

**Citizens Advisory Panel
January 30, 2006
Meeting Summary**

Attendance:

Howard Peak
Dave Barton
Evelyn Bonavita
Gene Dawson, Jr.
Jerry Green
Nettie Hinton
Andy Johnston
Marianne Kestenbaum
Tony Naverrete
Dr. Ed Roy
Richard Araujo
Dr. Weldon Hammond

Excused:

Gerald Mullin
Ben Youngblood
Eiginio Rodriguez

Absent:

Susan Wright
Steven Schauer
Orlando Cisneros
Luci Cockrell
Rene Cortez
Joe Fulton
Eddie Gonzalez
Jack C. Jordan

SAWS Staff:

James Mayor
Doug Leonhard
Roberto Anguiano
David Chardavoyne

Call to Order

The meeting was called to order by Mr. Calvin Finch at 6:00 p.m.

Mr. Finch opened meeting by acknowledging the presence of the new members and chairperson, Board Members Mr. James Mayor, Mr. Doug Leonhard, Mr. Roberto Anguiano and President/CEO, Mr. David Chardavoyne.

Mr. James Mayor gave opening remarks before introducing the new chairperson. On behalf of the Board and administration, we went through a great deal of soul searching over this board and there was an unanimous feeling that we wanted to elevate the statue of the Board, create better communications and work professionalism between the Board and the CAP organization.

We wanted to find the very best people in the community that we could find to give us good solid input as we go along and we can take their input seriously. Along with that we wanted to express this intention of making this board more influential in SAWS activities and look for a chair who would express that point of view and we couldn't have gotten a better chair.

I'm so pleased that Howard Peak agreed. He has a reputation for getting things done. It is my understanding in order to do this job, you chose voluntarily to give up a couple of high powered positions that you have. I want all of you to know that we are blessed by having Howard here.

We will give him all the support, staff wise and Board wise that is needed to get the job done. We hope that you all will come to these meetings with renewed vigor and anticipation for doing great things. We are in the process of transition and we are moving on to a more professionalism, greater organization and we are going to get wonderful things done next year. Thank you on behalf of the Board and administration

After Mr. Peak thanked Messrs. Mayor, Leonhard, and Anguiano, he asked for all those present to introduce themselves and who they represented.

Mr. Peak gave a brief background about himself and some personal views on water resources. We have an existing source and that's our first and foremost responsibility to take care of it in terms of quality, in terms of not wasting it. We've got a good conservation program going on in San Antonio that has done remarkable things both with the customers and the System itself, but the Edwards Aquifer is our most important water resource.

We have opportunities elsewhere, some of which have been considered and dropped and others that are still in the program. We are not going to create new water sources for ourselves or bring on new water sources for ourselves to the detriment of others. These need to be win-win situations. That is something that takes a lot of effort in some cases. We need to make sure that it is a fair deal for everyone. We can't solve our future water problems by ourselves; we can't even solve our existing water problems. It is going to take partnership with others. We've done a lot in terms of water quality, recycling, conservation and identifies brand new supplies, but we've got a ways to go and that takes us to where we are today, what we are to do. I look forward to working with all of you to make San Antonio's water future a bit brighter than it is today.

Mr. Calvin Finch gave a presentation **Revised Water Resource Plan.**

Mr. David Chardavoyne: added for comparative purposes the Water Supply Plan Update 2005 actually contains 2.3% more water than the Plan 98 of the 2000 Plan. Again, we moved some of the parts and changed some of the projects that net we are actually providing more water than before.

Mr. Finch emphasized that Conservation and I do give that impression sometimes, that we reduced the water supply because we don't need as much in the future but as Dave mentioned with the larger supply. It gives us more flexibility and more insurance for the future.

Mr. Richard Araujo asked if the brackish water is going to be used for human consumption or for irrigation?

Mr. Finch answered yes; it will be used for human consumption. It is not the same as recycled water. It comes from the same aquifer. Certain parts of the aquifer have more salt.

