

**Citizens Advisory Panel
November 14, 2006
Meeting Summary**

Attendance:

Howard Peak	Ben Youngblood
Gene Dawson Jr.	Rene Cortez
Dr. Ed Roy	Joe Fulton
Evelyn Bonavita	Dr. Weldon Hammond
Jerry Green	Nettie Hinton
Richard Araujo	Eiginio Rodriguez
Dave Barton	

Excused:

Marianne Kestenbaum	Orlando Cisneros
Tony Navarrete	Steven Schauer
Susan Wright	Luci Cockrell

Absent:

SAWS Staff:

Michelle Eisenhauer	Darren Thompson
Rene Gonzalez	Chuck Ahrens
Patrick Shriver	Mario Aguilar
Kevin Morrison	Stephanie Bocanegra
Esther Harrah	Steve Fletcher
Calvin Finch	

Board Member:

Doug Leonhard

Call to Order

The meeting was called to order by Mr. Howard Peak at 6:01 p.m.

Approval of Minutes

Mr. Peak asked if there were any changes to the minutes. Mr. Youngblood moved to approve the minutes, and Ms. Bonavita second the motion. The minutes were approved for the October 10th meeting.

Edwards Acquisitions Benchmarking (Benchmarking Open Discussion)

Dr. Roy stated that the committee would review the previous comments and make recommendations if needed.

Additional Comments for question 1: Dr. Roy asked if the issue about the 10% provided to other entities that team with SAWS? Mr. Finch confirmed with Mr. Dawson that the issue had been resolved. Mr. Green asked how much Edwards permitted water does SAWS have. Mr. Thompson stated if staff accomplishes its goals, SAWS will have 60 to 65 percent.

Additional Comments for question 2: Mr. Youngblood had the comment about the 60,000 ac/ft exceed amount. Mr. Finch replied that this was an important recommendation. Ms. Bonavita stated that she was not comfortable with the recommendation. Mr. Youngblood stated that we have an obligation to our rate payers first and he was less concerned how we are viewed in other markets than he was to the citizens of San Antonio who are paying the bill. Ms. Bonavita wanted it known that her views are not reflected in this recommendation. Mr. Finch asked if there was some interest in saying there were some advantages to diversification. Mr. Youngblood said the committee could say opinions on both views were strongly expressed. Ms. Bonavita stated if it is the responsibility to get the cheapest water for the rate payers then the Water Resources Plan Update needs to be revisited because some of the sources that are in there

have gotten more expensive than they use to be. Mr. Peak agreed with Ms. Bonavita by stating the board has a fiduciary responsibility to insure the customers of San Antonio as much water as they need at the lowest price available. Ms. Bonavita replied the CAP needs to look at the environmental impacts each project provides. And buying all of the available water in the Edwards would not be environmentally sound. Mr. Dawson clarified what the intent of the comments were from the last meeting. Dr. Roy states the comments recommend for staff to be flexible in taking advantage of opportunities in acquiring additional Edwards. Mr. Peak added that having water period is the issue and since San Antonio needs additional water right now to help with our current shortfall. Mr. Finch added that the 10 percent is a component of letting SAWS become a regional partner and that it equaled the other municipalities' percentage of usage that they currently controlled.

Additional Comments for question 3: No Additional Comments

Additional Comments for question 4: Mr. Peak made a comment about the endangered species and the human factor that is also being affected. Dr. Roy made the suggestion of taking the word endangered out and change the comment to the species and environment were dependent.

Additional Comments for question 5: No Additional Comments

Additional Comments for question 6: No Additional Comments

Additional Comments for question 7: Mr. Peak asked Dr. Hammond if there were any limitations on pumping water from the other side of the Knippa Gap and bringing it over to San Antonio. Dr. Hammond replied from the model runs show the Knippa Gap is flow restrictor and if in fact the San Antonio pool was pumped hard eventually water from the Uvalde Pool would bleed over into the San Antonio pool, but it would be a time delay before that would happen. Mr. Finch stated that Dr. Dutton is doing research that could be interesting to the CAP.

Additional Comments for question 8: No Additional Comments

Additional Comments for question 9: No Additional Comments

Additional Comments for question 10: Mr. Peak stated that purchasing water rights as of this recommendation is still within the law at this time. Mr. Youngblood added it appears to be within the law.

Additional Comments for question 11: No Additional Comments

Additional Comments for question 12: Mr. Green stated he still did not know what the legal restrictions could be. Mr. Peak stated it boils down to what the law requires to do. And it would be his hope that there could be a way for SAWS to find more water without going thru a process that makes it more expensive for the system and disrupts the market place. Mr. Leonhard replied the board rejected the bids because they felt the market was not at that level yet. He added that the System is looking into the legal ways we can negotiate without having to go to a public bid. It was his understanding that the public bid was established for contracts and bids for service. He did not think the legislature ever contemplated a situation where a municipality would have to acquire water rights using this method. He felt the situation was difficult at best, and that the committee was right on the mark with their concerns. Mr. Youngblood replied that no one

expects a public agency to bid when purchasing a new piece of real estate, so why should they have to utilize the bid process for water rights which are considered real estate rights. Mr. Dawson had a concern with the issue of someone on the staff stating the System needing to utilize the bid process for one project (The Edwards) and not the other (Regional Carrizo). He asked if this issue should be on the legislative agenda to be fixed or at least looked at for clarification. Ms. Bonavita asked what the lowest bid was on the last go around. Mr. Ahrens replied \$4,895. Dr. Hammond made the comment that staff needed to add the word water after purchase and lease Edwards Aquifer.

