



# 2009 Proposed Rate Adjustment

December 3, 2008

## **Northwest Neighborhood Alliance**

**SAWS is a nationally  
recognized leader in providing  
reliable and affordable water  
service**

*We proudly serve our customers  
and help communities flourish  
with plentiful, quality, affordable water  
services*



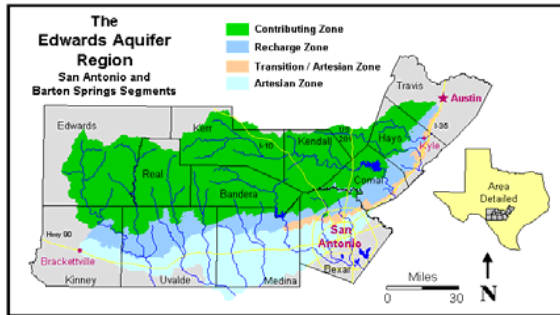
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# Commitment to Essential Services

## Providing Value Around the Clock

### Water Source



### Well/Pump



### Storage



### River



### Wastewater Treatment Plant



### Sewage Collection System



### Distribution



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# Revised 2009 Rate Adjustment

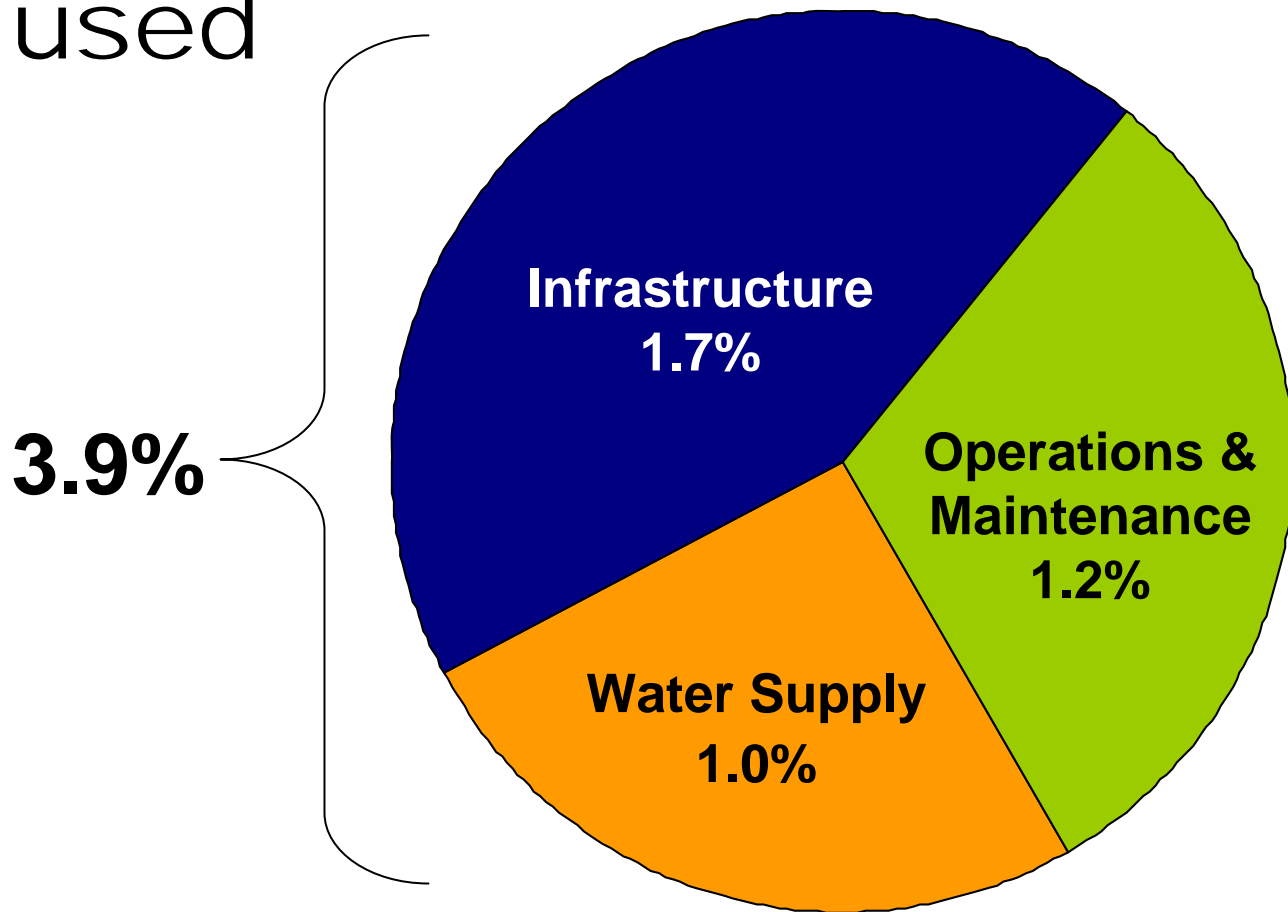
Item	Revised Rate Change	Avg. Monthly Residential Bill Increase
Water Supply Fee	<b>2.8%</b>	<b>\$0.33</b>
Water Service	<b>3.2%</b>	<b>\$0.42</b>
Wastewater Service	<b>5.3%</b>	<b>\$0.88</b>
<b>Combined Effect on the Average Bill</b>	<b>3.9%</b>	<b>\$1.63</b>

Average based on 7,788 gallons water/ 6,178 gallons sewer usage. As of November 2008. Excludes COSA Stormwater.

