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(Regarding) Conclusion

On the top of page 4 of the report it states that the overall need for water infrastructure investment is \$5 billion dollars with the Austin Metropolitan Area representing 99% of that need. The paragraph then goes on to state that "assuming 50% sharing" the need for state funding assistance would be \$2.5 billion.

But the statement of need is not supported by the City of Austin's survey response. No where does it state that the City of Austin needs a 50% match in order to provide necessary services. In fact they state that there are several funding sources for a majority of projects. The farthest Austin goes in requesting funding support is when they say. . . "However, new funding sources, such as the State's Participation Program, may be helpful in the future."

This calls into question the first statement in the *conclusion* section that, "There is definite need for funding programs to help meet projected municipal demands... in the Lower Colorado Regional Planning Area." The conclusion was a result of circular reasoning; 1) the total identified infrastructure requirements are \$5 billion, 2) lets assume that we might get 50% state sharing, therefore 3) The region can only provide \$2.5 billion and needs 2.5 billion.

(Regarding) Policy Statement

The draft Region K infrastructure report recommends a list of 8 variations on statewide taxes to help fund water infrastructure. I understand that some groups may think that it is appealing to receive revenues from the state rather than raising local water rates, but before voting to recommend any of these statewide taxes, this region should carefully consider what the likelihood is - that when its tax money goes into the state general revenue fund - that Region K will be successful in pulling more money out of the pool than it put in.

I would submit that the majority of state water tax revenues will be directed to areas with larger populations and political delegations. The chances are much better that tax revenue will go to support the Marvin Nichols reservoir for Dallas and the Eastex reservoir for Houston, than they will stay in Region K. Then Region K will still have to raise money for local projects, in effect making citizens pay twice.

I think the best thing for Region K would be to offer a policy statement that "Except for the case of economically disadvantaged areas, Regions, and especially metropolitan areas should be responsible for generating revenues to meet their infrastructure needs." At a minimum, however, I would encourage you to strike any recommendation for statewide water taxes and fees.