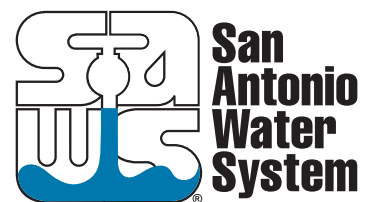


# Water Supply Fee Semiannual Report

January-June 2024



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# Water Supply Fee Semiannual Report January - June 2024

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## About the cover:

Left: Designated a Leading Utility of the World in 2017, SAWS is one of a limited number of utilities across the United States that has been honored with this designation. SAWS' membership was renewed this year for continuing to demonstrate a commitment to innovation.

Top right: Basin pump station, a key pump station that pumps water from the Edwards Aquifer, as well as where Vista Ridge water gets sent to, through the Central Integration Pipeline to be distributed to customers.

Bottom right: SAWS customers can take advantage of WaterSaver Coupons and Rebates to help transform their water thirsty lawns to native landscapes all while saving water and money in the process.

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## Introduction

San Antonio Water System (SAWS) is pleased to present the January – June 2024 Water Supply Fee Semiannual Report to San Antonio City Council. This report is a requirement of Chapter 34 of the Municipal Code, Section 34-1349 and put in place by a 2005 initiative to ensure SAWS was achieving the development of the water supply plan. The requirement has never been altered and as such, is submitted to City Council twice each year, covering the periods of January through June, and July through December.

SAWS was created by an act of the City Council in April 1992, through Ordinance 75686. SAWS serves over 2 million people. The service area covers 928 square miles primarily in Bexar County and portions of Atascosa, Comal, and Medina counties.

This report documents the water resources activities pertaining to the implementation of San Antonio Water System’s long-term planning efforts, with focus on activities during the period of January 1 through June 30, 2024. The report will:

- Review the progress on the updates to the 2017 Water Management Plan
- Provide a status report on the utility’s water production
- Recap the Edwards Aquifer Authority (EAA) critical period cutbacks and drought restrictions during the reporting period
- Provide an update on conservation programs
- Provide an update on the development of the 2024 Water Management Plan
- Summarize the revenues generated from the water supply fee, and capital spending on water supply projects
- Summarize the maintenance and operational expenses for completed projects

SAWS had a total potable and non-potable demand of 152,325 AF of water during the first half of 2024. Of that total, 73,826 AF came from the Edwards Aquifer, which accounted for approximately 48.5 percent of the total water distributed to customers. One AF of water is equal to 325,851 gallons.

The current diversified water supply portfolio consists of the following sources:

- Edwards Aquifer
- Canyon Lake
- Carrizo Aquifer
- Lower Wilcox Aquifer
- Recycled Water (non-potable)
- Simsboro Aquifer
- Trinity Aquifer





## EAA: Critical Period Update

In the first half of 2024, San Antonio recorded 15.20 inches of rain. This is 0.90 inches below the 30-year average of 16.10 inches for the first 6 months of the year.

During the reporting period, SAWS had a 16.69 percent critical period drought cutback to its Edwards Aquifer supply through the EAA. On the right, is a table that shows the days the EAA moved in and out of critical period stages during the reporting period, as well as the permit reductions.