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# How the proposed rate increase will be used



**Average Residential Bill Increase of \$1.63 / month**

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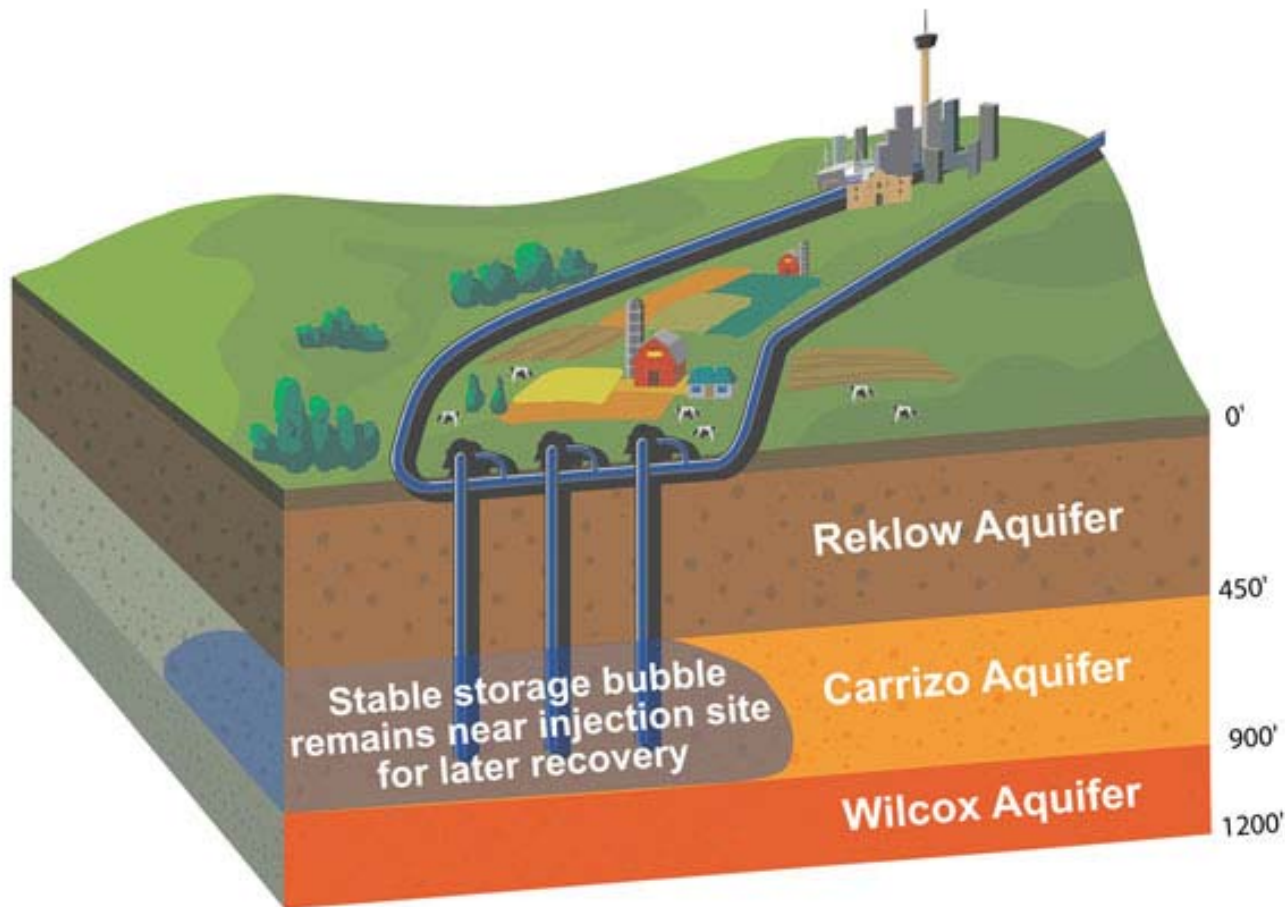
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# Aquifer Storage & Recovery (ASR)

