

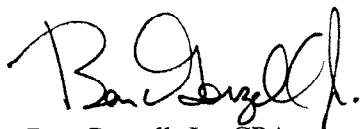
CITY OF SAN ANTONIO
Interdepartmental Correspondence Sheet

"B" SESSION

ITEM NO. B

TO: Mayor and City Council
FROM: Ben Gorzell Jr. CPA, Public Utilities Supervisor/Assistant Director, Finance
Department
THROUGH: Terry M. Brechtel, City Manager
COPIES: Melissa Byrne Vossmer, Assistant City Manager; Milo D. Nitschke, Director of
Finance; Thomas G. Wendorf, P.E., Director of Public Works; File
SUBJECT: Public Utilities Office Recommendations on Proposed Increase to Water Supply Fee
by the San Antonio Water System (SAWS)
DATE: November 7, 2002

On November 7, 2002, in City Council "B" Session, the San Antonio Water System (SAWS) will brief the City Council on the status of water resource projects through the third quarter ended September 30, 2002, and a proposed increase in the Water Supply Fee. On November 5, 2002, the SAWS' Board of Trustees will consider an incremental increase in the Water Supply Fee of \$.0136, an increase in the fee from \$.0708 to \$.0844 per 100 gallons effective with billings in January 2003. Following the SAWS briefing, the Public Utilities Office will brief City Council on its recommendation on the proposed increase in the Water Supply Fee by SAWS. A detailed memorandum will be forwarded to you prior to the "B" Session on November 7th.



Ben Gorzell, Jr., CPA
Public Utilities Supervisor/
Assistant Director of Finance
City of San Antonio

Approved:



Melissa Byrne Vossmer
Assistant City Manager



Terry M. Brechtel
City Manager

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
SAN ANTONIO WATER SYSTEM**

TO: Mayor and City Council

FROM: Eugene E. Habiger, General, USAF (Ret.), President/Chief Executive Officer, San Antonio Water System and Thomas G. Wendorf, P.E., Director of Public Works, City of San Antonio

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa Byrne Vossmer, Assistant City Manager, File

SUBJECT: Third Quarter 2002 Report on Water Resources

DATE: November 7, 2002

SUMMARY AND RECOMMENDATIONS

The City of San Antonio/Bexar County community reached a significant milestone on October 19, 2000. The San Antonio City Council via Ordinance # 92753 approved a multi-year funding mechanism for the construction and development of additional water resources to meet our projected water demands for the next 50 years. City Council requested a status report of all on going water resources projects that are being funded through the water supply fee on a quarterly basis. This report will be the third quarterly report for calendar year 2002.

- The Executive Summary (Attachment I) provides an overview of the San Antonio Water System's overall water resource development program. The summary includes third quarter 2002 status of water resources projects, achievements, and a financial summary.
- The full report includes a recap of the water supply fee; detailed project summary sheets for all water resource related activities, projected timelines, budgets and expenditures for the period January 2001 through September 2002.
- The full report also includes an affordability section that outlines SAWS efforts to assist low-income customers. These programs include:
 - Meter Charge Discount
 - Project Agua
 - Plumbers to People
 - Laterals to People
- Appendix I includes financial summaries by SAWS core business' which include Water Supply, Water Delivery, Wastewater, and Heating and Cooling.

BACKGROUND INFORMATION

In 1998, the SAWS Board recommended, and City Council unanimously adopted, a 50-year water supply plan to be used as a sounding board to meet the future water needs of San Antonio. With that action, City Council directed SAWS to begin implementing that plan. The supply plan is the final product after a decade long planning effort involving a succession of broad-base citizen committees.

The next stage in the implementation process was to create a funding mechanism to pay for the needed additional water supplies. SAWS is financing these requirements through a new Water Supply Fee that is shown as a separate item on all water and sewer bills. This fee was passed by City Council in October of 2000 and went into effect in January of 2001.

The financing plan provides for annual incremental increases in the charge that are specifically directed toward the funding requirements of the water supply projects being developed. The funds generated by the fee are restricted by City Ordinance to the following purposes:

- The acquisition of new water supplies, water rights, and associated costs such as permits;
- Land acquisitions for new water resource projects;
- Debt service for new water resource projects;
- Operation and maintenance of the new water resources;
- The infrastructure required to integrate the new water supplies into SAWS' existing distribution system; and
- Administration overhead specifically related to water resources acquisition, water quality protections, permits, etc.

One of the provisions that City Council authorized with the adoption of the water supply fee was strict accountability of the funds being generated and awarded. Along with the strict accountability, Council also requested a status report of all ongoing water resources projects funded through the Water Supply Fee on a quarterly basis.

POLICY ANALYSIS

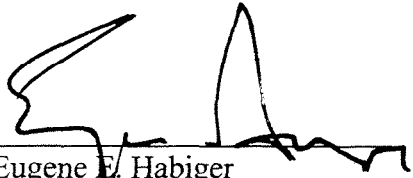
This briefing is consistent with the policy set forth by City Council that SAWS present a report of the water resources projects funded through the Water Supply Fee.