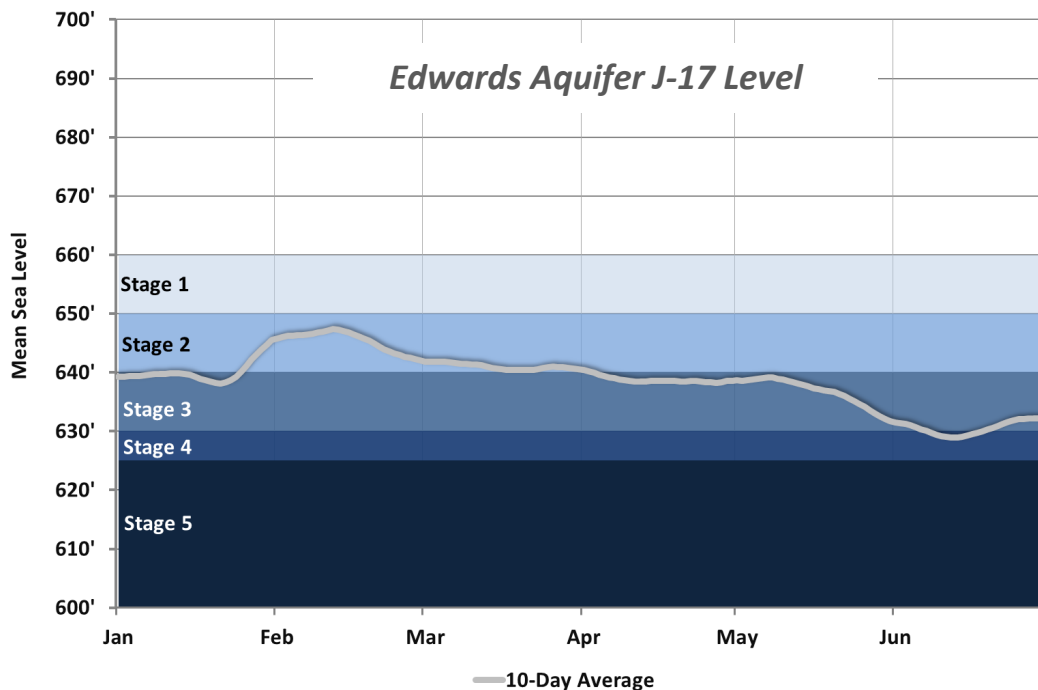
Stage	Percent	Days in Stage	Start	End	Reduction
Stage 3	35.0%	24	01/01/24	01/24/24	2.30%
Stage 2	30.0%	69	01/25/24	04/02/24	5.67%
Stage 3	35.0%	64	04/03/24	06/05/24	6.11%
Stage 4	40.0%	15	06/06/24	06/20/24	1.64%
Stage 3	35.0%	9	06/21/24	06/29/24	0.86%
Stage 4	40.0%	1	06/30/24	06/30/24	0.11%
		<b>182</b>			<b>16.69%</b>

Since April 13, 2022, SAWS customers have been in stage 2 watering rules.

In June, City Council approved

updates to the city’s drought ordinance, including new landscape watering rules. The new rules went into effect in June during this reporting period. SAWS declared Stage 3 watering rules in late June, which includes a new surcharge to encourage both residential and commercial customers with very high outdoor water use to conserve. The new one-day-a-week watering times are 5am to 10am and 9pm to midnight in Stages 2,3, and 4. Drip irrigation watering hours are the same as sprinklers, and allowed three times a week in Stage 1, twice a week in Stages 2 and 3, and once a week in Stage 4.

*Total Edwards permit reduction of 16.69% by the end of the reporting period*



*San Antonio J-17 Index well level based on mean sea level (msl) for the reporting period*

## Water Supply Summary

This section summarizes the status for each water resource project for the first half of 2024.

Supply	Acre-Feet Distributed (January-June 2024)	Activity
Edwards Aquifer	73,826	<ul style="list-style-type: none"> <li>2024 Permitted inventory 256,933 AF</li> <li>Regulatory cutback was 16.69% through June 30, 2024</li> </ul>
Direct Recycled Water	7,527 <ul style="list-style-type: none"> <li>3,715 (consumptive)</li> <li>3,073 (San Antonio River &amp; Salado Creek)</li> <li>739 (Mitchell Lake)</li> </ul>	<ul style="list-style-type: none"> <li>System Supply: 25,000 AF*</li> </ul>
Trinity Aquifer	1,748	<ul style="list-style-type: none"> <li>Ongoing drought conditions led to decreased production volumes in the first half of 2024</li> </ul>
Canyon Regional Water Authority (CRWA)	2,982	<ul style="list-style-type: none"> <li>47% of annual contracted volume received during the reporting period</li> </ul>

