



## Water plan's soaring cost raises questions for SAWS

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The Colorado River is listed as a potential future source of drinking water for San Antonio, but some are questioning that plan as the cost of the proposal keeps escalating.

Initially projected in 2002 to cost \$903 million, the latest estimates put the price at \$2.1 billion.

That's even though feasibility studies are only half complete and no detailed engineering plans have been drawn up for the 173-mile pipeline that would annually bring 48.9 billion gallons of water from the coast near Bay City.

"I'm very skeptical of the project," said Larry Hoffman, president of the Regional Clean Air and Water Association, a citizens group that studies the local water situation.

"The biggest concern is the cost of this water, assuming we can even get it," he added. "It's as high as or higher than seawater desalination, at least with the current cost estimates."

But the San Antonio Water System board last week approved another \$9.1 million in study costs for 2007 with hopes that federal grants would pick up \$2 million of that.

It's the fourth in six years and \$43 million in engineering and environmental studies to determine if the project with the Lower Colorado River Authority makes sense.

"It's certainly high and fluid at this point, but it is hard to pin down what the estimated costs might be when we get to the point where we have to make a decision," said Calvin Finch, SAWS' water resources director.

The annual price per acre-foot has zoomed from an estimated \$960 to \$1,326.

An acre-foot is 325,851 gallons, enough to meet the annual needs of three typical San Antonio families of four.

That compares with annual costs of \$100 per acre-foot to lease Edwards Aquifer pumping rights and projected costs of \$862 an acre-foot for SAWS' proposed Carrizo Aquifer project in Gonzales County.

The \$1,326 projected cost per acre-foot of the Colorado River water is a few dollars short of the estimated cost of desalinating inexhaustible supplies of seawater. The Colorado River water would end in 2090, with decreasing amounts of water in the final 10 years of the contract.

Howard Peak, a former San Antonio mayor who is chairman of SAWS' 19-member Citizens Advisory Panel, said the panel raised questions about the project in a recent analysis.

"We worried about a number of things, from the quantities and so on," Peak said. "As to the price, that it didn't get higher than the value that we would derive from the water. We thought maybe there needs to be something done to recognize a cap so that we don't commit ourselves to paying way too much for water. When you don't have water, you'll pay a lot, but we shouldn't let ourselves get into that predicament."

The project calls for SAWS to pay the costs of developing 107.5 billion gallons of water in the Colorado basin in return for the right to take the 48.9 billion gallons each year.

The rest of the water would be used to satisfy Colorado basin needs over the next century. SAWS would pay to line irrigation canals, level farmers' fields, drill irrigation wells and build off-channel reservoirs to store floodwater.

The 10,000 acres that would be taken for the reservoirs in Wharton, Colorado or Matagorda counties already is generating opposition by residents, as is the proposed groundwater pumping for rice irrigation in time of drought.

Most environmentalists are reserving judgment. They're closely watching the results of studies aimed at ensuring that the freshwater needs of creatures living in the river and Matagorda Bay will be met.

"Our target figure is still between 2020 and 2030," SAWS' Finch said of taking water from the project, which could require 10 years to design and construct.

The project likely needs the proposed 48.9 billion gallons to keep the unit cost down, but the utility doesn't need that much water all at once, Finch said. SAWS uses about 62 billion gallons a year. Peak wants to avoid being locked into a contract for more water than can be used.

Efforts to renegotiate the contract with LCRA continue, Finch said, adding, "if we're successful in making the deal better for San Antonio, then it gives us a lot more flexibility."

The advisory council's message, Peak said, "is essentially 'SAWS board, there's some more work that needs to be done to make sure this is a good deal for San Antonio.' This needs to be one of these much-talked-about win-win situations. We're in a position to help them some, so there's some partnership aspects to this, not just a seller to a buyer."

Peak said there's concern, too, about what would come after the LCRA.

"Somewhere along the line, thought needs to be given to what's going to take the place of this water we're going to get from the LCRA when that contract ends," he said.

Pushing ahead after the study period commits the utility to big costs besides the estimated \$2.1 billion in construction — a \$24.5 million lump sum commitment payment plus about \$10 million a year just to reserve the water until it's taken.

Abandoning the Colorado project means SAWS would get back half of its study costs, which will amount to about \$43 million by 2010, but puts more pressure on the success of a few other alternatives in a future with dwindling supplies.

Among those alternatives: more from the Edwards Aquifer with increased recharge and better management; a regional project from the Carrizo Aquifer, where local officials and residents are fighting the project; and desalination of local brackish groundwater supplies.

"We need to go about this thoroughly and diligently but not drag it out unnecessarily," Peak said of assessing the viability of a Colorado River project.