FISCAL IMPACT

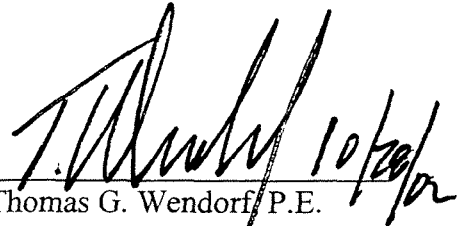
This briefing will not have a fiscal impact on the City of San Antonio.

COORDINATION

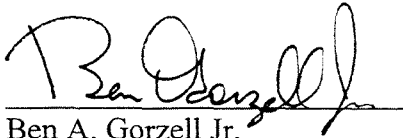
This request has been coordinated by the San Antonio Water System and the Public Works Department.



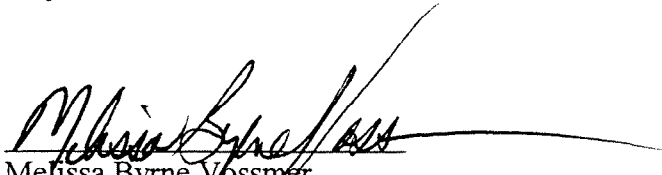
Eugene E. Habiger
General, USAF, (Ret.)
President/Chief Executive Officer
San Antonio Water System



Thomas G. Wendorf, P.E.
Director of Public Works
City of San Antonio



Ben A. Gorzell Jr.
Supervisor of Public Utilities
City of San Antonio



Melissa Byrne Vossmer
Assistant City Manager
City of San Antonio

Approved:



Terry M. Brechtel
City Manager
City of San Antonio

**San Antonio Water System
Quarterly Report on Water Resources
July - September 2002
Executive Summary**

The City of San Antonio/Bexar County community reached a significant milestone on October 19, 2000. On this day the San Antonio City Council via Ordinance # 92753 approved a multi-year funding mechanism (Water Supply Fee) for the construction and development of additional water resources to meet our projected water demands for the next 50 years. City Council required strict accountability of the funds generated by the Water Supply Fee with respect to new water supply project investigation and development. To address accountability, a quarterly report to City Council, city staff, and the public outlining the financial status and water supply project progress was requested. This report serves as the third quarterly report to City Council for calendar year 2002.

The year-to-date Water Supply Fee projected revenue was \$28.6 million (January – September 2002). Actual year-to-date revenue collected was \$28.0 million (January – September 2002). Cumulative water supply revenue (since implementation of the water supply fee) was projected to be \$49.4 million through the third quarter 2002. Actual revenue collected was \$47.5 million. The actual revenue collected is less than the projected because of rainfall during the spring of 2001. The San Antonio Water System (SAWS) continues to manage existing water supplies and develop additional water resources pursuant to the multi-year financial plan. Third quarter 2002 activities are summarized below.

Significant Accomplishments July - September 2002:

- Bexar County Aquifer Storage & Recovery Project (ASR) - On July 16, 2002, the SAWS Board of Trustees awarded approximately \$110 million for construction of the ASR well field, water treatment plant, high service pump stations, and pipeline segments required to complete Phase I of the ASR project. A formal groundbreaking ceremony was held in south Bexar County on July 31, 2002.
- LCRA – SAWS Water Project - A one-year study plan budget was developed and approved by the contract committee. Funding (\$1.0 million) was approved by the SAWS Board of Trustees on August 20, 2002. The Technical Advisory Panel, and the Science Review Panel have drafted a High Level Study Plan. The High Level Study Plan is an outline of studies required to address the environmental, technical, and economic aspects of the project.
- Lower Guadalupe Water Supply Project - SAWS and the San Antonio River Authority (SARA) staff are working on an initial ground water lease agreement, for up to 40,000 AF/yr. or the exportable volume permitted by the area Groundwater Control District. A ground water availability and sustainability study is in progress.
- Conservation - The SAWS Conservation Department launched the “Welcome Home” initiative during the quarter. This initiative is a partnership between SAWS and the Greater San Antonio Builders Association (GSABA) to eliminate high water use landscapes for new homes built in San Antonio. The partners will support an ordinance making low water use landscapes for new homes mandatory in 2006.

- Carrizo Aquifer (Gonzales County) Project – The initial water lease agreements were approved by the SAWS Board of Trustees on August 20, 2002 covering 4,635 surface acres in Gonzales County. SAWS staff is developing specifications for the drilling and pump testing of several sites within the project area.
- Recharge Initiative - The reconnaissance study for the Nueces River Basin was completed in August. Staff from HDR Engineering, Inc. and the Army Corps of Engineers (COE) presented the results to potential sponsors at a meeting on August 27, 2002 hosted by the city of Corpus Christi.
- Affordability Programs - Approximately 183 new customers were accommodated under the Plumbers to People Program during the quarter. On April 30, 2002, customers were required to re-qualify for the meter discount program. Currently, 11,022 customers have been re-qualified for this discount.

