



January 13, 2010

Mr. John Hoyt
Edwards Aquifer Authority
1615 N. St. Mary's
San Antonio, TX 78215-1415

Dear Mr. Hoyt,

As requested by the Edwards Aquifer Authority (EAA), the San Antonio Water System (SAWS) is responding to the two questions posed to the Water Quality Advisory Group (WQAG) for the next meeting on January 20th. Protecting the water quality of the Edwards Aquifer is of the utmost importance to SAWS as the aquifer will always be a primary source of water for San Antonio and the region.

Question 1:

Do you concur with EAA's impervious cover regulatory concept as presented?

The passage of impervious cover limits, as proposed in the concept memo, will have far reaching effects. The proposed rule if adopted will significantly impact area governments in their land planning and use, will impact the ability of private landowners to use property for currently permissible purposes, will require considerable resources at significant cost to implement and enforce and may result in significant legal challenges and associated costs (all of which will be primarily be borne by SAWS ratepayers). As such, clear and direct evidence supporting the need for the proposed additional impervious cover restrictions is essential.

SAWS has three major concerns with the concept as presented:

1. Duplication of efforts.

The established, existing regulations and programs administered by SAWS and the Texas Commission on Environmental Quality will be duplicated by the EAA. If the EAA adopts the proposed rules they are required by state law to be uniformly applied - essentially nullifying all other rules that have been adopted and that are currently enforced by municipalities. There has been no demonstration that rules, ordinances and statutes currently in effect are not sufficient to address impervious cover concerns as a basis for supporting the creation of a third layer of impervious cover regulation.

2. Technical justification

To justify the rule change, EAA staff provided a presentation of technical information to the WQAG. This information does not seem to be supported by trend data, or if it is based on the trend data that was provided, it directly

contradicts the need for the proposed rules. For example, the trend data related to nitrate concentrations from springs demonstrated that water quality is actually improving. That data is consistent with SAWS experience, as results of analyses of water samples from SAWS Edwards Aquifer wells over the last decade indicate that nitrate levels are not increasing despite significant development and increased impervious cover that has occurred over the Edwards Aquifer during that time. Other data presented appeared to describe known isolated contamination events that are independent of, and not related to impervious cover. Finally, there was no evaluation of agricultural or urbanized water quality impacts. SAWS agrees with EAA's conclusion as expressed in that last EAA Hydrologic Data Report that "well sampling did not indicate widespread contamination of the aquifer." As the EAA asserted in that report, further analysis in the future is appropriate to assess any potential impacts on the aquifer. SAWS suggests that such analysis is necessary before embarking upon a regulatory regimen that may not be necessary.

3. Local input

EAA needs to include all affected stakeholders in the development of rules for a given area of the recharge zone. The value of input from local stakeholders cannot be overstated in the development and acceptance of any proposed rules. Rules that have the potential to significantly decrease property values across such a wide geographical area will need exhaustive outreach throughout the region to minimize potential legal challenges and to achieve regional consensus.

Question 2

If you disagree with the EAA impervious cover regulatory concept what impervious concept do you recommend?

SAWS believes that the EAA must study water quality trends and determine if local rules or practices need to be adopted to eliminate any potential contamination of the Edwards Aquifer. A third tier of regulation of impervious cover may not be necessary to achieve that objective. The trends and evaluations should identify agricultural and urbanized contributors and establish control mechanisms targeted for each. The new rules and programs will be established specific to the local area and with the full participation of the local stakeholders.

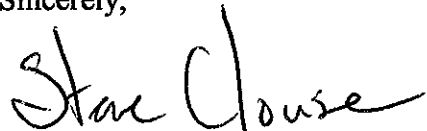
As an alternative, San Antonio through Propositions 3 and 1, adopted with voter approval in 2000 and 2005, has established funds to purchase development rights from property owners. As you are aware, the EAA sits on the committee that prioritizes these property acquisitions, and this program has been widely accepted and successful. SAWS suggests that a more cost effective use of public

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funds would support San Antonio proposition programs or to establish a new voter approved property acquisition program to compliment established efforts.

SAWS agrees that protection of the water quality in the Edwards Aquifer is of great importance to our community and the region, and we are committed to working with the EAA and other entities to identify areas needing improvement. The program, as presented to date presents many challenges and concerns to SAWS and we would urge the EAA to continue working with us, the City of San Antonio and other regional partners to find the best solutions in a coordinated effort to ensuring the best water quality in the Edwards Aquifer.

Sincerely,


Steve Clouse, Sr. Vice President/
Chief Operating Officer