\$243.3 M from Water Supply Fee

50,000 Ac-ft  
Stored  
=  
25% of annual  
potable demand



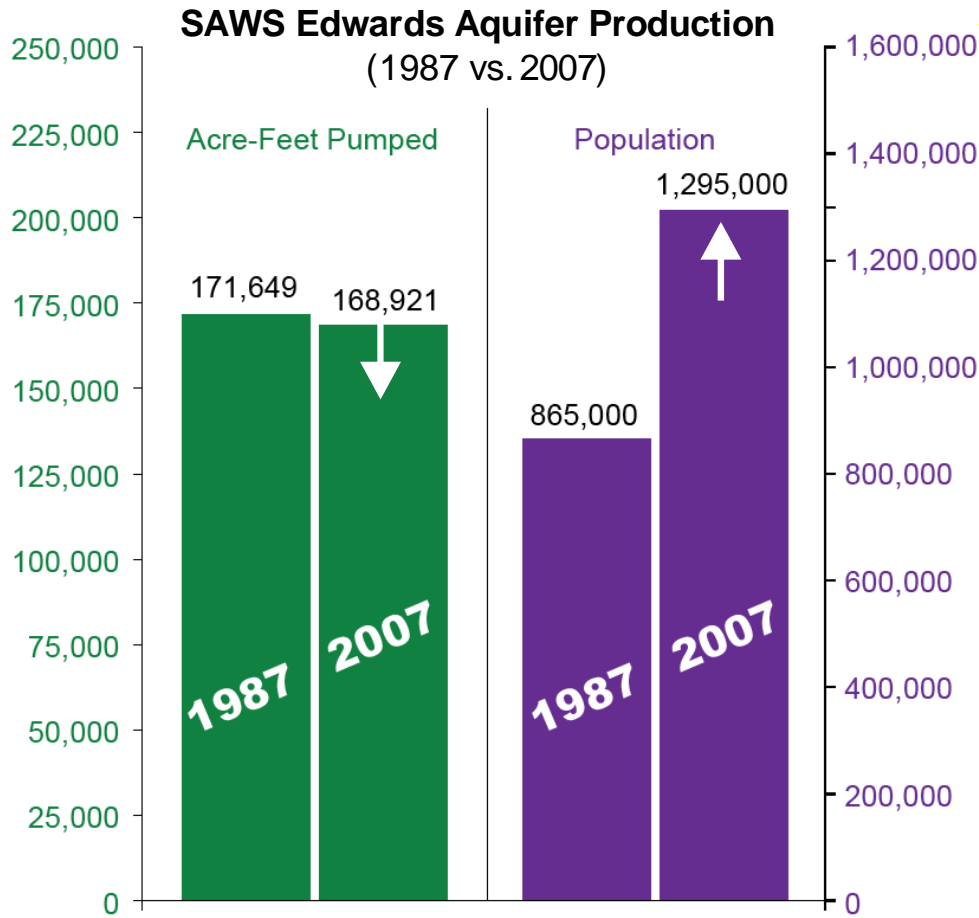
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# Conservation

50% More Customers, 0% More Water

The National Leader



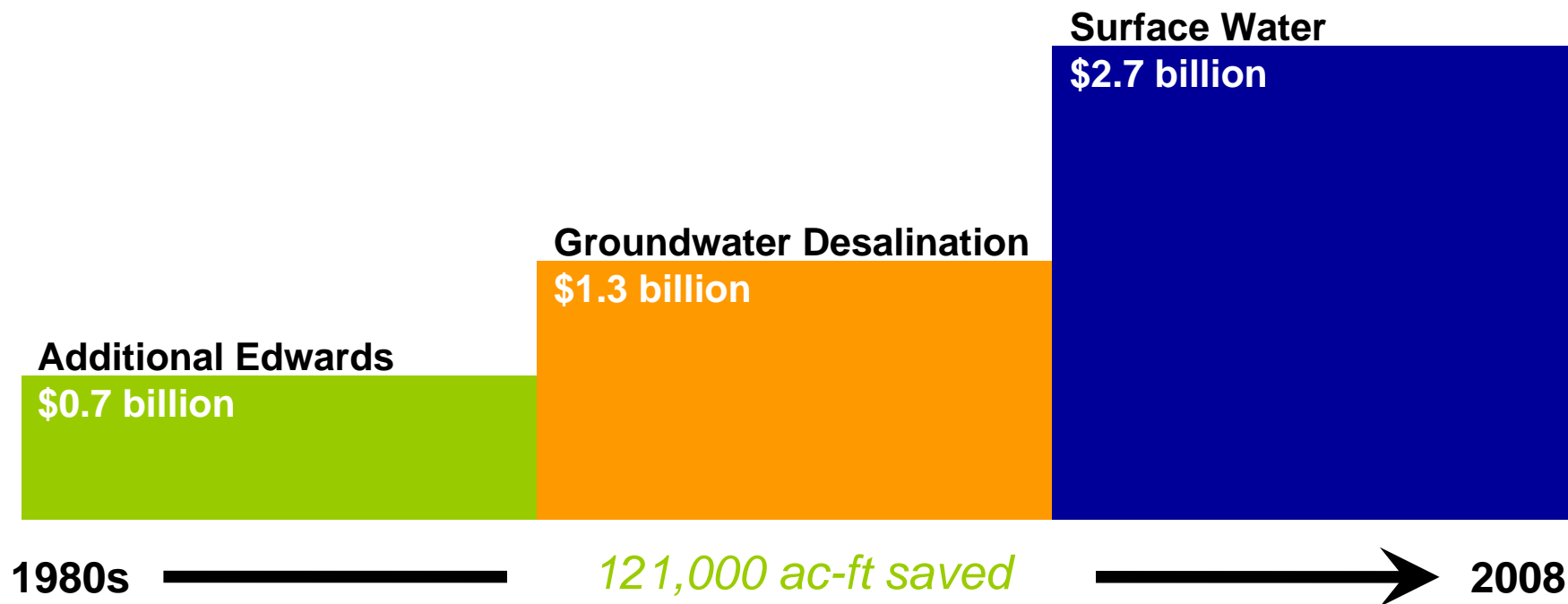
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# Conservation

## Fiscal & Environmental Stewardship



Deferred alternative supplies would have cost  
**up to \$2.7 billion**

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# Refreshing Ideas

## Nation's Largest Recycled Water System

**Serving the Environment**



**Toyota**

**Promoting Economic Development**

**Microsoft**



**Conserving Edwards Supplies**



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# Water Supply

## Accommodating a growing Community

- **Optimize use of the Edwards**

- ✓ Conservation
- ✓ Recycled Water System
- ✓ Aquifer Storage and Recovery

- **Reduce Stress on the Edwards**

- ✓ Canyon Lake
- ✓ Trinity Aquifer
- ✓ Local Carrizo
- Desalination
- Regional Carrizo
- Lower Colorado River Authority
- Recharge
- Other Potential Supplies



