipeline. The total capital cost for the shared solution is then allocated between the
23 participating PWSs based on what each PWS would have to pay to construct its own pipeline.
24 For example, the individual solution cost for PWS #1 is \$4 million and the individual solution
25 cost for PWS #2 is \$1 million. Using this method, PWS #1 would be allocated 80 percent of
26 the cost of the shared solution. This method is a reasonable method for allocating cost when
27 the PWS are located at different distances from the water source.

28 For any given PWS, all three of these methods should generate costs for the shared
29 solution that produce savings for the PWS over an individual solution. However, for different
30 PWSs participating in a shared solution, each of these three methods can produce savings of
31 varying magnitudes: for one PWS, Method A might show the best cost savings while for
32 another Method C might provide the best savings. For this reason, this range is considered to
33 be representative of possible savings that could result from an agreement that should be fair and
34 equitable to all parties involved.

35 **E.2 SHARED SOLUTION FOR OBTAINING WATER FROM PREMONT**

36 This alternative would consist of constructing a 16.2 mile 8-inch joint pipeline from
37 Premont to Concepcion. A new 4-inch line or spur line would connect Concepcion to the
38 8-inch joint pipeline along RR716. A second spur line, an 8-inch pipeline, would connect the
39 joint pipeline to Benavides-DCC&RD PWS. It is assumed two pump stations would be
40 required to transfer the water from Premont main distribution line to Concepcion and another

1 two pump stations from Concepcion to Benavides-DCC&RD PWS at the end of the pipeline.
2 The pipeline routing is shown in Figure E.1 at the end of this appendix.

3 The capital costs for each pipe segment and the total capital cost for the shared pipeline are
4 summarized in Table E.2. Table E.3 shows the capital costs allocated to each PWS using
5 Method A. Table E.4 shows the capital costs allocated to each PWS using Method B.
6 Table E.5 shows the allocation of pipeline capital costs to each of the PWSs using Method C,
7 as described above. Table E.6 provides a summary of the pipeline capital costs estimated for
8 each PWS, and the savings that could be realized compared to developing individual pipelines.
9 More detailed cost estimates for the pipe segments are shown at the end of this appendix in
10 Tables E.7 through E.10.

11 Based on these estimates, the range of pipeline capital cost savings to the Benavides-
12 DCC&RD PWS could be up to \$1.51 million if they were to implement a shared solution like
13 this, which would be a savings up to 17 percent. These estimates are hypothetical and are only
14 provided to approximate the magnitude of potential savings if this shared solution is
15 implemented as described.

Table E.1
Summary Information for PWSs Participating in Shared Solution (a)

PWS	PWS #	Average Water Demand (mgd)	Water Demand as Percent of Total	Pipeline Capital Cost for Individual Solutions for Premont	Percent of Sum of Capital Costs for Individual Solutions for Premont
Concepcion-Duval County Conservation & Reclamation District to Premont	0660015	0.002	1%	\$ 1,954,487	18%
Benavides-Duval County	0660001	0.25	99%	\$ 8,793,989	82%
Totals		0.002	100%	\$ 10,748,476	100%

Notes: (a) Costs for Concepcion-Duval County C & RD to Premont are provided in Table E.10 and costs for Benavides to Premont (one of the alternatives for the PWS) are provided in Appendix C.

Table E.2
Capital cost for Shared Pipeline from Premont (b)

Pipe Segment	Capital Cost
Pipe 1	\$ 4,317,342
Pipe A	\$ 29,319
Pipe B	\$ 4,554,221
Totals	\$ 8,900,882

Notes: (b) Pipe 1 is identified as the Main Link and is common to both PWSs. The lettered pipes connect each PWS to the Main Link.

**Table E.3
Pipeline Capital Cost Allocation by Method A
Shared Pipeline Assessment for Benavides**

PWS	PWS #	Percentage Based On Flow	Total Costs
Concepcion-Duval County Conservation & Reclamation District to Premont	0660015	1%	\$ 70,642
Benavides-Duval County	0660001	99%	\$ 8,830,240
Totals		100%	\$ 8,900,882

**Table E.4
Pipeline Capital Cost Allocation by Method B
Shared Pipeline Assessment for Benavides**

Pipeline Segment	Pipe Segment Capital Cost	Concepcion-Duval County Conservation		Benavides-Duval County	
		Percent Allocation Based on Water Use	Allocated Cost	Percent Allocation Based on Water Use	Allocated Cost
Pipe 1	\$ 4,317,342	1%	\$ 34,265	99%	\$ 4,283,077
Pipe A	\$ 29,319	100%	\$ 29,319	0%	\$ -
Pipe B	\$ 4,554,221	0%	\$ -	100%	\$ 4,554,221
Totals	\$ 8,900,882		\$ 63,584		\$ 8,837,298