Significant Development

- The new Texas Water Development Board (TWDB) population projections indicate reduced population growth for the San Antonio Region. This reduction could have significant impacts on SAWS estimated water requirements for the future. Projections indicate that water demand in the 2020 – 2050 timeframe may be up to 28% less than previously projected. The Regional Water Planning Group (Region L) will review these projections during the second quarter 2003. The TWDB reevaluates population projections every five years. (Please see page 2-9 – “10 Year Supply and Demand Graph”).

Setbacks

- Delivery of water from the BSR property was previously estimated to take place in July 2002. Contractor problems and TXDOT coordination issues have delayed delivery of water from this project until January 2003.

Other Highlights

The goal of SAWS is to become the best water and wastewater utility in the U.S. by 2006. To accomplish this, many change initiatives have begun throughout the organization. Significant initiatives during the third quarter are listed below.

- In early August, Mayor Ed Garza was joined by SAWS and Bexar Met officials at a ribbon-cutting ceremony for the new fluoride program. This event capped an 18-month effort by SAWS and Bexar Metropolitan Water District (Bexar Met) to design and construct 34 fluoride facilities located throughout the city. The total cost of the project for both SAWS and Bexar Met was approximately \$4 million.
- The Customer Service Department has upgraded its processing system to allow customers to pay SAWS water bill with their credit cards. This can be handled at the various customer service locations or over the phone.
- Watson Wyatt was recently awarded a contract to develop a new Performance Management Program. The goal of this program is to tie the Strategic Business Plan and the Balanced

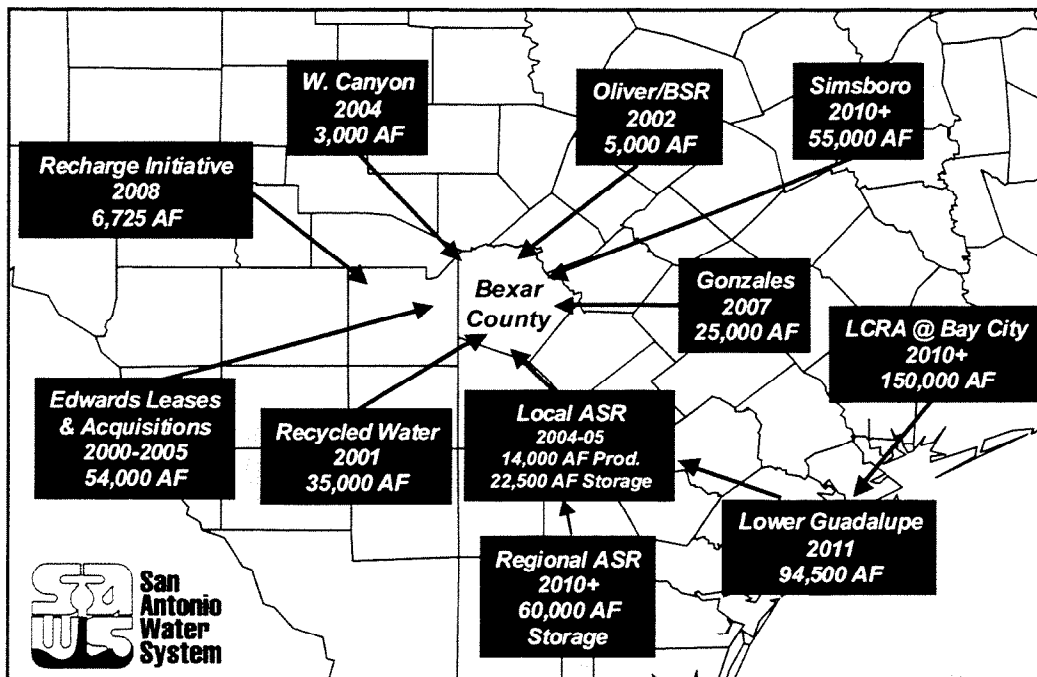
Scorecard to the individual employee and reward the employee for extraordinary performance.

- The focus during fourth quarter will include incorporation of Department Business Plans into the Strategic Plan.

Existing Water Resources Projects

The San Antonio Water System is securing the water future for this community in numerous ways beginning with conservation and water use efficiency. Aggressive conservation has yielded significant results. As a community, water use has been reduced from 213 gallons per capita per day (gpcd) in 1984 to approximately 143 gpcd. in 2001. Conservation alone will not meet the demands of a growing population over time. SAWS 50-year plan is in concert with the regional water plan, and underscores the need for a multi-faceted strategy to acquire necessary resources to meet future water demands. During the quarter, the Texas Natural Resource Conservation Commission (TNRCC) was renamed to the Texas Commission on Environmental Quality (TCEQ). All references to TNRCC have been changed to TCEQ. A brief summary of various strategies and projects follow. The map below illustrates SAWS water supply projects that are currently under study.

Throughout the remainder of the report, new project information is indicated by bold type.