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# Infrastructure

## Improving the System

**Expensive Repairs**



**Pipes crumble and fail over time**

**Public Health and Safety**



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# Wastewater System

## An Environmental Trifecta

- Expanded beneficial water reuse programs
  - Water Recycling (111 miles of mains)
  - Composting
  - Gas to Energy

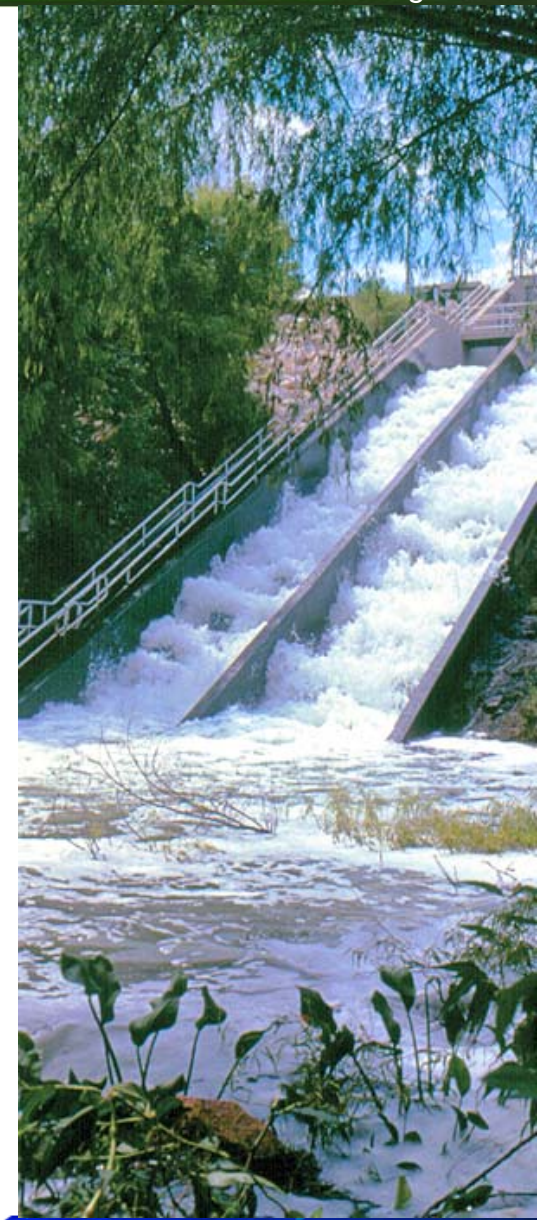