Mr. Araujo: if that is the case, how come they don't work on desalting the water in the Gulf Coast?

Mr. Finch answered some people are. The advantage of this brackish saltwater is that it is right here and it has less salt. Part of our 2005 plan is to continue to explore the treatment of saltwater in the sea.

Mr. Tony Navarrete added in brackish water right now with RO technology you basically get about 50% recovery and when you are trying to desalt seawater it is down 30% so its economics. The technology is available, but it is more expensive.

Mr. Jerry Green asked if anybody wanted to comment where we are at with Region L with the State.

Mr. Finch responded. The state is divided into planning regions and each region went through a planning process to identify the water needs in the future of the region and also how to meet those needs. This year, Region L did not meet the deadline for submitting our plan. It is an unfortunate experience. We actually went through every single project. We had a plan and we expected to vote and have plenty of time to have that vote and then send it in to the State.

It turned out that we did have a majority vote, but we didn't have the 2/3 vote. So, we did miss that deadline. A large number of us went to the Texas Water Development Board and tried to extend that deadline a little but the State interpreted the deadline as being solid.

Region L went that very day and they did pass the plan. We expect the State will use our plan but it won't be official because we missed the deadline. This will mean that all the entities in the Region that expect to seek state funding permitting will have to go through a waiver process, an extra step in the process.

Mr. Gene Dawson asked how many projects were we going to apply for state funding within the five year cycle?

Mr. Finch responded he was not sure.

Mr. Peak commented we need to do a better of working together not just between regions but within our region. Over a long period of time we have done more damage to ourselves than we have perceived from others and we need to somehow or another get past that where we're hurting ourselves. That is something we will have to work with in the coming years.

Mr. Green inquired about the 50% in 2020 of non-Edwards. Is that Trinity Aquifer water mainly?

Mr. Finch: It's Trinity, Carrizo and eventually it will be Colorado River water too.

Mr. Dawson inquired about the 2/3 vote being a Region L requirement, not a legislative requirement and so we adopted that as a region in the beginning of the process.

Ms. Bonavita responded it is in our by-laws.

Mr. Dawson asked but the State only required the simple majority?

Mr. Finch explained that 2/3 majority has been positive for us a number of times. It has forced us to develop consensus. It's a little difficult for us to change things quickly but in this case, a good regional plan certainly, you would like to have full regional support and when we went back it was an 18 to 1 vote. Everybody did realize we were into fine tuning our plan. We thought we had a little more flexibility a little more time than what we actually had.

Mr. Dawson inquired about the brackish water, the cost which showed per acre foot, how much of that is treatment, how much of that is integration or transferred? How have we developed brackish water?

Mr. Finch responded I think those preliminary figures are basically treatment. This feasibility study will give us a lot more information about the other real cost and how much flexibility we've got.

Mr. Dawson asked on the 276,000 acre-feet when we get to that point what will our average cost per acre foot be when you average all of the supply?

Mr. Finch responded I have not calculated that we can certainly do that. One thing we've done a better job of now is actually pinpointing the cost and actually identifying cost based on similar factors. But we will go ahead and do that.

Mr. Dawson responded the only reason I bring it up is that you see a large cost from the Lower Colorado River Authority, but when you average it in and then you look at our supply graph it says eventually we get to others at 50% alternate supply. When you average everything together our cost per acre foot compared to other communities it would still be I would think very low on average.

Mr. Finch responded that was certainly one of the goals of the task force.

Mr. Dawson asked about the \$8 million a year we were paying to keep the Lower Guadalupe Project going.

Mr. Finch explained the cost started to go up on the reserve and some additional costs and it was time to look real close at the cost.

Ms. Hinton asked if someone might want to speak about the recent spill over the aquifer at 281 as the result of clearing the land for the toll roads. Just a few years ago there was the river road incident and SAWS' ability to very quickly when there is a problem to respond and deal with the concerns that people have about contamination of the aquifer.