- **Conservation Program** – SAWS Conservation Program continues to receive national recognition for its innovation and effectiveness. During the quarter, SAWS continued implementation of an initiative directed toward new home construction. – **The Welcome H₂ome initiative** was launched during the quarter. This initiative is a partnership between SAWS and the Greater San Antonio Builders Association (GSABA) to

eliminate high water use landscapes for new homes built in San Antonio. The partners will support an ordinance making low water use landscapes mandatory in 2006. During the 3-year transition period, SAWS will provide rebates of up to \$1000 to new home-buyers who select low water use options offered by the builders (landscape, washing machine, hot water on demand). The program will reduce projected overall water use in 15 years by 2%. Consumption of water by SAWS customers dropped to approximately 143 gallons per capita per day (gpcd.) in 2001. **Pumping for this year is down 12% from last year due in large part to rain.** SAWS goal is to reduce consumption to 140 gpcd. by 2008 and to 132 gpcd. by 2015.

- *Recycled Water Project* - Approximately 70% of the 35,000 acre-feet (AF) of recycled water is under contract. Approximately 12,618 AF of recycled water is currently on-line. SAWS is currently negotiating with Harlandale ISD, the U.T. Health Science Center, New Brackenridge Park irrigation site, Capital Group, Hanover Group, Costa Dorada Apartments, and the **San Antonio Fire Training Academy** for recycled water. Staff has **reviewed of the practices and procedures of the Recycled Water System, and all recommendations of the Ad Hoc Citizen Committee are being implemented to improve program efficiency.**
- *Edwards Aquifer Optimization* – SAWS supports regional studies and scientific research to evaluate whether the pumping limits defined in the SB 1477 can be increased without compromising management goals of that bill. While the majority of studies are under the purview of the Edwards Aquifer Authority, SAWS acts as the program manager for the Technical Advisory Group (TAG) and provides substantial funding. Currently twelve optimization studies are underway, including seven recharge and flow-path related studies, and five biological assessment studies. **Qualification statements for springflow augmentation studies have been evaluated by the EAA staff. A recommendation to the EAA board for contractor selection is forthcoming.**
- *Recharge Initiative* – Recharge is a key component to increase the yield of the Edwards aquifer. Structures located in the Nueces basin would potentially be the most effective in terms of recharge to the Edwards Aquifer. Recharge of water in the Nueces River basin may require mitigation of impacts to downstream water right holders including the City of Corpus Christi. **The reconnaissance study for Edwards recharge enhancement structures located in the Nueces River Basin was completed in August. Staff from HDR Engineering, Inc. and the Army Corps of Engineers (COE) presented results to potential sponsors at a meeting on August 27, 2002 in Corpus Christi. The Ecological Dynamics Simulation Model (EDYS) was demonstrated to the sponsors of the Cibolo Watershed Project at a meeting held on September 24, 2002 at the SARA. The EDYS model is one component of the Cibolo watershed study.**
- *Edwards Acquisition and Lease Program* – SAWS purchases and leases Edwards water from irrigators and industrial permit holders to meet our short-term needs and provide for excess water for short-term growth. SAWS Edwards leased/purchased water inventory currently stands at approximately 54,000 AF. Quarterly inventory fluctuations are due to lease terminations and additions. **There has been significant water marketing activities in the Edwards region west of San Antonio. SAWS has also reviewed several unsolicited water supply proposals from independent entities.**
- *Agricultural Conservation Program* – SAWS is working towards conserving irrigation water throughout the Edwards region. The Agricultural Program includes direct Conservation

research and education and regional partnerships. Strategies include brush management, irrigation efficiency such as drip and pivot systems, and information on new crop management techniques. **SAWS is planning a drip irrigation demonstration for alternative crops in partnership with the Texas A&M Agricultural Experiment Station in Uvalde, and Texas A & M Agricultural Extension Service in San Antonio. SAWS continues to support research efforts to identify crop water use and recommended water tailored to the Edwards Aquifer Region. This information will be a major component of a potential regional evapotranspiration network.**