\*This does not include the volume supplied to CPS Energy

Supply	Acre-Feet Distributed (January-June 2024)	Activity
Canyon Lake	2,655	<ul style="list-style-type: none"> <li>• Canyon Lake was at 56.5% of capacity at the end of the reporting period</li> </ul>
H <sub>2</sub> Oaks Aquifer Storage and Recovery	ASR water recovered and sent to distribution system: 13,728 AF Edwards Water Stored: 0 AF	<ul style="list-style-type: none"> <li>• An average of 25 MGD sent to distribution system between (January 1 and June 30)</li> <li>• 152,609 AF of water stored as of June 30, 2024</li> </ul>
H <sub>2</sub> Oaks Carrizo Aquifer	3,874	<ul style="list-style-type: none"> <li>• 39% of annual capacity produced during the reporting period</li> </ul>
H <sub>2</sub> Oaks Brackish Groundwater Desalination	3,298	<ul style="list-style-type: none"> <li>• Produced an average of 5.9 MGD during the reporting period</li> </ul>
Regional Carrizo Project	Buckhorn Wellfield: 5,128 Schertz-Seguin Local Government Corporation: 301	<ul style="list-style-type: none"> <li>• SAWS Buckhorn wellfield production in Gonzales County</li> <li>• Water purchased from Schertz-Seguin Local Government Corporation</li> </ul>
Vista Ridge	22,703	<ul style="list-style-type: none"> <li>• Summer deliveries began March 1 increasing flow from 44.6 MGD to 48.6 MGD</li> </ul>



Planned Projects 2017-2025	Status of Programs January – June 2024
Conservation Programming	<ul style="list-style-type: none"> <li>• Increased Conservation messaging by sending personalized WaterSmart reports to over 295,000 customers on a monthly basis, helping single family residential customers identify and participate in conservation opportunities. All low-income customers receiving an affordability discount that we have an email for are auto-enrolled in WaterSmart reports.</li> <li>• Sending leak alerts to single-family residential (SFR) customers who have electronic meters showing continuous use of 5 GPH (gallons per hour) for a period of 48 or more hours. The number of individual alerts sent is expected to increase as deployment of ConnectH2O continues, however the percent of SFR customer accounts meeting the alert threshold has remained at about 2%.</li> <li>• GardenStyle visitors increased by 10% but individual page views decreased by 65% between June of 2023 and June of 2024. The decrease in viewership corresponds to the launch of the updated GardenStyle website. Staff are reviewing viewership data to understand how to overcome this change. Subscribers to the weekly GardenStyleSA newsletter continues to increase and has just under 35,000 subscribers as of June 2024.</li> <li>• 534 customers served through Plumbers to People and Conservation Makeover visits in the first half of 2024, with ongoing efforts to assist more customers through collaboration with the Uplift Team. In total there were just over 600 visits made for these programs.</li> <li>• More than 1,200 Irrigation Consultations were completed in the first half of 2024.</li> <li>• 99 households, 7 multifamily, and 8 businesses used Irrigation Efficiency rebates from January to June of 2024.</li> <li>• 377 WaterSaver Landscape Coupons were redeemed replacing grass with drought-tolerant plants.</li> <li>• The number of customers signed up for the WaterSaver Rewards program grew by 16% in the first half of the year. By the end of June 2024 more than 8,103 customers were able to benefit from virtual and in-person Rewards education opportunities provided by SAWS Conservation and partner organizations.</li> <li>• 2,679 required accounts are in compliance with the Irrigation Check-Up regulation as of the end of June 2024, resulting in 67% compliance for the first half of the year.</li> <li>• 15 flow sensor rebate applications were submitted with 13 rebates approved so far. Other applicants continue to complete steps necessary for their rebate to be approved. 101 smart irrigation controller coupons have been redeemed helping customers better understand and control their water consumption.</li> <li>• Increased enforcement patrols continued in the first half of the year as hot and dry conditions persisted. In the first half of the year, more than 2,600 water waste violations were issued and more than 2,700 water waste alerts were issued.</li> <li>• Conservation initiatives have successfully helped manage outdoor water demands.</li> <li>• Programming and planned regulatory changes to reduce projected average year consumption from 124 gallons per capita per day (GPCD) in 2017 to 107 GPCD in 2025.</li> </ul>

## Water Management Plan Process

SAWS Water Management Plan (WMP) serves as the organization's guiding document to project long term water demands and identify future firm water supplies and progressive water conservation programs to meet the communities water needs for the next 50 years.