Mr. Chardavoyne responded the contractor hit an air release valve on a sewer main. Even though there were signs indicating there was a sewer main right there. The call was received initially on December 14th as a water line leak that was in BexarMet's water service area and we notified BexarMet. The contractor later called on January 6th saying there was this spill that is

still here. The amount of sewage that was released was a little bit over 5,000 gallons. We went out and in a very short period of time and repaired the problem.

We met with the contractor of TXdot to go over the responsibilities that they have when something is hit. They have to stay with it until it gets fixed. Our internal procedures we've changed, tightened up etc so that anything that is called in and its not simply closed out by us or we can't close out by somebody else going in we are going to go out in 45 minutes so we can get it closed out. It is an unfortunate incident, although the cause was the contractor hitting the air release valve. You can never say something never ever will ever happen again. But we are making sure that it won't happen again.

Ms. Hinton commented I'm just happy that there were 2 things happening, one that it was a valve and very little sewage was released and the other is that we are in a very dry period. If we were in as rainy of period at this period as we were last year we might have had some serious consequences to the aquifer.

Mr. Chardavoyné responded yes, the fact that the period was dry was certainly helpful. Our crews didn't do anything wrong but we didn't do everything completely right and that was the purpose of going through and figuring out how can we do it better.

Mr. Mayor added I just want to point out that the river road break was caused by the contractor who hit a recycled water pipe. They are color coded out and they still hit it. SAWS can't always protect against those kind of things.

Ms. Hinton responded that is true, but when it concerns water and sewage of course in the minds of citizens their concerns with the fact that SAWS is the culprit and that is unfair to SAWS. I think maybe one of the lessons learned is that maybe we need to be more proactive in going out to people.

Mr. Chardavoyné responded we've had an incident last week that we were on top of right away and we put out a press release here is what happened, here is what we did.

Mr. Dawson inquired, has the conservation results been translated into changes in and where we started to get down on our demand on supply and engineering? At every Board meeting there is a water line or a sewer line that SAWS is paying for over sizing because it is serving a new area of town. When with these new numbers, SAWS may not be needing to be spending as much money over sizing systems has we have had in the past. Has there been an evaluation of the new conservation numbers with the actual supply and collection of it?

Mr. Finch responded, the task force used those new figures for Planning Scenario 2. One of the things that is going on now, is that they are looking at the number of gallons you know when we talk about the EDU.

We invested money in conservation, the investment has paid off and now we are going to go further and take advantage of the success. I think it is fair to say, Dave, that it is one of those

things we are looking at. We're not just talking about conservation success and continuing to engineer the same way we've always had in the past years.

Mr. Chardavoyne responded we are in fact taking a look on a more global aspect of how is conservation included in our planning process so that we can plan for the future. Make sure we have the facilities, locations where we are going to get that growth, etc.

Ms. Marianne Kestenbaum responded I would like to see us dip our toe in the conversation of what is the right level of economic development? Not only for this region but for the State because obviously it goes beyond our Region, it goes beyond our State. Our global population went down but part of that was because people actually planned for that we had actions and response to that so I guess I am just asking that we also examine just how much can our System handle?

Mr. Finch When I 'm out and about in the community and talking about the Water Resource Plan I generally defer that question back to the citizens and to the policy makers. We can certainly talk about that but that's a decision that the community has to make and then we at SAWS are in charge of coming up with the Water Plan for water conservation.

Ms. Kestenbaum responded I see as part of the input in the conversation with the policy makers. I just can't see us always receiving that direction because SAWS and this group are supposed to be in a sense defining a good match between you and me and our resources.

Mr. Peak responded conservation is our cheapest source of water and the System and the citizens have done a great job, but there is still waste. I don't think we have gone as far as we can and it doesn't mean making it hurt. I think there are opportunities, people have responded well to date, but I think they are capable of responding more. There are cities across the country, around the world that have done that and I think what you are asking is how might we go a little bit further to see what our capabilities are?