- *Trinity Aquifer – Oliver Ranch -BSR* – SAWS began pumping water from the Trinity Aquifer on February 25, 2002. Water from this project is the first non-Edwards source that has been introduced into the SAWS distribution system. Construction continues on the infrastructure required to further incorporate water from the BSR project. Water from this project is estimated to be on-line from **wells BSR 1 and 2 in January 2003**. Continuous water level monitoring equipment has been installed at both the Oliver Ranch and BSR properties.
- *Western Canyon Project* – The Texas Commission on Environmental Quality (TCEQ) has issued the surface water permit amendment to the Guadalupe-Blanco River Authority. The legal motion filed in District Court by the Friends of Canyon Lake requesting an injunction against the permit was denied. GBRA was approved to request bonding for the project. Friends of Canyon Lake (FOCL) filed an appeal against the District Court (353rd Judicial District) decision to grant the TCEQ permit for the project. **The FOCL appeal was heard by the Texas 3rd Court of Appeals in September 2002. An opinion has not been issued.**
- *Simsboro Project* –SAWS approval of the proposed project plan for the facilities on the Alcoa property has been extended until December 2002. Staff continues to investigate alternatives for water from the project.
- *Aquifer Storage and Recovery, Local* – Progress was made towards completion of the Aquifer Storage and Recovery Project (ASR). The local ASR project is currently scheduled to come on-line in November 2003. Well field construction is underway. Staff continues discussions with the Evergreen Underground Water District and landowners to address their concerns with the project. A Carrizo Aquifer Mitigation policy has been developed for potential impacts to existing water well owners resulting from pumpage of the aquifer by the SAWS ASR project. **On July 16, 2002, the SAWS Board of Trustees awarded approximately \$110 million for construction of the ASR well field, water treatment plant, high service pump stations, and pipeline segments required to complete Phase I of the ASR project. On July 31, 2002, a formal groundbreaking ceremony was held in south Bexar County. Construction of phase I is anticipated to be complete by December 2003. In August, the Evergreen Underground Water Conservation District (EUWCD) postponed a previously announced follow up election (planned in September) to annex a similar but modified portion of Bexar County. SAWS and EUWCD are working to establish a Protection and Management Agreement.**
- *Lower Guadalupe Water Supply Project* – A contract to purchase 70,000 acre-feet of surface water from below the confluence of the San Antonio and Guadalupe Rivers was approved in January 2001 and signed in May 2001. **The SAWS and SARA staff continue to work on an initial ground water lease agreement for up to 40,000 AF/yr. or the exportable volume permitted by the area Groundwater Control District. A groundwater availability and sustainability study is under way for the project area.**

- *LCRA – SAWS Water Project* – The final definitive agreement between Lower Colorado River Authority (LCRA) and SAWS was signed in February 2002. **The 7-year study period was initiated with the signing of the contract. A public input approach consisting of general public meetings, Technical Advisory Groups (TAG), and a Science Review Panel (SRP) have been established to guide the development of the project. The SRP consists of nationally recognized experts who will provide best in class input on the study plans, study methods, and interpretation of results. The first year study plan budget was developed and approved by the contract committee. SAWS Board of Trustees approved funding of the first year study plan budget on August 20, 2002. A workshop was held with the project team to outline High Level Study Plans to address the project needs and stakeholder comments. The Project Team has drafted High Level Study Plans to address issues such as Bays & Estuaries, Agricultural Conservation, Conjunctive Groundwater Use, Reservoir Engineering, Environmental Considerations, Instream Flows, Permitting Requirements, Economic Impacts, and Water Availability. It is anticipated that the study period plan will be considered by the LCRA Board in February and the SAWS Board in March. Additional information regarding the project may be found on the project website: www.lcrasaws.org.**
- *Carrizo Aquifer Project (Gonzales County)* - SAWS technical consultants have completed feasibility work that identifies areas favorable for groundwater production. Only groundwater leases in Gonzales County are being pursued rather than acquisition of large tracts of land. Long-term water compatibility investigations continue. **The SAWS Board of Trustees approved water leases covering 4,635 surface acres in Gonzales County on August 20, 2002.**
- *Water Resource Education* - SAWS water resource education program develops and implements water resource educational programs and activities for cities throughout the San Antonio region. The program proactively provides environmental education to schools, community groups and businesses per the mandated component of the Federal Stormwater Program. During the quarter, additional steps have been taken to implement the H₂O University program.
- *Surfacewater Resource Protection Program* – SAWS, the City of San Antonio, and the Texas Department of Transportation were jointly issued an Environmental Protection Agency National Pollution Discharge Elimination System Permit in 1996. This permit requires a stormwater management plan for each mandated program. Application for a new TPDES permit was made with Texas Commission on Environmental Quality (TCEQ) by SAWS, the City of San Antonio, and TXDOT in August 2000. **The formal “draft permit” is expected by the end of the year.** SAWS is in discussions with the City of San Antonio to evaluate the roles and responsibilities of the mandated TPDES permit to increase efficiency, effectiveness, and the improvement of data management.
- *Groundwater Resource Protection Program* – SAWS proactively enforces protection of groundwater resources within Bexar County. These services range from direct interaction with the public to monitoring samples of water production facilities to ensure TCEQ compliance. This includes protection of the recharge zone through land use practices and acquisition of sensitive land.
- *Sensitive Land Acquisition Program* - The San Antonio Water System initiated a sensitive Land Acquisition Program in the fall of 1997 specifically for the purpose of protecting and

preserving the quality and quantity of water entering into the Edwards Aquifer Recharge Zone (EARZ). The Land Acquisition Program is a unique and innovative program established to protect lands that are predisposed to geologic sensitivity and contamination. A total of 9,138 acres have been preserved. SAWS has utilized multi-agency cooperation and encourages funding contributions from other entities for the acquisition of sensitive lands. Partnerships with the Edwards Aquifer Authority, Trust for Public Land, Nature Conservancy of Texas, Bexar Land Trust, Texas Cave Management, and Texas Parks and Wildlife have been utilized for the acquisition of sensitive properties.