The WMP is generally updated on a five-year basis or as conditions warrant to incorporate changes in focus topics such as:

- Population growth and development
- Water demand patterns
- Climate change
- Regulatory changes
- Water supply and future options
- Conservation programs



SAWS started the most recent WMP process in 2022 by engaging with the community through WaterCitySA.com. The community participated in a survey to rank various plan components by level of importance to them. SAWS has received over 1,000 community responses to the survey. SAWS has also participated in city council briefings, council district meetings, neighborhood association and homeowner associating meetings, tabling events, stakeholder meetings, SAWS citizen committees, and university presentations.

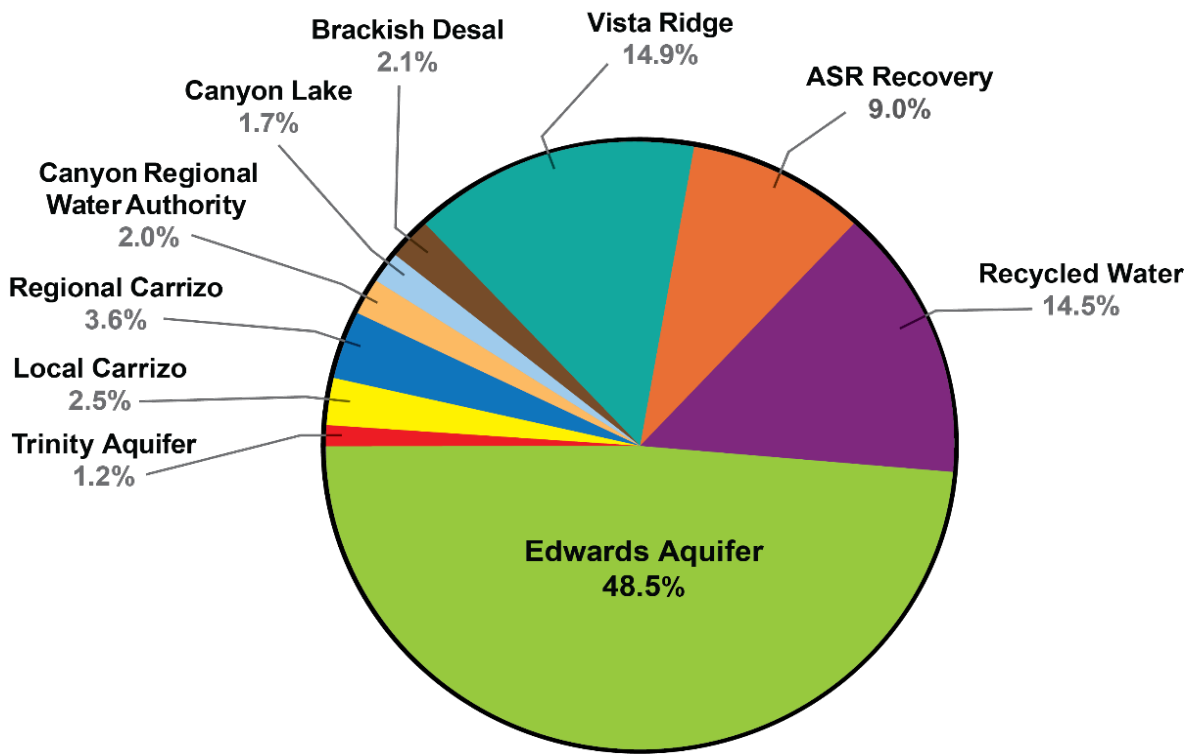


The Draft 2024 WMP was released on June 21, 2024 for a 43-day public comment period. As a result of public comments on the draft plan, any changes will be implemented prior to SAWS Board approval expected this fall.

