

A.M. Rimkus Farm

December 8, 2008

Via Hand Delivery

Mr. Ken Armbrister
Legislative Director
Office of Governor Rick Perry
P.O. Box 12428
Austin, Texas 78711

RE: Pipeline Prohibition in the Edwards Aquifer Authority Act

Dear Mr. Armbrister:

Let me offer my personal thanks for your many years of leadership in the Texas Senate and now in the Office of Governor Rick Perry. There are many of us who have appreciated your support and guidance especially with regard to issues concerning the state's natural resources -- in particular water.

As you may recall, I was very active in working with you and your senate office in the 1993 legislative session concerning the Edwards Aquifer Authority (EAA) Act, and in particular the need for the pipeline prohibition in current law. I am writing to express my support for now removing the pipeline prohibition from the EAA Act and the Uvalde Water Project proposed by Southwest Texas Water Resources, L.P.

As you may also recall, I advocated for the existing pipeline prohibition back in 1993. The rule of capture still prevailed in the Edwards Aquifer and Bexar County had plans for purchasing 10 to 15 acres in Uvalde County and pumping massive amounts of groundwater from Uvalde without concern about local groundwater resources or the farming community in Uvalde County. While a groundwater permit system was part of the legislative negotiations, I was skeptical that an effective permit system would be enacted. I wanted the pipeline prohibition as a "belt and suspenders" protection against a Bexar water raid.

The pipeline prohibition has served its purpose. With final initial regular permits recently issued by the Edwards Aquifer Authority and fifteen years of experience and regulatory growth behind us, I am convinced that there is a permit system in place that prevents the Bexar water raid I was concerned about during the 1993 negotiations.

As you also indicated back then, the prohibition was something that I would eventually come to realize should be removed. You were right. That day has arrived.

I recall your advice that a pipeline is actually in the interest of Uvalde. With Uvalde protected by EAA's permit system, I agree. The time has come for Uvalde water right owners to band together to assure that they receive reasonable economic rewards for their

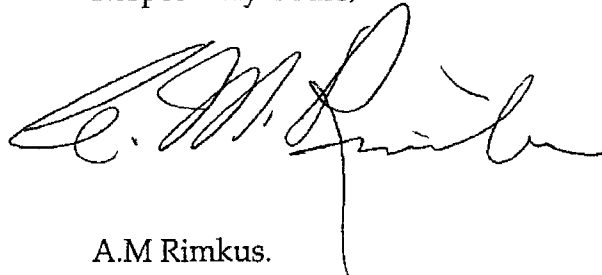
#6 Leona Heights Dr.
Uvalde, Texas 78801

unrestricted permits and that a pipeline becomes a tool to improve the management of the Edwards Aquifer. Without a pipeline, Uvalde water right owners would squander the economic value of the superior reliability of the Uvalde Pool. Continued paper transfers from the Uvalde Pool to the San Antonio Pool would further concentrate pumping in San Antonio, which would further reduce the water supply reliability for our agricultural brethren to the east and further stress springflows. Greater environmental problems at Comal Springs or San Marcos Springs are not in the interest of agriculture.

For these reasons, not only do I support the Uvalde Water Project proposed by Southwest Texas Water Resources, I am pleased to inform you that I am an active participant in the project and have placed some of my own water rights in the project. The agricultural sector in Uvalde is struggling. By participating in the STWR project, Uvalde farmers can secure a new source of long-term income that will strengthen their business operations and assure their long-term economic vitality.

Accordingly, please consider me an enthusiastic supporter of the efforts to create an exemption in the EAA Act to allow a pipeline to better manage the transfer of water within the Edwards Aquifer. Again, many thanks for your past leadership. I hope that you will be able to assist us in our efforts next year.

Respectfully Yours,

A handwritten signature in cursive script, appearing to read "A.M. Rimkus". The signature is written in black ink and is positioned below the "Respectfully Yours," text.