**Table E.5
Pipeline Capital Cost Allocation by Method C
Shared Pipeline Assessment for Benavides**

PWS	PWS #	Cost for Individual Pipelines	Percentage based on Individual Solutions	Allocated Capital Cost
Duval County Conservation & Reclamation District to Premont	0660015	\$ 1,954,487	18%	\$ 1,618,523
Benavides-Duval County	0660001	\$ 8,793,989	82%	\$ 7,282,358
Totals		\$ 10,748,476	100%	\$ 8,900,882

**Table E.6
Pipeline Capital Cost Summary
Shared Pipeline Assessment for Benavides**

PWS	Individual Pipeline Capital Costs	Shared Solution Capital Cost Allocation			Shared Solution Cost Savings			Shared Solution Percentage Savings		
		Method A	Method B	Method C	Method A	Method B	Method C	Method A	Method B	Method C
Concepcion-Duval County Conservation & Reclamation District to Premont	\$ 1,954,487	\$ 70,642	\$ 63,584	\$ 1,618,523	\$ 1,883,845	\$ 1,890,903	\$ 335,964	96%	97%	17%
Benavides-Duval County	\$ 8,793,989	\$ 8,830,240	\$ 8,837,298	\$ 7,282,358	\$ (36,251)	\$ (43,309)	\$ 1,511,630	0%	0%	17%
Totals	\$ 10,748,476	\$ 8,900,882	\$ 8,900,882	\$ 8,900,882	\$ 1,847,594	\$ 1,847,594	\$ 1,847,594			

Table E.7

Main Link # 1	
Total Pipe Length	16.24 miles
Number of Pump Stations Needed	2
Pipe Size	08" inches
Size of Tank	5000 gal
Capital Costs	

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	2	n/a	n/a	n/a
Number of Crossings, open cut	29	n/a	n/a	n/a
PVC water line, Class 200, 08"	85,763	Capital	\$	27 \$ 2,315,601
Bore and encasement, 12"	400	LF	\$	240 \$ 96,000
Open cut and encasement, 12"	1,450	LF	\$	130 \$ 188,500
Gate valve and box, 08"	18	EA	\$	785 \$ 14,130
Air valve	17	EA	\$	2,050 \$ 34,850
Flush valve	18	EA	\$	1,025 \$ 18,450
Metal detectable tape	85,763	LF	\$	2.00 \$ 171,526
Subtotal				\$ 2,839,057
<i>Pump Station(s) Installation</i>				
Pump	4	EA	\$	8,000 \$ 32,000
Pump Station Piping, 08"	4	EA	\$	1,315 \$ 5,260
Gate valve, 08"	8	EA	\$	785 \$ 6,280
Check valve, 08"	4	EA	\$	1,470 \$ 5,880
Electrical/Instrumentation	2	EA	\$	10,000 \$ 20,000
Site work	2	EA	\$	2,500 \$ 5,000
Building pad	2	EA	\$	5,000 \$ 10,000
Pump Building	2	EA	\$	10,000 \$ 20,000
Fence	2	EA	\$	6,000 \$ 12,000
Tools	2	EA	\$	1,000 \$ 2,000
5,000 gal ground storage tank	2	EA	\$	10,000 \$ 20,000
Subtotal				\$ 138,420
Subtotal of Component Costs				\$ 2,977,477
Contingency	20%			\$ 595,495
Design & Constr Management	25%			\$ 744,369
TOTAL CAPITAL COSTS				\$ 4,317,342

Table E.8

Segment A

**Concepcion-Duval County
Conservation & Reclamation**

District to Premont

Private Pipe Size	04"
Total Pipe Length	0.14 miles
Total PWS annual water usage	0.7 MG
Number of Pump Stations Needed	0

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	-	n/a	n/a	n/a
Number of Crossings, open cut	1	Capital	n/a	n/a
PVC water line, Class 200, 04"	715	LF	\$ 12	\$ 8,580
Bore and encasement, 10"	-	LF	\$ 240	\$ -
Open cut and encasement, 10"	50	LF	\$ 130	\$ 6,500
Gate valve and box, 04"	1	EA	\$ 710	\$ 710
Air valve	1	EA	\$ 2,000	\$ 2,000
Flush valve	1	EA	\$ 1,000	\$ 1,000
Metal detectable tape	715	LF	\$ 2.00	\$ 1,430
Subtotal				\$ 20,220
<i>Pump Station(s) Installation</i>				
Pump	-	EA	\$ 8,000	\$ -
Pump Station Piping, 04"	-	EA	\$ 550	\$ -
Gate valve, 04"	-	EA	\$ 710	\$ -
Check valve, 04"	-	EA	\$ 755	\$ -
Electrical/Instrumentation	-	EA	\$ 10,000	\$ -
Site work	-	EA	\$ 2,500	\$ -
Building pad	-	EA	\$ 5,000	\$ -
Pump Building	-	EA	\$ 10,000	\$ -
Fence	-	EA	\$ 6,000	\$ -
Tools	-	EA	\$ 1,000	\$ -
5,000 gal ground storage tank	-	EA	\$ 10,000	\$ -
Subtotal				\$ -
Subtotal of Component Costs				\$ 20,220
Contingency	20%		\$	4,044
Design & Constr Management	25%		\$	5,055
TOTAL CAPITAL COSTS				\$ 29,319