*(international media coverage\*)*

\*  **CBS NEWS**

 **REUTERS**

 **Associated Press**

 **YAHOO! NEWS**

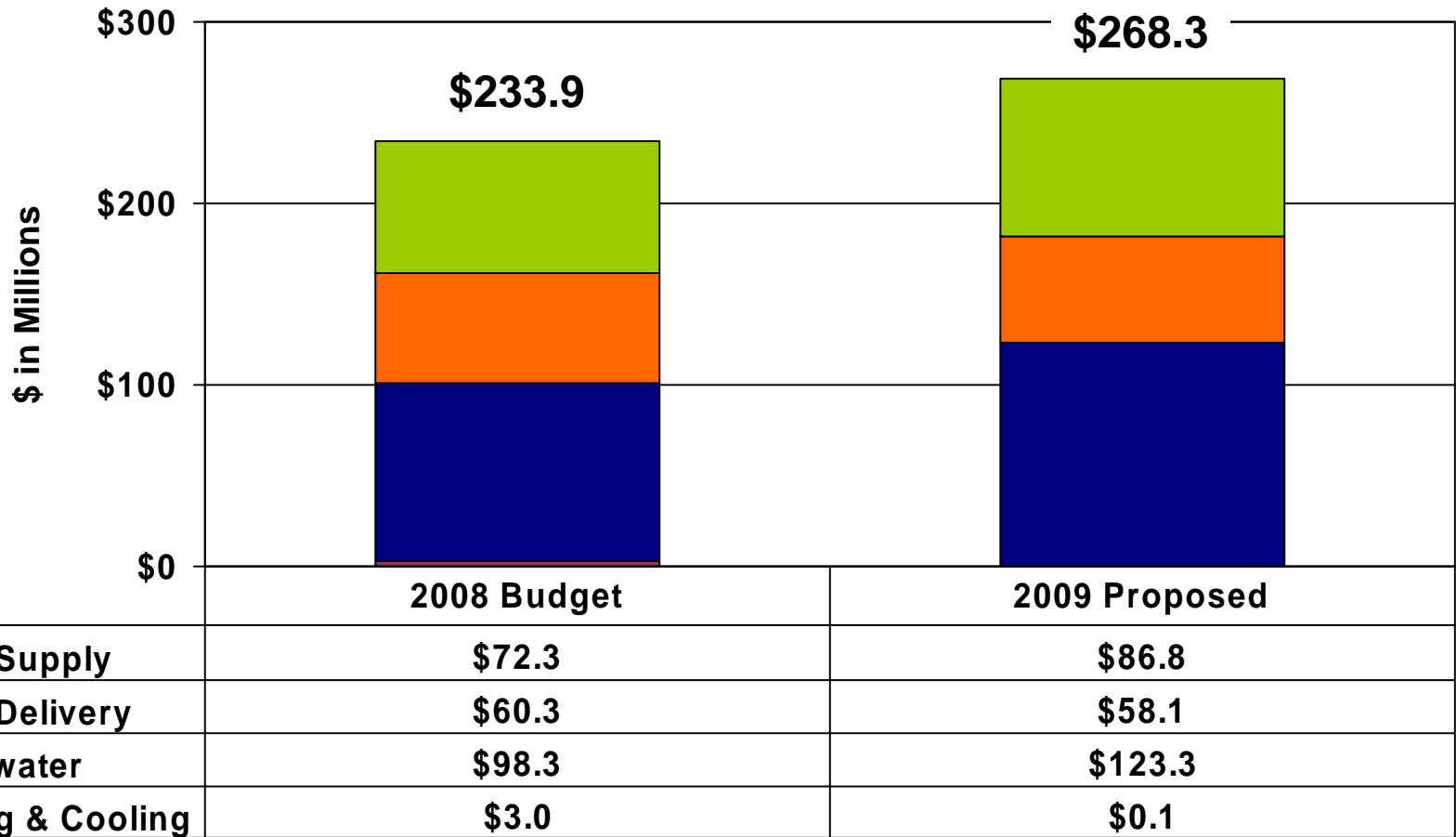


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# 2009 Capital Improvements Forecast

S&P Increased Bond Rating from AA- to AA



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# Operating Cost Increases

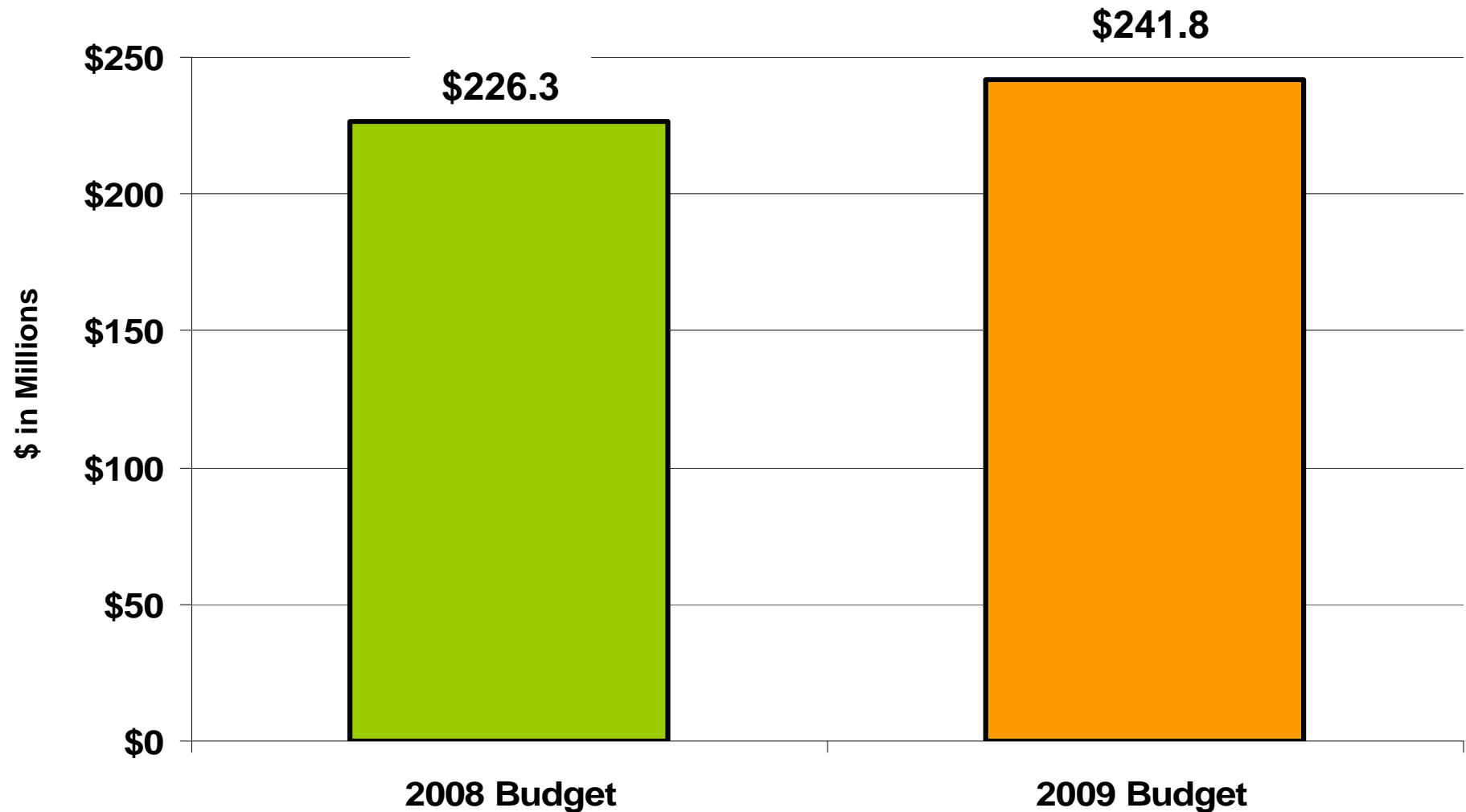
## Line maintenance and unavoidable rising costs