## Distribution to Customers

### 2024 Distribution of Potable and Non-Potable Water to Customers

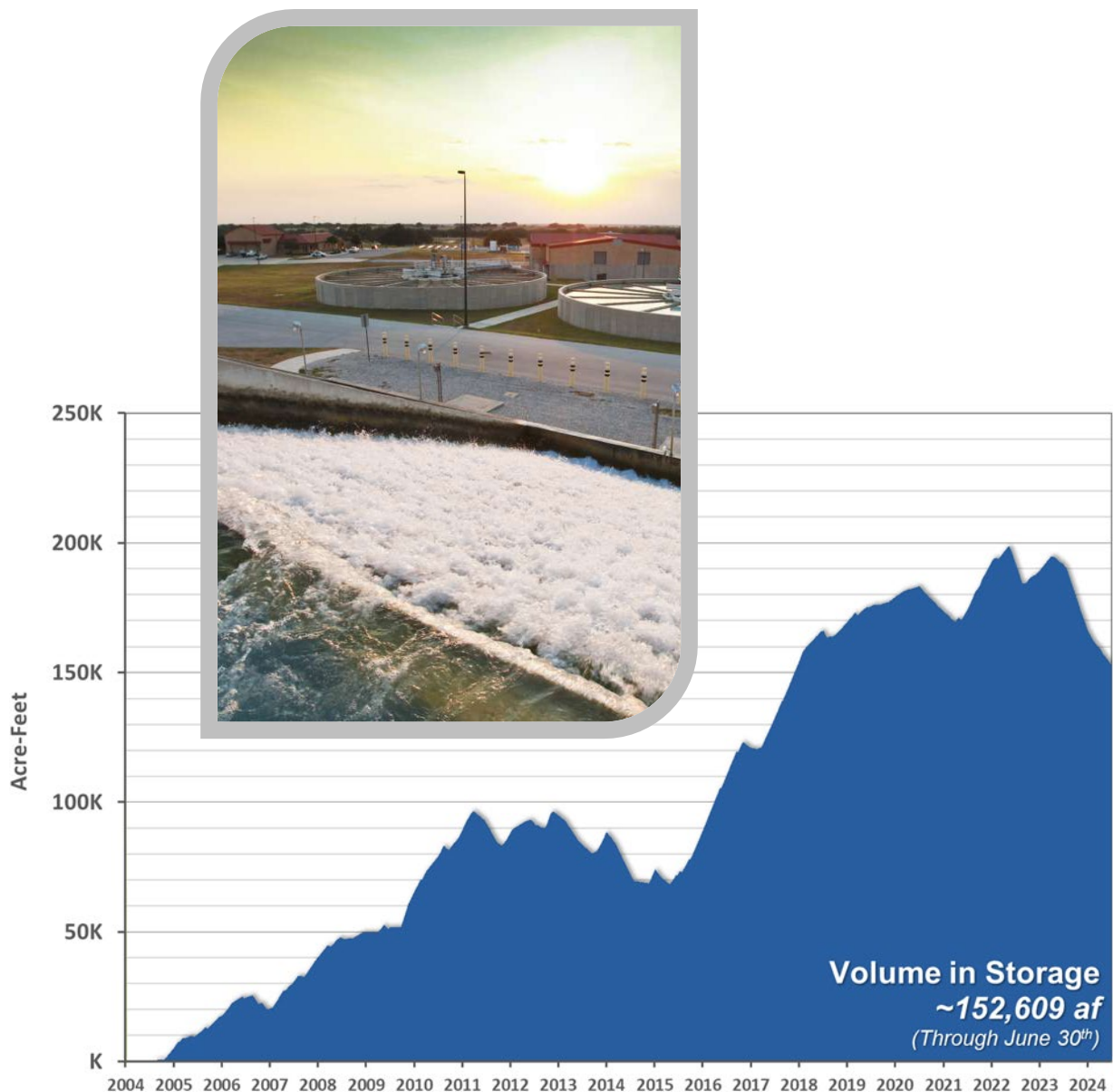
During the reporting period, San Antonio Water System (SAWS) distributed a total potable water volume of 130,243 acre-feet (AF). In addition, 22,082 AF of recycled water was supplied to our customers; 14,555 AF to CPS Energy and 7,527 AF to the remaining customers. The total water demand for the first half of the year was supplied by the following sources:



## Aquifer Storage and Recovery

SAWS maximizes its annual Edwards Aquifer permitted volume by storing Edwards Aquifer water during low demand periods. During drought, SAWS utilizes the ASR facility to recover stored water to distribute to SAWS customers. This reduces demand on the Edwards Aquifer to help maintain spring flow for endangered species. The SAWS ASR project is a key spring flow protection measure and a shared resource benefiting communities in the region.

During the reporting period, SAWS delivered 13,728 AF of water to its customers to help meet demand. As of June 30, 2024, ASR had a storage volume of 152,609 AF.



Source: San Antonio Water System

## Financial Report

### Water Supply Fee

On October 19, 2000, the San Antonio City Council via Ordinance #92753 approved a funding mechanism for the construction and development of additional water resources to meet projected water demands for the SAWS service area for the next 50 years.

The Water Supply Fee assists in funding expenditures for the development of new water resources to include all operating, maintenance, research and development, and capital costs (including debt service when capital expenditures are debt funded). SAWS has the largest direct recycled water system in the nation, and along with SAWS conservation programs, moderates the size of the Water Supply Fee by reducing the need for additional water supplies.



*The Credit Human building near the Pearl, uses recycled water from SAWS direct recycled water system for irrigation as well as on site reuse to flush toilets. The recycled water program is key to SAWS' long-term diversification and conservation efforts.*

The Water Supply Fee per 1000 gallons in 2024 for each customer class is summarized below.

<b>RATE CLASS</b>	<b>Usage Block Thresholds Gallons</b>	<b>Assessed Fee RATE PER 1000 GALLONS</b>
<i>Residential</i>	4,000	\$1.631
	7,000	\$3.018
	12,000	\$5.464
	20,000	\$7.177
	Over 20,000	\$10.194
<i>General</i>	Base*	\$3.079
	125% of Base	\$3.541
	175% of Base	\$4.619
	Over 175% of Base	\$5.389
<i>Wholesale</i>	Base**	\$3.567
	Over Base	\$7.134
<i>Irrigation</i>	8,000	\$3.813
	18,000	\$5.339
	160,000	\$6.864
	Over 160,000	\$8.770

\* The Base Use for General Class is defined as 100 percent of the Annual Average Consumption.

\*\* The Base Use for the Wholesale Class is defined as 100 percent of the Annual Average Consumption or as agreed to by the wholesale customer and approved by the SAWS Board of Trustees.



## Water Supply Fee Financial Reports

The following tables provide an accounting of the collection and uses of the Water Supply Fee since its inception in 2001.

<b>San Antonio Water System Sources and Uses of Funds Water Supply 2001-2024 (\$ in Millions)</b>	
Water Supply Fee	\$2,816.19
Operating Transfer from Water Delivery	198.89
Non-operating income & Other	147.59
Recycle Water Revenues	113.68
Water Supply Impact Fees	466.79
Bond Proceeds	886.71
Water Supply O&M	(1,772.37)
Debt Service <sup>1</sup>	(954.68)
Capital Funding	<u>(1,554.48)</u>
<b>Funds Provided</b>	<b><u>348.32</u></b>
Restrictions on Cash	119.82
Designations on Cash	<u>154.16</u>
<b>Unrestricted/Undesignated Funds</b>	<b><u>\$ 74.34</u></b>

<sup>1</sup> Includes Principal, Interest and Bond Defeasance Payments.