Table E.9

Segment B

Benavides-Duval County

Private Pipe Size	08"
Total Pipe Length	16.51 miles
Total PWS annual water usage	91.3 MG
Number of Pump Stations Needed	2

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	4	n/a	n/a	n/a
Number of Crossings, open cut	18	Capital	n/a	n/a
PVC water line, Class 200, 08"	87,148	LF	\$ 27	\$ 2,352,996
Bore and encasement, 12"	800	LF	\$ 240	\$ 192,000
Open cut and encasement, 12"	900	LF	\$ 130	\$ 117,000
Gate valve and box, 08"	18	EA	\$ 785	\$ 14,130
Air valve	17	EA	\$ 2,000	\$ 34,000
Flush valve	18	EA	\$ 1,000	\$ 18,000
Metal detectable tape	87,148	LF	\$ 2.00	\$ 174,296
Subtotal				\$ 2,902,422
<i>Pump Station(s) Installation</i>				
Pump	4	EA	\$ 8,000	\$ 32,000
Pump Station Piping, 08"	4	EA	\$ 1,315	\$ 5,260
Gate valve, 08"	8	EA	\$ 785	\$ 6,280
Check valve, 08"	4	EA	\$ 1,470	\$ 5,880
Electrical/Instrumentation	2	EA	\$ 10,000	\$ 20,000
Site work	2	EA	\$ 2,500	\$ 5,000
Building pad	2	EA	\$ 5,000	\$ 10,000
Pump Building	2	EA	\$ 10,000	\$ 20,000
Fence	2	EA	\$ 6,000	\$ 12,000
Tools	2	EA	\$ 1,000	\$ 2,000
50,000 gal ground storage tank	2	EA	\$ 60,000	\$ 120,000
Subtotal				\$ 238,420
Subtotal of Component Costs				\$ 3,140,842
Contingency	20%			\$ 628,168
Design & Constr Management	25%			\$ 785,211
TOTAL CAPITAL COSTS				\$ 4,554,221

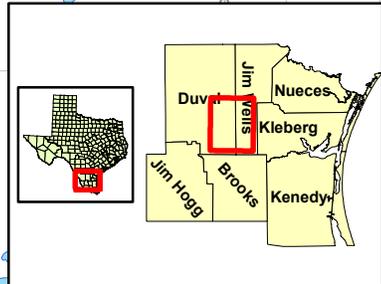
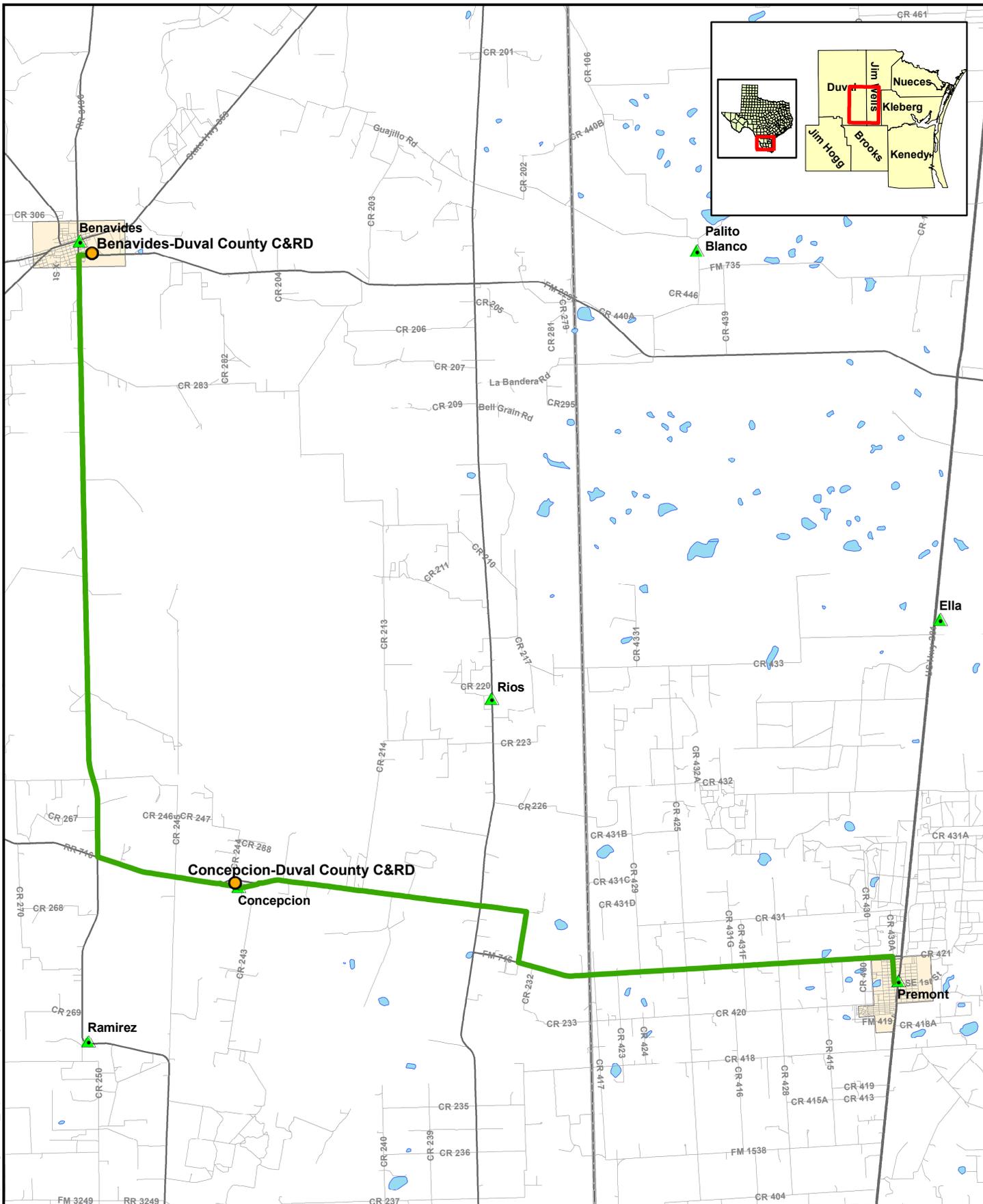
Table E.10