- **Wastewater Line Cleaning**  
*Preventative Maintenance Program*
- **Chemical Cost Increases**  
*Ferrous Sulfate, Sulfuric Acid, Dewatering Polymer*
- **Electricity**  
*Customer Growth, Rate Increase, Fuel Adjustment Clause*
- **Employee-Related**  
*Retirement, Post-Retirement Medical*
- **Maintenance Materials/Expense**  
*Asphalt Price Increases, General Inflation, System Expansion*
- **Other Significant Increases**  
*Increased Credit Card Payments, Security Cost Increases, Postage Increases, Fuel Volatility*
- **Water Related Leases**  
*Increased Edwards Leases to Support Customer Growth, Regional Carrizo Leases*
- **Plus, Increased Conservation Efforts**  
*Programs, Education and Awareness*

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# 2009 Operation and Maintenance



\*Amounts before Capitalization, and 2009 Budget subject to approval by Board of Trustees

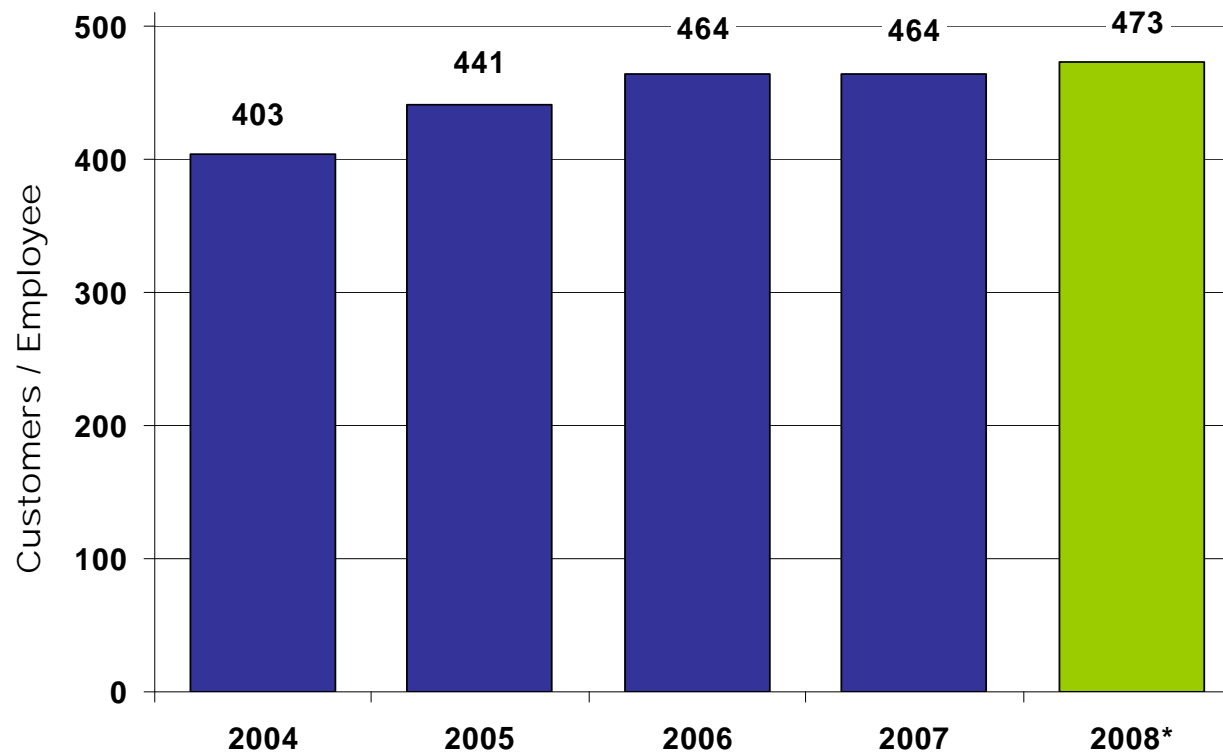
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# Operations

17% More Efficient Since 2004

80,000 more customers, 6 fewer employees



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# Proposed 2009 Residential Bill

<b>Average Use (7,788 gallons water / 6,178 wastewater, ICL, Standard)</b>				
	<b>Actual</b>	<b>Proposed</b>		
<b>Monthly Residential Bill</b>	<b>2008</b>	<b>2009</b>	<b>Increase</b>	<b>%</b>
<b>Water Supply</b>	<b>11.58</b>	<b>11.91</b>	<b>0.33</b>	<b>2.8%</b>
<b>Water Delivery</b>	<b>13.52</b>	<b>13.94</b>	<b>0.42</b>	<b>3.2%</b>
<b>Wastewater</b>	<b>16.51</b>	<b>17.39</b>	<b>0.88</b>	<b>5.3%</b>
<b>Total</b>	<b>\$ 41.61</b>	<b>\$ 43.24</b>	<b>\$ 1.63</b>	<b>3.9%</b>
<b>EAA Fee</b>	<b>1.38</b>	<b>1.38</b>	<b>-</b>	
<b>Total With EAA</b>	<b>\$ 42.99</b>	<b>\$ 44.62</b>	<b>\$ 1.63</b>	<b>3.8%</b>

Average based on 7,788 gallons water/ 6,178 gallons sewer usage. As of November 2008. Excludes COSA Stormwater.

