

Regarding Caveat #1

- The San Antonio Water System shall amend Certificate of Convenience and Necessity (Water CCN #10640 and Sewer CCN #20285) to exclude the entirety of the Edwards Aquifer Recharge and Contributing zones within this area where it is designated by the Texas Commission for Environmental Quality as the sole service provider for water and sewer service.

The area in question is roughly between IH 10 and the City of New Braunfels ETJ. It takes in the entire ETJ in the north east portion of Bexar County and on into Comal County. The Edwards Aquifer Recharge Zone within this ETJ is roughly the area between the City Limits and the ETJ border. (see attached map)

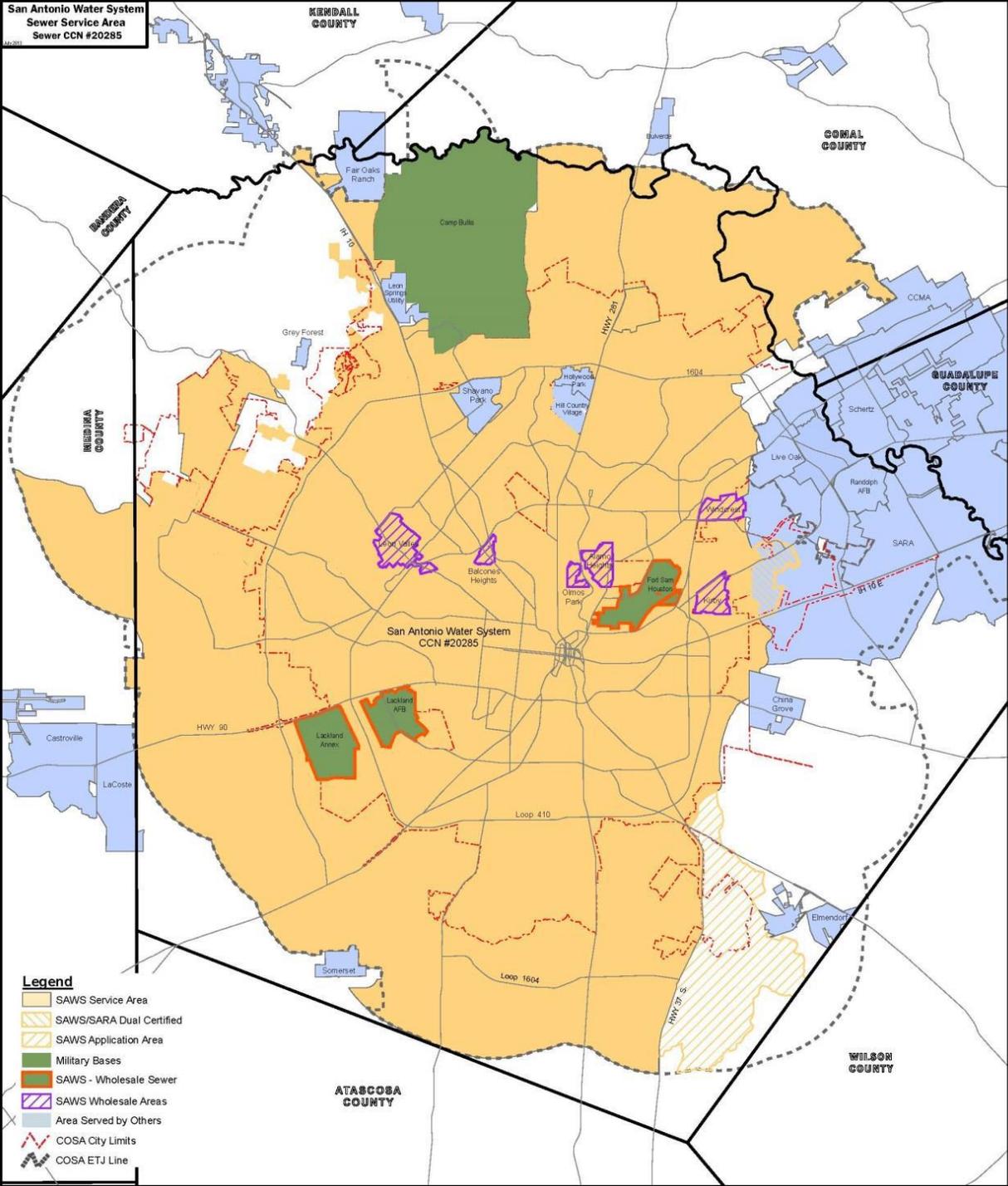
GEAA and member groups successfully opposed the extension of the CCN over the Edwards Aquifer Recharge and Contributing Zones in the western portion of our ETJ. (the white areas on the map)

Currently, the Crescent Hills Development is the only service contract that has been issued within the disputed area of the CCNs.

SAWS says they will be better able to protect the Edwards watershed if they are the sole service provider in this area. We disagree for the following reasons:

- The City of San Antonio has the right of first refusal for non-SAWS sewage systems within the ETJ.
- SAWS can protest permits for substandard projects. GEAA and SAWS joined forces to successfully protest the issuance of sewage discharge permits for the Hills of Castle Rock subdivision.
- SAWS service results in projects of greater density, and encourages growth that follows the installation of oversized water and sewer mains. We can expect an explosion of growth in the disputed area as SAWS is required to approve service for any project that requests it. (this definitely boosted the price of the Crescent Hills land, netting Brad Gallo even more profit from his ill advised plan.) Had the Crescent Hills project gone forward, we would have seen an explosion of growth in undeveloped areas along the oversized mains that SAWS planned to install to supply this project, as it would then have been cheaper for new projects to tie in.
- In areas outside the CCN, SAWS engineers have been able to require changes to the plans that will better protect the Aquifer as conditions of granting service. When they are required to provide service, they have no such leverage.
- Based on SAWS record of sewage leaks on the recharge zone, we don't think they have done such a great job in protecting the ERZ. We hope that the directives from the EPA will address some of these issues, but it will not address all of them. For example, one of the largest sewage leaks on the ERZ within the past few years was the result of a broken lateral line (the line that connects the structure to SAWS main) for a large apartment building, which is the responsibility of the property owner, and is not maintained by SAWS.
- To avoid the use of lift stations, which frequently malfunction, SAWS installs gravity feed sewage lines within creek beds and intermittent streams, which are major Edwards Aquifer recharge features. Thus, when leaks do occur, raw sewage is leaked in areas where the most prolific recharge of the Aquifer occurs.
- Guarantee of SAWS service will boost the price of land within the disputed service area, which will necessitate higher density projects.

**San Antonio Water System
Sewer Service Area
Sewer CCN #20285**



Legend

- SAWS Service Area
- SAWS/SARA Dual Certified
- SAWS Application Area
- Military Bases
- SAWS - Wholesale Sewer
- SAWS Wholesale Areas
- Area Served by Others
- COSA City Limits
- COSA ETJ Line