- *Saline Water Study* – SAWS, in cooperation with the Texas Water Development Board, United States Geological Survey, Edwards Aquifer Authority, and other agencies initiated a 10 to 12 year project to expand the network of wells that monitor the Edwards aquifer bad water line. Water level and water quality data continues to be collected from the well groups that were drilled in cooperation with the Edwards Aquifer Authority and the Texas Water Development Board.
- *Desalination* – SAWS has initiated active investigation of potential sources of brackish or saline water sources, funding mechanisms, environmental impacts, and technical advancements associated with the development of a desalination project to supplement water resources.
- *Public Outreach* – Public outreach efforts for SAWS include aggressive media relations, purchased public service announcements, focused neighborhood relations through an active speakers bureau, aggressive governmental relations, and information outlets such as bill inserts, public forums, media events, and web pages. SAWS also maintains its award winning K-12 environmental education program throughout the county.
- *Legislative Program* – During the quarter, SAWS continued to seek federal opportunities through several appropriations bills and federal agencies to further its long-range plan to diversify its water supply. Congress will consider the reauthorization of the Water Resources Development Act (WRDA). Federal assistance under this Act could fund a portion of the ASR, GBRA, LCRA, as well as other water resource projects. SAWS continues to pursue funding assistance for the following:
 - Security upgrades
 - Kelly USA upgrades
 - H₂O University Program
 - Bureau of Reclamation Studies of Mitchell Lake and Leon Creek for Recycled Water
 - Tenant Water Conservation Demonstration Programs
 - **Sensitive Land Acquisition Program**
 - **SAWS received \$200,000 (via the Corps of Engineers) for a study to determine what requirements are needed to clean up the Applewhite Property. This study is the first step in gaining additional funds for the clean up.**
- *Security* - Following the September 11, 2001 terrorist attacks, SAWS has taken aggressive steps to safeguard San Antonio's water supply. While SAWS is in the process of completing security upgrades within the means of our current funding, there is additional need to further protect our infrastructure for the future. SAWS has applied for additional Federal Funding through an EPA grant to assist in this effort. Funding under this grant would be utilized for the purpose of planning security measures and conducting vulnerability assessments.

AFFORDABILITY PROGRAMS

SAWS has several programs to ease the burden of rising water costs for customers who meet criteria establishing income and need. These programs help ensure that all citizens of the community have access to such a critical resource. A brief description follows:

- *Meter Discount Program* – SAWS charges a monthly meter fee of approximately \$5.00 for all residential customers. To assist low income residential customers to manage rising utility bills, a meter discount program was initiated in 2000. Customers who qualify through the City of San Antonio Community Action Division are eligible for a 50% discount to the meter charge. On April 30, 2002, customers were required to re-qualify for the program. Currently, **11,022** customers have re-qualified for this discount.
- *Project Agua* – SAWS established project AGUA in 2000 to provide utility relief to needy SAWS ratepayers. Funded entirely through voluntary donations from our business community, the goal of the project was to raise \$1,000,000. SAWS contracts with the City of San Antonio Community Action Division to implement the project. Project Agua has received over \$310,000 in contributions to date, principally from USAA, the McCombs Foundation, and Grande Communications. SAWS contributed \$700,000 toward the program during the second quarter 2002. **The program is now accruing funds and has an approximate balance of \$21,600. SAWS and the Community Action Division are discussing implementation of the project. It is anticipated that needy customers will be accommodated under this program during the 1st Quarter 2003.**
- *Plumbers to People* - SAWS initiated its Plumbers to People program in 1996 to provide plumbing assistance to low income residential customers. Participants must meet Federal assistance guidelines and qualify through the City of San Antonio Community Action Division. Participants can receive up to \$800 in assistance per visit. During the quarter, **183** additional customers were assisted. Plumbers to People has assisted **3,512** customers and spent **\$1,148,613** since inception of the program to help meet the plumbing needs of low income residents and further conservation efforts to all segments of the community.
- *Laterals to People* – SAWS began its sewer lateral program in 1999 to assist low-income customers needing to make repairs or clean out their sewer laterals. The project is designed to assist needy customers while protecting their health and safety. Customers assisted under this program are qualified by the City of San Antonio Community Action Division. SAWS has assisted over 1,100 customers to date with sewer related repairs. **The program is currently under internal review.**

A financial summary of the current Water Resources activities is detailed in Table ES 1.

