

Dear Mayor, Members of City Council, and Citizens of San Antonio:

The Alamo Group of the Sierra Club has for many years engaged with SAWS and our city in encouraging responsible stewardship of our water resources, especially the Edwards Aquifer. We recognize the basic human right of adequate safe drinking water for all our citizens. At the same time we insist on the essential water needs of our environment for sustainable wildlife, streams and vegetation. We acknowledge, finally, that water to some extent is viewed as a commercial commodity needed for many business activities in our region.

We believe it is important for San Antonio to clearly separate for discussion these three different needs.

The current SAWS website shows a VISION: "To Be Leaders in Delivering Responsible Water Services for Life". The Mission: "Sustainable Affordable Water Services". We support these statements for "life", meaning clean safe water for human life, and non-polluted water adequate for our environment. There should be a separate category for commercial use, not requiring the same standards as for human consumption.

SAWS has developed strong programs for water conservation, for water recycling and grey water use, and is expanding its use of aquifer storage and entering into desalinization. These programs have allowed San Antonio to continue to grow without any harmful shortfalls in water supply. The SAWS February 2014 Board Meeting included a staff report on "Water Supply Options" that concluded that San Antonio had sufficient water supplies for the foreseeable future, and that none of the submitted water importation pipeline proposals should be accepted. The SAWS Board rejected professional staff recommendations without explanation. At the June 17, 2014, Board meeting SAWS approved a resolution (32.) "finding responsive" new Vista Ridge Consortium proposals, and "directing SAWS to continue meeting with Vista Ridge". In September a draft contract was approved by SAWS and revisions approved October 15. COSA is asked to approve this 613 page contract just two weeks later, on October 30, 2014.

We have important concerns about the process that SAWS has used to develop this contract.

- 1) SAWS has never explained its rejection of staff recommendations. The public perception is that SAWS Board was hijacked by Chamber of Commerce forces that strongly oppose any wiser use of water, e.g. changes in landscaping, additional water conservation measures, enhanced use of water recycling and grey water, etc. Chamber studies assume continued growth and sprawl over the Edwards Aquifer, continued lawn landscaping with drinking water, with no development or water consumption changes for several decades to come. The University of Florida study of urban "water vulnerability" cited in an Oct 16, 2014, SAEN Opinion piece, dates from 2012, and does not reflect any of SAWS current changes, including enhanced ASR and desalinization. It's findings are irrelevant to our present, and irrelevant to our wisely planned future.
- 2) SAWS never opened its contract discussions with Abengoa until they were at an advanced stage, and public participation was not allowed. We sat like spectators at a movie.

- 3) SAWS has never provided any written rebuttal to any of the concerns raised by us or many others in the public. It continues to repeat the Chamber platitudes that we must rid ourselves of a “water short” public image in order for business and people to continue to move here. This is specious reasoning. As noted above, we have no water short fall. SAWS staff have predicted adequate supplies far into the future. We continue to add to the ASR even in a time of drought. We are and can continue to expand greatly our grey water recycling efforts, and we are adding desalinization, with much future additional capacity if needed. And we can do much more in terms of water conservation, without any harm to quality of life in our semi-arid environment.
- 4) SAWS wants Council approval two weeks after receipt of the Contract. Explanations proffered for this rush to judgment include the following: interest rates may rise; other users will rush in to take this water; favorable contract terms may go away. We reject these arguments, and so should you. Predictions of rising interest rates have been commonplace for years, and the fear of some undefined increase should not take precedence over our careful contract review. Blue Water has been paying landowners for these leases for four years already. They are desperate to find a buyer to get a return on their investment at long last. There are NO other cities clamoring for this water, and we will not lose out with a few weeks or months delay. The favorable contract terms are a clear reflection, in fact, of the lack of demand for this resource. If others wanted it the terms would be tougher.
- 5) SAWS has never provided any financial comparison study showing why purchase today of \$2000/acre-feet water (at least four times EA costs) is a good investment today. How does the expense of this project compare with alternatives, such as expanding grey water, desalinization, conservation, etc. The idea that we can’t meet our needs through these means is bogus and has already been disproved by SAWS own staff. Rate payers deserve a true cost comparison study.
- 6) SAWS admits that this water, even by their calculations, will not be needed for many years. It states its intention to become a commercial water peddler, marketing excess water along IH-35. It has provided us NO evidence of any interest from any community in purchasing such water at a profit to SAWS, and with an expected loss of that water a few years later when SAWS customers purportedly will need it. Why will these communities want to pay SAWS for this water, especially when this contract, if approved, will guarantee deep, long-lasting enmity toward San Antonio and SAWS from all of central Texas for many decades to come. Water robber barons will be our name, and we won’t escape the regional backlash.
- 7) SAWS estimates a 16% increase for average rate payers due to this project. This does not include all of the other rate increases to be expected over the next decades. SAWS believes water is priced too low, and worries about its own bottom line which could be threatened by more water conservation, always the cheapest source of new water. Adding very high cost new water to our supply mix is no way to ensure SAWS’s future. We have seen other municipal water systems, like Detroit, incur financial collapse, and urge you to not allow SAWS to jeopardize our water future with this huge financial burden, at least not without doing a proper independent financial analysis of our own.
- 8) SAWS does nothing to address the difference between human consumption and commercial uses of water. This is more than a matter of rates, although proper rate structures to protect the basic human right to adequate, affordable, clean drinking water are vital. Commercial water

