

Dear Mayor and City Council Members:

I. History: The San Antonio Water System (SAWS) was formed 28 years ago, partly in response to a Sierra Club lawsuit initiated to protect endangered species suffering from declining spring water flows as a result of over pumping of the Edwards Aquifer. The Edwards Aquifer Authority (EAA) was established to manage and protect our Edwards Aquifer, from which San Antonio (SA) draws the majority of its drinking water. SAWS was established as a City of San Antonio (CoSA) owned public utility, to manage and maintain our water supply system.

The successful lawsuit initiated new approaches to our regional and community water situation, and made water conservation a major priority for EAA, San Antonio and SAWS. SAWS became a leader in water conservation and our per capita water use dropped almost in half from 200 gpcd. At the same time, voters repeatedly rejected proposals to add expensive new water supplies, especially surface water storage dams, wisely recognizing that conserved water is our cheapest water, and that surface storage in our hot dry climate is terribly inefficient, and unreliable given our periodic extended droughts. Citizens have fully supported cost effective, scalable water supply expansions like the Aquifer Storage and Recovery (ASR) program, and desalination of deeper brackish water aquifers.

II. Vista Ridge: In 2014, SAWS staff rejected, as unnecessary and not cost-effective, all responses to a Request for Proposal to bring in water from neighboring (to distant) areas. The SA Chamber of Commerce (CoC) around that time issued an economic study projecting far greater water demand than SAWS or others considered reasonable. Largely on the basis of this CoC study and their lobbying, SAWS Board of Trustees (BOT) then rejected staff recommendations and entered into contract negotiations with a Spanish water purveyor called Abengoa, concluding negotiations in a few months. City Council (CC) approved by 11-0 the Vista Ridge (VR) contract in fall 2014, only a few weeks after the contract was publicly released and approved by SAWS BOT. This was at a time when Abengoa was already known to be in financial difficulty, and Abengoa did go into bankruptcy within 18 months. At the time of contract negotiation and CoSA approval, NO independent financial, contractual or other review of this \$3.4 Billion project was conducted.

Many groups have expressed concerns about the VR project, and not only its cost to rate payers. Many concerns addressed the unwillingness to put this issue to a public vote. The rejection of SAWS staff recommendations raised red flags, as did the interjection of CoC in the decision process. Moreover, the novel use of a “Public Private Partnership” (P3) to structure this contract raised red flags because hydrologic studies and other information used by banks were NOT available for public scrutiny. The contract negotiations may have been “transparent”, but the evidence on which they were based was opaque.

Major contract changes have occurred since then, which CC relinquished entirely to SAWS to manage and without providing the oversight, review, and approval expected by citizens for such a massive project. Many questions raised at SAWS BOT meetings by citizens about VR, conservation programs, and lobbying efforts by SAWS go either unanswered, or at times seem to be falsely or evasively answered. Freedom of Information Requests to both SAWS and CoSA have revealed virtually no VR information at CoSA (truly astounding), and very limited information at SAWS (most “protected” through the P3, and so not accessible).

III. Rates: Rate advisory committees (RAC) in 2014-5, and 2019-20, were managed in ways that raised many questions from environmental and social justice groups. Water rates for residential customers have increased over 50% due to VR. The Capital Improvements Advisory Committee (CIAC) at SAWS repeatedly gives major breaks to developers, in that imposition of

even 100% of allowable fees recovers only a fraction of impact costs of new development to SAWS, and 100% is never actually approved.

IV. Conservation: SAWS conservation leadership should be put into context. The conservation program is no longer under its own Vice President, as it was before 2014, but instead was moved into Public Relations. The conservation program represents a TINY portion of SAWS budget. SAWS predicts declines in water use much more limited than previously achieved, suggesting a decline in ambition. VR will bring in FAR more water than SA needs for many years. SAWS has tried to market this water but without success. VR water will be 5 times more expensive than EA water.

SAWS has a drought management plan, but its goal is to NEVER have to use it. The excess VR water will fulfill this purpose while greatly discouraging further conservation. SAWS speaks of “one water” planning but does not work with the city and county to decrease sprawl, decrease impermeable surfaces, expand low impact development practices, reduce and mitigate flooding with natural methods, or work for rules to restrict sprinklers and turf grasses, all important for “one water” management and better water conservation practices. SA and SAWS can and must do much more to maximize efficient use of our water resources. Expensive water importation schemes like Vista Ridge can and should be avoided in the future.

V. Board of Trustees (BOT): SAWS BOT Members are nominated and approved by City Council. Approval of BOT, and SAWS rates, are two SPECIFIC avenues of oversight provided to CC in dealing with its public utility. Council and Mayor, in the opinion of many, fail to provide meaningful oversight, even in these specific ways, largely accepting Board nominees without reservation. It is only in recent years, as water rates continue to rapidly rise, that individual Council members have found voice to question, and even vote against, requested rate increases. Board members have term limits, which are routinely ignored. Council fails to act and rules are ignored. The public suffers.

VI. CEO: SAWS General Manager/CEO Robert Puente has been in place for almost half the life time of SAWS, over 12 years. His compensation package is now one of the highest in the nation for not just public but also private water utilities. This is occurring in one of the poorest and most economically segregated large cities in America. Mr. Puente is promoting the P3 success of VR on expense paid trips around the nation, while rate payers wonder why they pay him so much.

VII. Lobbying: SAWS conducts its own extensive (and expensive) lobbying activities without any meaningful oversight by CoSA, often in direct opposition to public and ratepayer interest, and at times in direct contradiction to its own earlier promises (e.g. stating it will not attempt to alter Ground Water Conservation District (GWCD) rules to hamper their ability to decrease VR flow if needed to protect the Simsboro aquifer).

VIII. City Council: Many individuals and groups have raised questions about all of these issues over the years, repeatedly, to both the SAWS BOT and to the SA Mayor and City Council. Efforts have uniformly been respectful, and largely ignored. We have been told that VR is a “done deal”, even before construction began, and completely ignoring the breadth and substance of our concerns about SAWS.

As summarized above, we believe VR is symptomatic of a “public” utility that is a rogue agency. It functions to feather the nest of its own Board and CEO, in collusion with developer interests demanding (and profiting from) massive water projects. This is all while largely ignoring or giving lip service to public input, ignoring and misrepresenting staff input and science when convenient, giving PR lip service to conservation while pursuing a massive water

expansion model to suit those who benefit from sprawl and endless growth, hiding information behind P3 and in other ways, belittling a largely passive and uninvolved CC, ignoring board term limits and the propriety of huge CEO salary and bonuses, and evading at all cost the proper established role for citizen votes in such a massive project as VR.

Our continuing efforts to get SA Mayor and Council to conduct some sort of “review” or “audit” of VR and SAWS operations have been ignored. Last year, prior to elections our now Council Members Trevino, Garcia and Andrews-Sullivan voiced support for the League of Independent Voters (LIV) “Vista Ridge Resolution”, and agreed to introduce language calling on Council to vote to approve such a review. We are still waiting but remain hopeful that the Mayor and City Council will take its oversight responsibility of our public utility seriously. We hope that you will act now. In the meantime, we are starting a petition drive to obtain a public vote on “the SAWS Accountability Act”. The people sometimes must take democracy into our own hands when our elected officials fail us.

Thank you for your service,

Members of the SAWSActPAC

Bob Martin, Homeowners-TaxPayers-Association of Bexar County

Ellen Berky, League of Independent Voters, San Antonio

Terry Burns, Alamo Group of Sierra Club