**Segment A
 Concepcion-Duval County
 Conservation & Reclamation
 District to Premont**

Private Pipe Size	04"
Total Pipe Length	16.38 miles
Total PWS annual water usage	0.7 MG
Number of Pump Stations Needed	1

Cost for Concepcion only

Cost Item	Quantity	Unit	Unit Cost	Total Cost
<i>Pipeline Construction</i>				
Number of Crossings, bore	-	n/a	n/a	n/a
Number of Crossings, open cut	1	Capital	n/a	n/a
PVC water line, Class 200, 04"	86,478	LF	\$ 12	\$ 1,037,736
Bore and encasement, 10"	-	LF	\$ 240	\$ -
Open cut and encasement, 10"	50	LF	\$ 130	\$ 6,500
Gate valve and box, 04"	18	EA	\$ 710	\$ 12,780
Air valve	17	EA	\$ 2,000	\$ 34,000
Flush valve	18	EA	\$ 1,000	\$ 18,000
Metal detectable tape	86,478	LF	\$ 2.00	\$ 172,956
	Subtotal			\$ 1,281,972
<i>Pump Station(s) Installation</i>				
Pump	2	EA	\$ 8,000	\$ 16,000
Pump Station Piping, 04"	2	EA	\$ 550	\$ 1,100
Gate valve, 04"	4	EA	\$ 710	\$ 2,840
Check valve, 04"	2	EA	\$ 755	\$ 1,510
Electrical/Instrumentation	1	EA	\$ 10,000	\$ 10,000
Site work	1	EA	\$ 2,500	\$ 2,500
Building pad	1	EA	\$ 5,000	\$ 5,000
Pump Building	1	EA	\$ 10,000	\$ 10,000
Fence	1	EA	\$ 6,000	\$ 6,000
Tools	1	EA	\$ 1,000	\$ 1,000
5,000 gal ground storage tank	1	EA	\$ 10,000	\$ 10,000
	Subtotal			\$ 65,950
	Subtotal of Component Costs			\$ 1,347,922
Contingency	20%		\$	269,584
Design & Constr Management	25%		\$	336,981
	TOTAL CAPITAL COSTS		\$	1,954,487



Legend

- Study System
- PWS's
- Cities
- City Limits
- Counties
- Major Road
- Minor Road
- CRMWA Pipeline
- Lubbock Pipeline
- Grass Valley Pipeline
- BD/CD - 1



Miles
0 1 2

Figure E.1

BENAVIDES-DUVAL COUNTY C&RD & CONCEPCION-DUVAL COUNTY C&RD TO CITY OF PREMONT
Shared Pipeline Alternative