**SAN ANTONIO WATER SYSTEM
SUMMARY OF WATER RESOURCES PROJECT O&M AND CAPITAL COSTS
TABLE - ES I**

Project	Type	2002 Estimate	Cumulative Original Estimate	Cumulative Current Estimate	Amount Authorized	Obligated	Through 3rd Quarter 2002 % Obligated	Expended	% Expended	Notes
Recharge Initiative	O&M	\$ 300,000	\$ 579,167	\$ 579,167	\$ 413,913	\$ 413,913	71.5%	\$ -	0.0%	
	CIP	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	0.0%	\$ -	0.0%	
ASR - Outside Bexar County	O&M	\$ 150,000	\$ 372,917	\$ 372,917	\$ -	\$ -	0.0%	\$ -	0.0%	
	CIP	\$ -	\$ 8,200,000	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	
ASR - Bexar County	O&M	\$ 100,000	\$ 200,000	\$ 200,000	\$ -	\$ -	0.0%	\$ 19,881	9.9%	
	CIP	\$ 51,319,631	\$ 70,806,400	\$ 91,912,000	\$ 94,110,854	\$ 91,919,027	100.0%	\$ 2,191,827	2.4%	See pg. 1-10
Western Comal	O&M	\$ 1,425,165	\$ 4,703,857	\$ 1,598,636	\$ 347,010	\$ -	0.0%	\$ 347,010	21.7%	
	CIP	\$ 1,820,000	\$ 7,220,000	\$ 7,220,000	\$ 459,000	\$ 11,868	0.2%	\$ 447,132	6.2%	
Gonzales County	O&M	\$ 416,667	\$ 695,834	\$ 695,834	\$ 878,000	\$ 832,542	119.6%	\$ 45,458	6.5%	See pg. 1-10
	CIP	\$ 5,000,000	\$ 5,800,000	\$ 5,800,000	\$ 819,000	\$ 819,000	14.1%	\$ -	0.0%	
Simsboro	O&M	\$ 850,476	\$ 1,612,783	\$ 1,831,951	\$ 1,429,146	\$ -	0.0%	\$ 1,429,146	78.0%	
	CIP	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	
CPS Water Supply Project	O&M	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	
	CIP	\$ 480,000	\$ 960,000	\$ 960,000	\$ 720,000	\$ 720,000	75.0%	\$ -	0.0%	
Oliver Ranch	O&M	\$ 1,497,100	\$ 3,054,780	\$ 2,834,951	\$ 1,346,215	\$ -	0.0%	\$ 1,346,215	47.5%	
	CIP	\$ -	\$ 2,730,000	\$ 2,730,000	\$ 4,037,007	\$ 2,915,495	106.8%	\$ 1,121,512	41.1%	See pg. 1-10
BSR	O&M	\$ 340,676	\$ 524,709	\$ 567,781	\$ 278,190	\$ -	0.0%	\$ 278,190	49.0%	
	CIP	\$ -	\$ 2,030,000	\$ 2,030,000	\$ 666,080	\$ 89,617	4.4%	\$ 576,463	28.4%	
GBRA	O&M	\$ 776,700	\$ 880,078	\$ 1,874,250	\$ 1,843,307	\$ -	0.0%	\$ 1,843,307	98.3%	See pg. 1-10
	CIP	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	
Edwards Groundwater	O&M	\$ 3,910,296	\$ 6,820,584	\$ 6,820,588	\$ 2,406,497	\$ 1,520,233	22.3%	\$ 886,264	13.0%	See pg. 1-10
	CIP	\$ 8,275,000	\$ 29,775,000	\$ 19,869,400	\$ 9,060,622	\$ 0	0.0%	\$ 9,060,622	45.6%	
Additional Water Rights	O&M	\$ 4,294,019	\$ 6,041,667	\$ 5,648,386	\$ -	\$ -	0.0%	\$ -	0.0%	
	CIP	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	
Recycling Water Program	O&M	\$ 708,333	\$ 1,316,666	\$ 1,316,666	\$ 746,664	\$ -	0.0%	\$ 746,664	56.7%	
	CIP	\$ 9,100,000	\$ 14,100,000	\$ 14,100,000	\$ 5,113,068	\$ 3,010,049	21.3%	\$ 2,103,019	14.9%	
System Integration	O&M	\$ 1,291,667	\$ 1,529,167	\$ 1,529,167	\$ 346,492	\$ -	0.0%	\$ 346,492	22.7%	
	CIP	\$ 41,600,000	\$ 63,000,000	\$ 60,000,000	\$ 37,854,115	\$ 33,145,628	55.2%	\$ 4,708,487	7.8%	
Sensitive Land Acquisition Program	O&M	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	
	CIP	\$ 2,000,000	\$ 3,000,000	\$ 3,000,000	\$ 825,000	\$ 825,000	27.5%	\$ -	0.0%	
Infrastructure Master Plan	O&M	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	
	CIP	\$ -	\$ 600,000	\$ 600,000	\$ 956,000	\$ 891,531	148.6%	\$ 64,469	10.7%	See pg. 1-9
LCRA	O&M	\$ 1,000,000	\$ -	\$ 2,000,000	\$ 1,000,000	\$ 1,068,471	53.4%	\$ 1,000,000	50.0%	
	CIP	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	
Total Water Resources Project O&M Costs		\$ 17,061,099	\$ 28,332,209	\$ 27,870,294	\$ 11,035,434	\$ 3,835,159	13.8%	\$ 8,288,627	29.7%	
Indirect Water Resources										
Indirect Water Resources			\$ 14,615,502	\$ 14,615,502	\$ -	\$ -	0.0%	\$ 6,588,441	45.1%	
System Support			\$ 13,979,316	\$ 13,979,316	\$ -	\$ -	0.0%	\$ 19,071,225	136.4%	
Grand Total Water Resources O&M Costs		\$ 17,061,099	\$ 56,927,027	\$ 56,465,112	\$ 11,035,434	\$ 3,835,159	6.8%	\$ 33,948,293	60.1%	
Grand Total Water Resources CIP Costs		\$ 120,094,631	\$ 209,221,400	\$ 209,221,400	\$ 154,620,746	\$ 134,347,215	64.2%	\$ 20,270,531	9.7%	