Additional Comments for question 13: No Additional Comments

Mr. Dawson wanted to go back to the issue on question #2 that Evelyn was concerned with and add the comment in compared to the balancing of our goal of diversification, or some other “Balancing Statement” to the comment where it says SAWS should be active. Ms. Bonavita replied that comment would be fine.

Mr. Finch stated the Edwards summary was not as lengthy as the LCRA summary, but he thought that it summed up the thoughts of the committee. He asked the committee if they wanted to go thru another round of recommendations, or would it be reasonable to move forward with the document with the additional comments from the discussion. Mr. Peak said he felt that with the comments made during the discussion it would be ok to move forward with the document.

Water Resource Committee (Calvin Finch – Briefing)

Mr. Finch stated there were several important issues at the Water Resources Committee.

- Board passed the LCRA study plan budget for the 2007 budget period which was about \$8,000,000 dollars. We expect to get \$2,000,000 from the federal government for agricultural conservation.
- The Executive Committee discussed the bidding process and how it affected the market. The Board of Trustees made the decision not to accept the bids, and asked staff to come up with recommendations in terms of how to pursue the acquisition goals.

Comments & Responses:

Mr. Dawson asked what happened on the Surcharge issues and if a decision was made by the Board of Trustees. Mr. Finch stated he was proud to say they did. Mr. Dawson asked if the conclusion of the surcharge would be based on some flat flow or would it be based on the 35% reduction by commercial. Mr. Finch stated that commercial and residential would equally share the burden. Mr. Green asked if SAWS had any clout in the developments over the Trinity Aquifer, because they know there isn't enough water yet they are still building. Mr. Finch stated the Board brought up the same kind of issues and recognized that we are not going to leave anyone in a bind. Mr. Dawson stated SAWS is very aggressive in providing water and sewer service to properties, which is a good thing and it is the reason we do not have a lot of Municipal Utility Districts, MUDs, pumping the Trinity Aquifer. SAWS has taken the position to be the regional supplier of water and waste water.

Update on Groundwater Desal & Regional Carrizo (Esther Harrah – Presentation)

Ms. Esther Harrah, Manager – Water Resources provided presentations on both the Brackish Groundwater and Regional Carrizo project efforts.

Brackish Groundwater Presentation

- Background information on the project
- Accomplishments to date
 - Completed Test Site Selection
 - Completed Initial Procurement
 - Drilling of Monitoring Well 1
 - Adoption of Evergreen Rules Nov. 3, 2006

Comments & Responses:

Mr. Dawson said 1200 TDS is very low, and asked if we move further south would the TDS increase. Ms. Harrah yes it would increase. Mr. Dawson then asked what kind of production rate can the System expect per well to pump 20 million gallons per day, and how many wells would we need. Mr. Morrison stated we would probably need about 500 gallons per minute production and about 40 wells to produce the 20 million gallons per day. Ms. Bonavita asked if Mr. Morrison was encouraged about the potential outcome. Mr. Morrison stated he was very comfortable that the water is there. Mr. Dawson asked about the agreement with Evergreen, and what would we expect. Mr. Finch stated that so far there is no competition for this product, and they are excited to be partners with us in developing this source. Ms. Hinton asked if there was a lot of science in the Wilcox Aquifer. Mr. Morrison said most of the science is from the oil field activities, and there is not a lot water related information because of the depth of the wells needed. He stated we will need to monitor the results of the modeling which is included under the RW Beck contract. Mr. Youngblood stated that the Wilcox is productive in other areas of the Wilcox. Mr. Green asked is there were any rules to protect the fresh water portion of the Wilcox. Mr. Finch stated there are rules in place. Mr. Dawson asked what TDS level would we have to treat to, to get it into the system. Mr. Morrison replied that we would treat to the level of the Edwards water levels.

Regional Carrizo Project

- Background on the project
- Groundwater Leasing Activity
 - Leases Acquired to date
 - Leases in Eastern Gonzales – Commence in 2007
- Proposed Phase One Project Facilities

Comments & Responses:

Ms. Hinton asked what the Water Protection Association? Ms. Harrah said it was a group of stakeholders in Gonzales County. Mr. Peak asked if Bexar Met was going to continue to be a protestor of our permit application. Ms. Harrah replied yes, because she has not heard otherwise. Mr. Peak asked what the terms of leases were. Mr. Finch replied that it was \$100 dollars for the first acre-foot in the initial year, then \$62.5 dollars per acre-foot there after for perpetuity. Mr. Hammond asked what level would be the trigger for production to stop. Ms. Harrah replied the level was at a 100 foot drawdown. Mr. Green asked what the water quality was. Mr. Morrison stated that it was about 450 TDS. Ms. Hinton asked if our project would be affected by the Trans Texas Corridor. Mr. Finch stated that it is not clear right now because it is still a moving target.

Citizens to be Heard

Mr. Hoffmann had comments about the Regional Carrizo Project.
Mr. Finger also had comments about the Regional Carrizo Project.

Schedule Next Meeting: January 9, 2007.

Adjournment: Mr. Peak stated that Mr. Finch wanted to know if it would be ok to ask the committee if it would be possible to not meet for the December meeting, with no objections the December meeting was canceled. With no further business to discuss, the Citizens Advisory Panel Meeting was adjourned at 7:50 p.m., by Mr. Howard Peak.