uses, and residential landscape uses must be dealt with separately. The same quality of water is not needed. Most of those needs can be addressed entirely by recycled grey water. Companies whose processes demand higher quality water must either install their own secondary treatment processes, or pay a fair price for competing with human beings for an essential resource to life. SAWS will need to vastly expand our grey water pipeline system in coming decades. Vista Ridge money would be far better spent on these vital pipelines, NOT on an unnecessary, high cost pipeline from 142 miles away taking water away from other Texans.

- 9) The proposed contract includes language about ethics and key persons, and yet Blue Water is a company of very questionable history, and felonious leadership. This should be carefully investigated since the contract only approves “without inquiry” (p69, p123).
- 10) The contract includes discussion of “demand shortfall” and contract term extension for adjustments of these matters, for up to 20 years. There is a clear implicit, if not explicit, that SAWS will take the Baseline Water available (50,000 acre-feet) most years. There is nothing in this contract that suggests SAWS will do anything but happily take all the water provided. In such a case, it is absolutely incumbent upon City Council to DIRECT and DEMAND that SAWS vigorously pursue the other water programs already available to us, to protect us from costly Vista Ridge water for as long as possible, e.g. ASR storage, desalinization, conservation, grey water etc. Just as an example, there are reports of new ways to inexpensively harvest water from fog and humid air (like we have) with various screen and grill and collector structures. What if we have invested today \$3.4+ Billion in \$2000+/acre-feet water, and find ten years from now we can collect 50,000 acre-feet/year right here in San Antonio? Is it wise to assume that the only future we can anticipate is one that looks exactly like the present , only with more of it?
- 11) SAWS and Abengoa assume that all permits will be approved, and condemnation processes—if necessary—successful. Two pages of potential endangered and threatened species are listed, and archeological sites also. What if there are substantial delays due to these issues, and others such as litigation by unhappy neighbors in Central Texas? Yes, Abengoa incurs most of the risk, but why is SAWS ignoring these issues? Why is SAWS so uninterested in the health of the Carrizo Aquifer in Central Texas, and willing to potentially substantially reduce inflows to Colorado, Brazos and other local rivers. We disagree with SARA that it makes any financial or environmental sense to take water out of Central Texas to support our San Antonio river. No EPA Environmental Impact Statement may be required; however, some abbreviated such analysis should be demanded by City Council in order to judge the impact of this project.
- 12) SAWS says Vista Ridge is necessary to diversify our water supply and protect our aquifer. However, our water supply is already diversified, and added ASR and desalinization will continue to expand that diversification. Our aquifer is not sufficiently protected, but this project will only encourage more sprawl and threatening growth over the EA. The Crescent Hills agreement is a model of how more EA protection should be achieved. Meanwhile SAWS itself should do a much better job of protecting the aquifer in its own permit and development approval processes.
- 13) This project will use large amounts of electricity over its construction and life. We have reviewed Table 6 of Appendix 9. However, there are no actual numbers provided that provide clear estimates (that we understand at least). SAWS should provide clear numbers for estimated

electricity consumption impacts for this project. CPS should provide us a clear statement of how it plans to provide this electricity, and if not CPS then the other anticipated suppliers.

- 14) The carbon impact of this project has gone entirely unmentioned. Around the country, states and communities are including such an assessment in every major capital project such as this. We should include this in an appropriate Environmental Assessment.

We strongly urge you to NOT encumber the citizens of San Antonio with decades of high cost water infrastructure and supply that is not, and probably will never be needed. At the very least, please delay a vote until you can obtain independent financial and environmental review to support this project.

We want SAWS to continue its model reputation as a leader in water conservation. That reputation is on the chopping block with this project, and will be lost for decades if you move forward without due diligence and proper public discussion. This is a far bigger project than Street Car, with far wider implications for a large part of Texas. This project deserves a PAUSE/RESET for public discussion, just as Street Car did.

Sincerely,

Alamo Group of the Lone Star Chapter of the Sierra Club