*All information reflects the combined budgets, authorizations, and expenditures for the calendar years 2001 & 2002

Summary of Water Resources Project O&M and Capital Costs

Notes

General – All columns on Table ES1 except “2002 Estimate” reflect combined budgets, authorizations, and expenditures for Calendar years 2001 and 2002.

Cumulative Original Estimate Column

Beginning with the 1st Qtr. 2002 report, a new column has been added to Table ES1. A comparison of this column with the Cumulative Current Estimate column will allow the reader to track funds that are re-directed due to changes in project scheduling or priority.

Cumulative Current Estimate Column

Beginning with the 1st Qtr. 2002 report, a new column has been added to Table ES1 and the individual project descriptions (for water supply projects) found in Section 2 of this report. This column reflects the budget carryover from previous years (funds not spent) and the current year budget. The “% Obligated” and “% Expended” calculations are based on the numbers reported in this column.

Bexar County ASR – The SAWS Board of Trustees authorized construction of the treatment plant, high service pump stations, and pipeline during the third quarter.

Gonzales County – O&M costs are above projections due to actual lease costs associated with this water supply project. Additional funds were required to cover the cost of the leases and the Gonzales County concept study. Funds will be transferred from other areas within the water supply program. It is estimated that costs will exceed budget estimates by approximately \$182,000.

Edwards Groundwater - Received approximately \$1,500,000 credit from RWRDG.

Oliver Ranch – Costs have exceeded original projections. The cost of the tank and pumps was higher than estimated.

Lower Guadalupe Water Supply Project – The project budget for the GBRA (Lower Basin) project was estimated prior to completion of the contract. Listed below is the schedule of payments for calendar years (2001 – 2006) as outlined in the contract.

2001 - \$1,097,550
2002 - \$731,700
2003 - \$731,700
2004 - \$605,700
2005 - \$731,700
2006 - \$731,700

Infrastructure Master Plan – The infrastructure master plan is to address the incorporation of new water resources into the SAWS distribution system and was estimated to cost \$956,000. Approximately \$600,000 is from the water supply fee and will be dedicated to this effort. The remainder (\$356,000), will come from the water delivery core business.

PROJECT AWARDS (CONTRACTS AWARDED)
JAN. 2001 - SEPT. 2002
TABLE - ES2

Item	Cost Element	Board Awards	Amt. Budgeted (Cum)	Amt. Authorized	Amt. Expended
System Integration (cont.)	Design	Overby DeCamps		\$ 166,220	\$ -
	Design	Chang, Patel and Yerbe		\$ 3,064	\$ -
	Design: Const Mgt	Pate Engineers		\$ 87,433	\$ -
	Construction	Garney Companies Inc - Pipeline Segment 3		\$ 13,958,511	\$ -
	Construction	Hollomon Construction Company		\$ 5,365,724	\$ -
	Easements	5.054+1.601+3.623+36.773+2.69+9.941+3.675+25.564 acres		\$ 1,063,309	\$ 814,212
	Design	SCADA		\$ 20,360	
Winwood Tank	Construction		\$ 3,220,000		
Winwood MH10 Water Main	Acquisition	Land Purchased for Tank Site		\$ 459,000	\$ 447,132
	Construction				
Recycle Program	Construction		\$ 14,100,000		
		Lackland AFB Customer Connection		\$ 810,422	\$ 667,325
	Construction	Pipelayers: Pipeline		\$ 1,956,680	\$ -
	Construction	Pate & Pate: Pipeline (Leon Creek Segment 3 Project 1)		\$ 88,165	\$ -
	Construction	Shannon Monk: Otila Dam Repair		\$ 320,787	\$ -
	Construction	Gilbert Elementary School: Easement		\$ 8,422	\$ -
	Construction	Mission Del Lago - Mitchell Lake		\$ 494,001	\$ 492,592
	Construction	Aquifer Integration Study CH2MHill (1/15/02)		\$ 175,000	\$ 51,088
	Construction	Polo field Golf Course		\$ 60,969	\$ 57,416
	Design	Recycled Water Practices and Procedures Review		\$ 38,700	\$ -
	Construction	Brackenridge Golf Course Emergency Water Main (6/18/02)		\$ 803,808	\$ 723,043
	Construction	Brackenridge Golf Course Emergency Repair- River Road (????)		\$ 200,000	\$ 76,255
	Design	Black and Veatch - Hydraulic analysis		\$ 120,814	\$ -
	Design	Inerbranch Construction Program		\$ 35,300	\$ 35,300
Total			\$ 205,221,400	\$ 154,620,746	\$ 20,273,531