

San Antonio Water System

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News Release

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SAWS, GBRA, SARA Ink Water Deal for 23 Billion Gallons of Water

San Antonio Water System (SAWS), Guadalupe-Blanco River Authority (GBRA) and San Antonio River Authority (SARA) officials today announced the startup activities of a water supply project that will secure a substantial new source of water for San Antonio and the surrounding region's future. The project will make nearly 23 billion gallons (70,000 acre feet) of water per year available from the Guadalupe River to San Antonio and the surrounding area by 2010 or sooner. Heads of those agencies then ceremonially signed the contract to seal the deal.

"The entire Edwards Aquifer region should take pride in this moment," said SAWS President/CEO Gene Habiger. "This water deal embodies the needed change from creating problems through legal challenges over limited water supplies to cooperatively solving problems by sharing those resources."

Habiger emphasized the importance of diversifying San Antonio's water sources. He noted that the population will double in the next 50 years and aggressive actions are underway to make sure water suppliers in the region will meet all water needs.

"A quality, reliable water supply is key to this region's economic success and quality of life for families living here. Today's announcement demonstrates that SAWS and our regional partners are committed to meeting all of our customers' water needs for decades to come."

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GBRA's General Manager Bill West explained that the detailed work of implementing the water supply project is about to begin.

"Since existing downstream permits are being used for the project, we will immediately start to work on obtaining the necessary permit amendments from the State to make this water available. That will entail working with State agencies to answer any questions they may have about this project. A significant portion of the environmental work was done through the SB 1 State water planning process."

West also explained that they will begin designing a project plan that will include the facilities needed to draw water from the Guadalupe River near the coast and potential alignments of the 130-mile pipeline that will transport the water to the San Antonio Region. A management committee made up of the three agency's staff will direct and oversee this project plan development.

SARA General Manager Greg Rothe explained that his agency and SAWS will also begin to look at other potential customers in the San Antonio River Basin and begin meeting with communities along the pipeline route.

"This is truly a water project for the region. There are smaller cities and water purveyors in our river basin that will need to secure their water future. This project has the promise to make that water available. We will now begin serious water supply discussions with those folks who need additional water supplies in the San Antonio River basin."

The water rights GBRA will make available are existing senior rights but the agency will need to get approval from the State (TNRCC) to change the location of where the water will be used. West emphasized that these are existing run-of-river water rights and no Canyon Lake water will be delivered through this project to SAWS or SARA.

The group of water executives did not hesitate to point out that this change in the permit will not be automatically granted.

“The Texas Water Development Board initially stated that they viewed this water sale as an ‘interbasin transfer’ which means that the water rights would go from senior status to junior status,” West explained. “That would make the water less reliable and more costly.

“Because the water will be diverted below the confluence of the San Antonio and Guadalupe Rivers, we firmly believe that this is not an interbasin transfer. We have begun to discuss the uniqueness of our basin with the State.”

While the region’s water plan lists the water being delivered in 2010, construction on the project could begin as early as 2004 and completed by 2007. The eventual timeframe for delivery of the water will depend on the time it takes to acquire needed permits.

“Another positive point about this project,” Habiger concluded, “is that eight to ten years is a quick turnaround time for a major water development such as this. That is a major benefit in terms of protecting the Edwards Aquifer and making sure that our water supply is a benefit to San Antonio’s future economic growth.”

This announcement and contract signing is the culmination of more than three years of negotiations. While the boards of the various agencies approved the deal earlier in the year, the work of making the water available begins with the official signing of the contracts.

January 10, 2001

FACT SHEET

LOWER GUADALUPE BASIN WATER SUPPLY AND DELIVERY AGREEMENT Between the Guadalupe-Blanco River Authority, San Antonio Water System and the San Antonio River Authority

Participants:

- Guadalupe-Blanco River Authority (GBRA), San Antonio Water System (SAWS) and the San Antonio River Authority (SARA)

Project Description:

- The Agreement is for 70,000 acre-feet of raw water per year initially. The water will be diverted at a point in the Lower Guadalupe River Basin below the confluence of the Guadalupe River and San Antonio River, located approximately 133 miles southeast of San Antonio. The Agreement allows for amounts of water greater than 70,000 acre-feet to be purchased on an interruptible basis when not needed in the Guadalupe Basin.
- The water will be delivered under a contract with GBRA and purchased by SAWS and SARA. The term of the Agreement is fifty years.
- The water will be used in Bexar County/San Antonio and in the rest of SARA's four-county district.

Benefits to the Region:

- The Agreement is consistent with and supports the approved SB-1 Water Plan for the South Central Texas Regional Water Planning Area (Region L). The water supply project that contemplates the use of this water is in the approved plan, and is scheduled for development by 2010.
- The Agreement demonstrates the desire of the region to fully utilize sources of water within the region and is an expression of the intent and resolve of the SAWS, SARA and GBRA to solve water problems on a regional basis.
- The Agreement between the agencies creates a win-win water supply project for all Edwards Aquifer users. The surface water supply will help assure springflow from the Edwards Aquifer to the Guadalupe River for uses upstream of the diversion point and continues to diversify San Antonio and Bexar County water resources by reducing reliance on the Edwards Aquifer.

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WATER SUPPLY AGREEMENT
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- A companion agreement between SAWS and SARA will divide the rights and responsibilities of the Purchasers in the Water Supply and Delivery Agreement with GBRA. The agreement between SAWS and SARA provides that all water users within SARA's district will have an opportunity to participate in the water supply made available for the Lower Guadalupe River under the Water Supply and Delivery Agreement with the GBRA.

Water Delivery:

- Existing water rights in the Lower Guadalupe River owned by GBRA are the source of the supply. Water diverted under these rights is very reliable, however, the full contract amount may not be available during drought.
- The price for the water is \$60 per acre-foot at the diversion point with an escalation clause based on the Consumer Price Index. The price for water taken on an interruptible basis is \$35 per acre-foot.
- GBRA will be responsible for permitting, design, construction, financing and operation of diversion facilities at the Guadalupe River. SAWS and SARA will be responsible for development of facilities to treat, store and deliver water from the diversion facilities to the points of use.
- The Agreement provides for a seven-year reservation period at the beginning of the term for the Purchasers to make decisions about the development of the future project to deliver the water to San Antonio, Bexar County and surrounding region. Examples of future decisions are integration of this supply with other supplies, treatment, delivery and storage options and sizing of those facilities.
- SAWS and SARA will have additional cost, estimated in the approved SB-1 Regional Water Plan for the South Central Texas Regional Water Planning Area (Region L) to be \$695 per acre-foot, to pipe, store, treat and deliver the water to the point of use.
- SAWS and SARA will have the ability in the Agreement to acquire additional supplies of water from sources other than GBRA and to oversize the diversion facilities at their cost to deliver those additional supplies.

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