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# Previous Projections

## Beating Expectations

Annual % Rate Increase Projections*					
	2005	2006	2007	2008	2009
2004 Projected Rate Increases	13.6%	<del>17.1%</del>	<del>17.6%</del>	<del>8.1%</del>	<del>7.1%</del>
2005 Projected Rate Increases	13.6%	4.7%	<del>8.9%</del>	<del>10.2%</del>	<del>10.0%</del>
Current Projection & Actuals	13.6%	4.7%	0.0%	0.0%	3.9%

\*Average based on 7,788 gallons water/ 6,178 gallons sewer usage. Excludes COSA Stormwater and EAA fee.

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# Previous Projections

## Beating Expectations

2009 Bill could have been 46% higher

Average Monthly Bill Projections*					
	2005	2006	2007	2008	2009
2004 Projected Avg Mthly Bill	\$39.75	<del>\$46.62</del>	<del>\$54.89</del>	<del>\$59.36</del>	<del>\$63.62</del>
2005 Projected Avg. Mthly Bill	\$39.75	\$41.61	<del>\$44.87</del>	<del>\$48.40</del>	<del>\$54.32</del>
Current Projection & Actuals	\$39.75	\$41.61	\$41.61	\$41.61	\$43.24

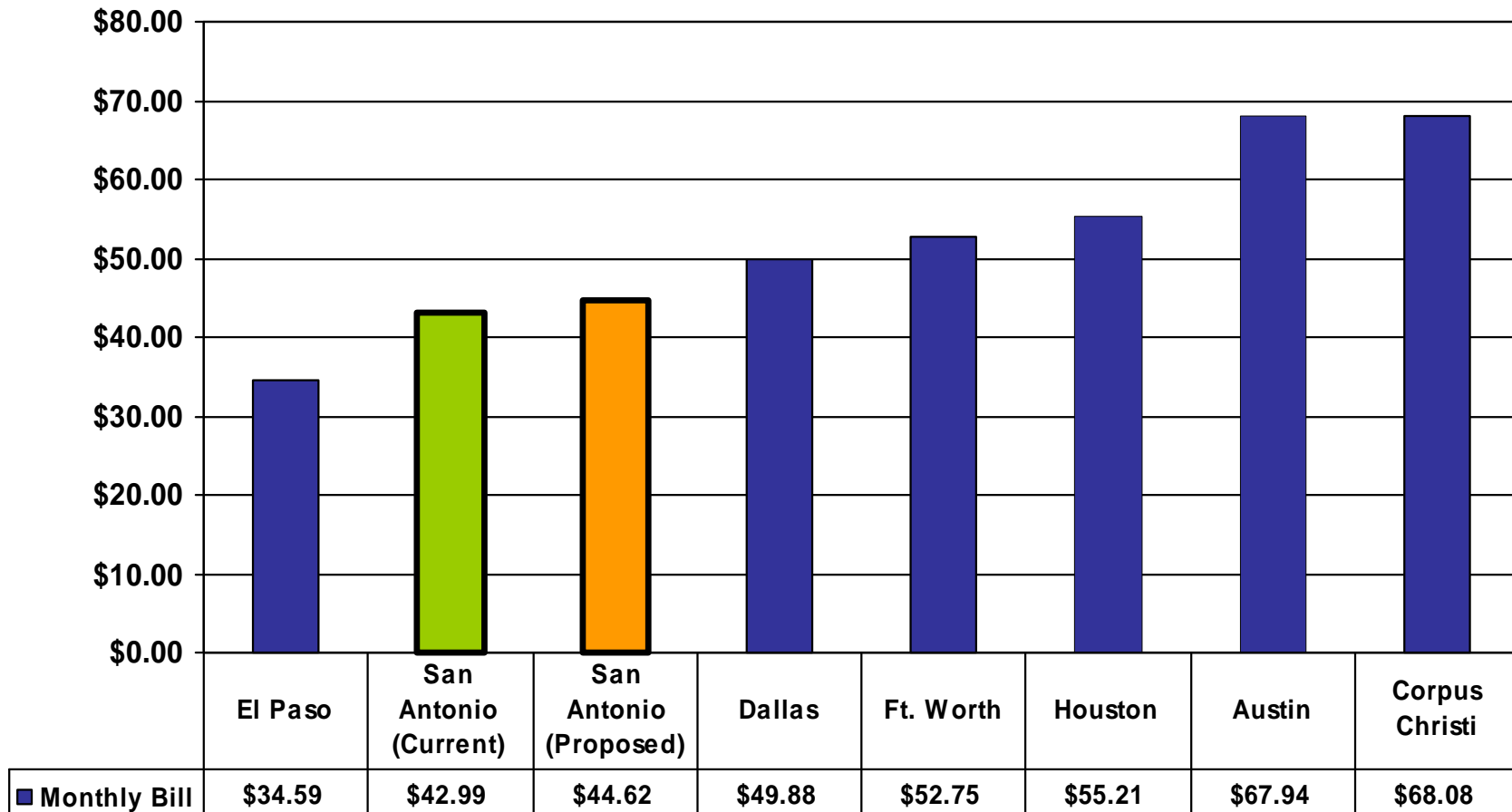
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# Texas Bill Comparison

## Average Residential Water and Wastewater



Average based on 7,788 gallons water/ 6,178 gallons sewer usage. As of November 2008. Excludes COSA Stormwater.

