



August 3, 2005

Mr. David Chardavoyne
1001 E. Market St.
P.O. Box 2449
San Antonio, TX 78298-2449

Dear David:

Thanks for your informative presentation on Friday, July 29, 2005, to our combined Ad Hoc Water Committee and Public Affairs Water Committee. The Chamber appreciates the time you took to present information and background on the SAWS Water Resource Plan 2005 Update. We particularly appreciate your inclusiveness and willingness to respond to questions from the participants.

We commend the SAWS Board and you for undertaking the rigorous review of the various water projects in the interest of SAWS ratepayers, the greater San Antonio area, and the business community. We recognize that the kind of scrutiny you and the Water Supply Task Force gave was timely and necessary.

We recognize there are sound reasons—among them, budget and rate-setting considerations—for SAWS to proceed with its schedule for Board approval of the Update at the August 16 Board meeting. Nonetheless, in view of SAWS' request for public comment on the Update, from Chamber members as well as other members of the public, we request that the date for final approval be postponed. We believe that for SAWS to take another 30 days to allow the public to both understand and evaluate the plan would be in everyone's interest. The short delay would demonstrate SAWS' good faith in requesting comments as well as provide SAWS an opportunity to make adjustment to the Update, if further analysis so dictates. It would also provide time for SAWS to address the widely disseminated comments from Rep. Carter Casteel and those of other members of the Texas Legislature.

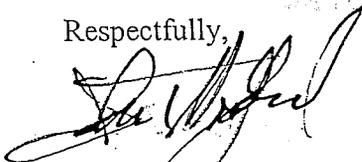
Here are the continuing concerns that have been raised by our members:

1. PS1 vs. PS2—The consensus of the business community appears to be that it makes sense for SAWS to plan for the water demand of the greater San Antonio area, or PS2. How will SAWS obtain the buy-in from the non-SAWS purveyors to become the regional wholesale water provider?
2. Planning year 1984—Is the selection of 1984 fully supportable?

3. Per capita daily use—Is the number (116) realistic, in view of all relevant factors?
4. Quantity of supply—Is there enough in the Update to meet future demand?
5. Growth and economic development---Does the Update help send the message that San Antonio will have sufficient water supplies to support population growth and new jobs?
6. Reliability of resource alternatives---Has SAWS gauged carefully the reliability of desalination of brackish groundwater, Edwards recharge, and other projects previously untried in this region?
7. Edwards pumping rights---In view of the outcry from some downstream users, how will SAWS justify the purchase of increased Edwards Aquifer pumping rights? What is SAWS strategy for utilizing those rights, if acquired? How will increased municipal pumping affect ESA-required springflow requirements?

We appreciate your considering our request for slowing down the process. We look forward to hearing your thoughts about the points raised earlier in this letter. We look forward to being able to fully support a final plan that will be good for SAWS, Bexar County and our region.

Respectfully,



John T. Montford



Joseph R. Krier