Ms. Kestenbaum responded no, I see us as doing a good job and yes everything we can do is better. But I guess at some point every resource is limited and I'm thinking long, long term vision, is that what how do we enter in the conversation with our city in terms of defining a healthy, economic development plan that can also sustain by the resources that we realistically have available to us regardless of how we develop them. I think we have to ask the question and discuss it.

Dr. Ed Roy gave a briefing on the past and current benchmarking process. A future process was then discussed by CAP members and staff. (Revised Benchmarking handout)

Mr. Finch commented, I think the past presentations have been different depending where the project is, for example the feasibility study project vs. something like the Edwards water rights. How would you see staff interacting with this? Would we give a presentation where we address these particular questions? Or just give a presentation of the project and then you would ask further questions:

Dr. Roy commented on the lapse of time between a presentation and a benchmark. Often we would actually get the benchmarking 2-3 months after the presentation. We lost a lot of the meaning of what was going on. When a project comes up in benchmarking, we would like to have a staff presentation and then the benchmarking to take place very quickly after that time. Our general thought was staff presentation, benchmarking done by the CAP, and then perhaps, we haven't gotten to this part of it yet, for a small sub committee to come together and review the benchmarking by each member and come up with a draft of majority report / minority report whatever is to be transmitted to the report.

Mr. Richard Araujo commented some of the questions only required a yes or no. Are you looking for more than that?

Ms. Hinton responded actually yes. We have all the documentation to work from so you don't just have to say yes, you can say yes and we understand this to be true because.

Mr. Navarrette responded staff gives us information on this benchmarking. We give our perspective industry or community based on the project. You're looking for feedback from us on each individual project.

Mr. Finch responded these projects are in various stages of development and I think this will work for projects where we just have a plan for public input. I think in some cases the Board will be interested to see is that plan of what we know so far about that project, is that going to meet our needs? Are we going to have support for that project?

Mr. Peak responded at the very least our efforts should be a part of the prioritization process. One of the things we don't have is everything we need to come up with that information ourselves. I wanted us to be as much as we could for what we are as a volunteer board to have the capabilities to do more analysis on our own rather than just to take everything at face value. We've got several people with engineering backgrounds, we have some people with business backgrounds in addition to the rest, we need to do the best we can to analyze and comment.

Mr. Mayor responded, our benchmarking process over the previous years have not been effective. It was just a bunch of numbers that didn't mean anything. What we are shooting for is your true feelings and advice. What I would suggest because of your different background is to take each one of these questions and elaborate on them. We are looking for a little elaboration on your yes or no.

Mr. Dawson commented on prioritization. I think our role is to support the Board in major decisions with the input that this group can give when its time before they make a decision. I think it is really up to staff in some regards to know what is coming up because all of these projects are in a different stage and the Board may need to be making a major decision that they would like the input of this committee and the benchmarking that we could provide. So it really is going to be important that staff know what decisions are coming up and give us a priority of what to look at. We don't want to be talking to LCRA if we are having to make a brackish water presentation to the Board next month.

Ms. Hinton added some of us may remember that there was a meeting in which some people from a little bit to the southwest of us came and were essentially lobbying this group in hopes that we would come to the Board with a recommendation that we consider the “water deal” that they were presenting to SAWS and I was personally offended and I think if you look back at the minutes of that meeting my words were “somebody is trying to let this tail wag the dog”. And that’s not our job. We are advisory group and we are not people going out seeking water deals or suggesting that one water deal is better than another water deal. That is somebody else’s job and I think this idea of prioritization is a slippery slope because it takes us into an area we were not asked to volunteer to be a part of. And I would hope we would not start making those kind of judgments and recommend to the Board. Now as an individual citizen you can come to speak to the Board not to us anytime you wish and try to lobby them in any way. But as an advisory group I think that is way out of what should be previewed.