**San Antonio Water System**  
**Operating & Maintenance Expenditures**  
**2001-2024**  
*(\$ in Millions)*

Operating and Maintenance Costs	
Western Canyon Project - GBRA	\$ 137.49
Oliver Ranch - Lease Payments & Production Costs	39.43
BSR – Lease Payments & Production Costs	6.66
Regional Carrizo - Water Sales Agreements & Other	117.76
Brackish Desalination	27.41
Edwards - Lease Expense & Other	90.11
Aquifer Storage & Recovery Project	73.98
Aquifer Protection & Compliance	60.68
Vista Ridge	445.52
Recycled Water Operations	54.96
Canyon Regional	62.36
Medina Lake	25.75
Trinity Stein/Rogers Ranch	72.37
Conservation Program - net loss/(income)	(23.34)
Stormwater program - net loss	0.24
LCRA - Study Period and Other, Net of Cash Recovery	13.77
Lower Guadalupe Water Supply Project	6.26
Simsboro Aquifer	4.41
Recharge Initiative	0.80
Other Water Resources Cost	26.78
Facilities Maintenance	75.28
Communication & Outreach	23.38
Legal - Water Law	10.98
Billing & Collections	92.92
Finance & Information Systems	87.48
Corporate Facilities	19.57
Human Resources, Safety, Other Benefits	73.07
Other Support Services	42.82
Transfer to COSA	103.47
	<hr/>
Total Operating & Maintenance	<u>\$1,772.37</u>

**San Antonio Water System**  
**Water Supply Capital**  
**Spending 2001-2024**  
*(\$ in Millions)*

	FUNDING		
	Cash Funding	Debt	Total
Water Supplies:			
Non-Edwards Water Supplies			
Western Canyon Project - GBRA	\$ 3.31	\$ 10.87	\$ 14.18
Trinity Aquifer Projects (Oliver Ranch/BSR)	12.49	-	12.49
Local Carrizo	1.31	13.51	14.82
Brackish Desalination	59.94	149.38	209.32
Regional Carrizo	55.99	63.81	119.80
Aquifer Storage & Recovery Project (ASR)	49.07	245.71	294.78
Recycled Water System	2.87	91.36	94.23
Total Non-Edwards	184.98	574.64	759.62
Edwards Aquifer Water Rights	87.83	153.15	240.98
Total Water Supply Capital Spending	272.81	727.79	1,000.60
Other Capital Spending:			
Integration	304.60	136.11	440.71
Advanced Meter Infrastructure	76.23	0.77	77.00
Land, Buildings & Equipment	30.89	5.28	36.17
	411.72	142.16	553.88
Total Capital Spending	\$ 684.53	\$ 869.95	\$ 1,554.48



<b>San Antonio Water System</b> <b>Cash Restrictions/Designations</b> <b>Water Supply</b> <b>2001-2024</b> <b>(\$ in Millions)</b>	
Restrictions on Cash:	
Operating Reserve	\$ 42.36
Reserve Fund	7.92
Construction Funds:	
Debt Funds <sup>1</sup>	26.24
Impact Fees <sup>2</sup>	<u>43.30</u>
	119.82
Designations on Cash:	
PGA Monitoring/WQEE/Conservation	24.66
Interest Mitigation Fund <sup>3</sup>	0.94
2024 & Prior CIP program (cash funds)	<u>128.56</u>
	154.16
Unrestricted/Undesignated Funds	<u>74.34</u>
Total Water Supply Funds Available	<u>\$ 348.32</u>

<sup>1</sup> Represents bond proceeds currently on hand. These proceeds have all been committed to be used on existing projects.

<sup>2</sup> Represents unspent impact fees. These have all been committed to fund Capital Improvement Program (CIP) projects in the 2024 & prior CIP program or they will be used to help fund future CIP programs.

<sup>3</sup> Represents funds accumulated as a result of favorable variances in debt service. Funds may be used for CIP or to otherwise reduce debt service costs.

## Acronyms and Abbreviations

AF	Acre-Foot (325,851 gallons)
ASR	Aquifer Storage & Recovery Facility / underground storage facility
CIP	Capital Improvement Program
CRWA	Canyon Regional Water Authority
EAA	Edwards Aquifer Authority
GPCD	Gallons per Capita per Day
MSL	Mean Sea Level
SAWS	San Antonio Water System
WMP	Water Management Plan