A.M Rimkus.

cc: Senator Carlos Uresti,
State Representative Pete Gallego
State Representative Tracy King

PROJECT CONTROL

PROJECT CONTROL

3427 Northeast Parkway

San Antonio, Texas 78218

BEXAR COUNTY WATER SUPPLY PROJECTS

August - 1990

Advisory Technical Water Committee
(Greater San Antonio Metropolitan Area)

Independent

Project Management

Consultants

RELATIVE COSTS OF TREATED WATER DELIVERED TO
BEXAR COUNTY UTILITY DISTRIBUTION SYSTEMS

ALTERNATIVE	YIELD (AC-FT/YR)	COST (\$/1000 GAL.)	COST (\$/AC-FT)	VIABILITY	WATER RIGHTS (YEARS)	CONSTRUCTION & LEAD TIME (YEARS)	INTERACTION WITH OTHER PROJECTS
1. Applewhite Reservoir (Average Yield)	48,000	\$1.15	\$376.17	1 - A	0	5	
2.a) Purchase of Medina Irrigation Water	15,000	\$0.84	\$272.55	1 - A	2	2	1.
3.a) Transfer of Water by Pipeline to San Antonio from Town Lake or Lake Travis (LCRA)	50,000	\$1.32	\$428.30	1 - A	2	5	
3.b) Purpover from Lake Travis to Canyon Reservoir, with Recapture at McQueeney Lake (LCRA)	50,000	\$1.34	\$434.79	1 - A	2	5	
*4. Purchase of Texas Water Development Board share of Texana Reservoir, and Conveyance to San Antonio	43,000	\$1.89	\$613.25	1 - A	2	5	
*5. Purchase of Water from Garwood Irrigation District	30,000	\$1.32	\$428.30	1 - A	2	5	4.
**6. Carrizo-Wilcox Aquifer Wells Pumping to the San Antonio Finished Water Distribution System	40,000	\$0.95	\$309.56	1 - A	1-5	2	
***7. Canyon Lake Reservoir	5,000	N/A	N/A	1 - A	1-2	5	
8.a) Western Region Reuse	4,000	N/A	N/A	1 - A	1-2	5	1.
9.a) Edwards Aquifer - Obtain Additional Rights		N/A	N/A	1 - A	1-2	0	2.a)
9.b) Edwards Aquifer - Purchase of 1 - 10 ac. in Uvalde County, West of Kruppa Gap	80,000	\$0.50	\$162.70	1 - A	1-2	2	
****10.a) Wastewater Reuse (20K ac-ft:nonpotable)	20,000	\$0.90	\$292.02	1 - A	0	1-5	1.
****10.b) Wastewater Reuse (30K ac-ft:nonpotable/potable)	30,000	\$0.90	\$292.02	1 - A	0	1-5	
2.b) Purchase of Medina Lake & Recharge	15K - 30K	\$0.84	\$272.55	1 - B	2	2	9.a)
****10.c) Wastewater Reuse (2nd 50K ac-ft)	50,000	\$0.90	\$292.02	1 - B	0	1-5	
8.b) Eastern Region Reuse	5,000	N/A	N/A	1 - B	1-2	5	
11. Cuero I Reservoir	141,000	\$1.49	\$483.46	1 - B	1-5	18	
12. Goliad without Cibolo Reservoir, Including a Conveyance System from Goliad to Applewhite	148,000	\$1.48	\$480.22	1 - B	1-5	18	1.
13. Lindenau Reservoir	107,000	\$1.83	\$593.78	1 - B	1-5	18	

N/A - Information not available.

VIABILITY KEY

1 - Feasible A - Before the year 2000
2 - Questionable B - After the year 2000

* With a firm contract for water rights from one or both of these alternatives, there would be a possibility of contracting with GERA to trade for Canyon downstream rights. It is assumed that between these 2 projects, 45,000 ac-ft/yr would be available to GERA.

** The 40,000 ac-ft/yr yield from Carrizo-Wilcox Aquifer would require approximately 2,000 - 3,000 acres of land and could be brought on line in increments of 5,000 ac-ft/yr.

*** Canyon Regional Water Authority presently in negotiations.

**** Reuse projects are based on the current availability of 100,000 ac-ft/yr of effluent which could increase by another 50,000 ac-ft/yr by the year 2040.

NOTE: Total time for project implementation is the sum of "WATER RIGHTS" and "CONSTRUCTION & LEAD TIME"

TWDIC figures for comparison include treatment, overhead, & maintenance