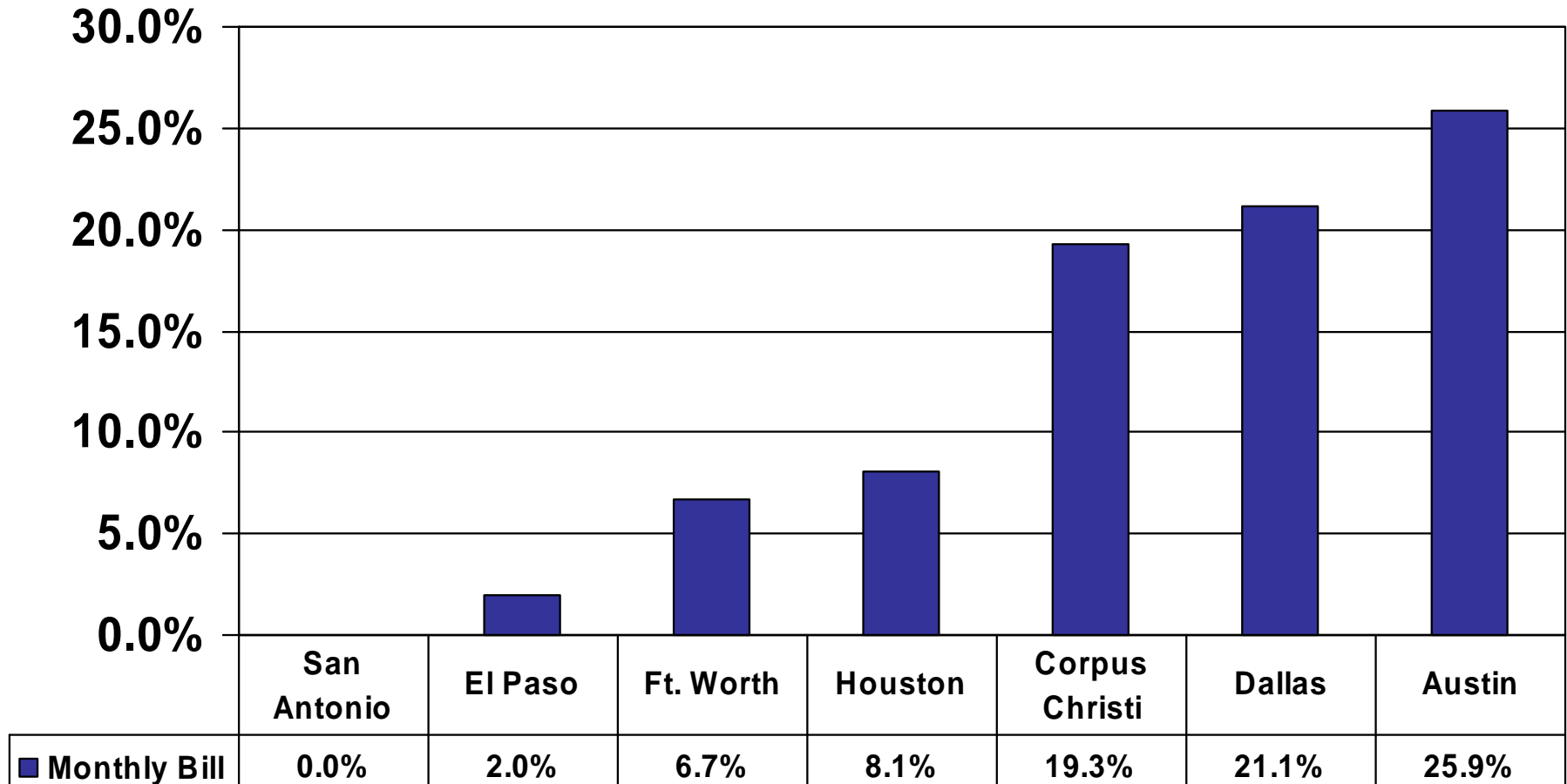
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# Residential Rate Increases

## Major Texas Cities

Since Last SAWS Rate Increase in 2006



Average based on 7,788 gallons water/ 6,178 gallons sewer usage. Excludes EAA Fee. As of November 2008.

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# Price Comparison

## SAWS Value

- Average Monthly Bill Increase for a San Antonio family **\$1.63**
- One gallon of gasoline **\$1.70**
- One day of basic cable TV **\$2.14**
- One gallon of milk **\$3.88**
- One Big Mac Value Meal **\$4.69**
- One Movie rental **\$4.99**

\*Average based on 7,788 gallons water/ 6,178 gallons sewer usage. Excludes COSA Stormwater and EAA fee.

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# A Final Comment

## Perspective

**One bottle from the store  
or  
2,960 bottles from SAWS**



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## **Northwest Neighborhood Alliance**

## Refreshing Ideas...

To learn more about these and other Refreshing Ideas, visit  
[www.RefreshingIdeas.com](http://www.RefreshingIdeas.com)

**50% more customers.  
0% more water used.**

**The nation's largest  
recycled water system.**

**28,000 acres protected  
for your water.**

**16 billion gallons of water  
stored underground.**

Rev. 11/7/2008

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