Most of these water projects are so far out they are in the planning stages they are “looking at things”, “doing research on things”, the public a lot of times doesn’t have a clue. I mean we’re getting presented the information a lot of times before it is even going to Board. It may happen that something like that comes up and maybe the question of desal is one of those kind of things where people have heard of desalination and it comes before the scoop and the citizens may have some real serious feelings about that pro or con. In that case, we would want to reflect but in terms of prioritizing projects its kind of way ahead of the curve.

Mr. Peak responded, I think as individuals on how we answer the question and then how you put them altogether is going to be a prioritization whether its formally called that or not. We just have to see how that works.

Mr. Naverrette added from what I’m understanding is that we might need to prioritize which of these eight criteria are important for that project at that stage. Maybe some dialogue with some guidance from the Board in what exactly are we looking for from this project at this stage. As the project goes from stage to stage those priorities or focus that you want this group to focus in on may change. There has to be some communication between the Board and this group as to what is exactly you are looking for.

Ms. Hinton clarified what Mr. Naverrette commented so there is priority on the benchmarking criteria not priority on water resource projects.

Ms. Kestenbaum added on overall priority where does this project rank with other projects? I think it is there. I think that the other thing that is.... This is a vision of the project, it was decided ... particular objects and needs of SAWS and part of it is going to be working with to see how it works and see if it meets those needs.

But I agree that just about anytime you evaluate any of these you have public money involved and if you look at the Update of the 2005 Plan those decisions are priority decisions.

Dr. Roy commented if the Board wants to give some guidance I also think that it’s important that it comes from staff as well so it comes from that direction and then to the CAP and then it is

really our decision to make recommendations to the Board. I think the staff has an important role.

Mr. Jerry Green responded I think you are going to have to give it to us in small pieces. I think it will be more effective if you give it to us before it's a done deal. The staff is going to have to alert us in that we are taking this item to the Board and we want your input. They are going to have to accept input from us at the point that you are delivering.

Mr. Finch asked if sub committees or task forces ever play into this process?

Dr. Roy responded It would be my hope that after the benchmarking process a small group a sub group maybe three or four individuals can come together and compile and summarize something to the Board a relatively short document of a couple of pages but no more than that really getting the high points.

Mr. Peak asked Dr. Ed Roy to make whatever revisions that are appropriate and apply them to the new process in a scheduled timing that gives us the opportunity to give meaningful comment to the Board.

Mr. Peak stated that regarding the CAP meeting schedule for next month he wanted to go back to the original schedule which is the 2nd Tuesday, of the month. The next meeting will be on February 14th. We will try to keep on that schedule as much as we can.

Mr. Dave Barton stressed the importance of trying to stay with the 2nd Tuesday of each month meeting date in order to make a real impact.

Mr. Finch stated a presentation on Brackish can be ready for benchmarking on the 14th.

Mr. Chardavoyne stated - there is a lot of good stuff on the location and buying decision. The decision on how it's going to be used right now, we are projecting it as a peaking facility, to determine the best way financing procurement method. And that also wraps into the AWWA Association Research Foundation studies that we are co-financing on how to treat the concentrate or how to dispose.

Citizens to be Heard:

Mr. Larry Hoffmann gave additional insight on the development of the scoring system for the purpose of criteria and benchmarking.

Water projects came in all shapes and we wanted to try to develop a way to pick the ones that were best from a citizen input for the benefit of the rate payers of San Antonio. It was the beginning and we thought maybe this would work. We know from the Board's direction it was too complicated for them.

Mr. Hoffmann also instructed the CAP members to keep availability, reliability, affordability and sustainability the really important elements in mind, which seem to be the real critical issues.

Schedule Next Meeting: February 14, 2006.

Adjournment: With no further business to discuss, the Citizens Advisory Panel Meeting was adjourned at 7:54 p.m., by Mr. Howard Peak.