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***"San Antonio weighs the cost of preserving its water supply - San Antonio Express-News"***

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San Antonio weighs the cost of preserving its water supply - San Antonio Express-News

Troubled Waters

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By Brian Chasnoff

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February 27, 2020

The Frio River snaked south through the hills of Uvalde County, its clear waters coursing over a bed of white, fractured limestone in the recharge zone of the **Edwards Aquifer**.

Then, unceremoniously, it disappeared.

The river had flowed into a " and underneath a " Dripstone Ranch, nearly 2,000 acres of undeveloped ranch land named after a system of nine caves that open into the hillsides and stretch hundreds of feet beneath the earth. One of them, Queen Frio Cave, contains an underground stream that flows swiftly east for San Antonio residents to drink.

To those in the business of acquiring land to protect San Antonio's water supply, Dripstone had developed a reputation over the years as an alluring and elusive prospect, enough to earn it a nickname.

The White Whale.

Where's the river? The Frio has disappeared here on the Dripstone Ranch, flowing straight into the **Edwards Aquifer**, making the river a major source of the eventual San Antonio water supply, some 90 miles away.

(Josie Norris, Staff Photographer

Express News)

"Dripstone. That's a big one," said Francine Romero, who chairs an advisory board that oversees the city's **Edwards Aquifer** Protection Program. "They used to call it the White Whale, the guys from the Nature Conservancy, because it was just so attractive to the program."

Voters authorized the EAPP two decades ago to prevent contamination of the water that recharges

the aquifer a " a source of drinking water for more than 2 million people a " and to maintain enough permeable surface to allow it to refill. Save for a relative handful of outright land acquisitions, the program has accomplished this mostly through the purchase of conservation easements, a less costly transaction under which a landowner keeps the deed to the property but agrees to limit development.

Now Playing:

Since 2000, San Antonio voters have approved four five-year propositions to fund the acquisition of properties and conservation easements located on the environmentally sensitive recharge and contributing zones.

Media: Mike Fisher

Since its inception 20 years ago, the program as of December had protected nearly 160,000 acres on 113 properties at a total cost of more than \$260 million, a sum drawn from a 1/8-cent sales tax. But the popular initiative is in limbo as Mayor Ron Nirenberg and other local officials seek to use the \$40 million raised by the tax to instead pay for better bus service and other initiatives at VIA Metropolitan Transit.

To replace the funds, the city is seeking to use revenue it receives from the San Antonio Water System to continue the program at \$109 million over 10 years. That's only about half of the current funding but enough to meet the city's water needs through 2070, according to a recent city-commissioned study.

But the nebulous nature of the program's goals has caused some to question its value. In Bexar, Medina and Uvalde counties, about 30 percent of the aquifer's recharge zone is now protected, along with 15 percent of its northern contributing zone, where rainfall recharges the water supply via rivers and streams. North of these counties lie more than 2 million more acres of contributing zone: a vast swath of Texas Hill Country, less than 1 percent of it protected.

About the Author

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"When you talk about how much more is protected, there's not necessarily a set amount (of acres) that we point to saying, 'We're done, we've achieved all of the targets that are needed to ensure we've protected the quality of the water,'" Homer Garcia, head of the city's Parks and Recreation Department, told the City Council last month.

"We've got the tail wagging the dog here," responded District 10 Councilman Clayton Perry. "Let's know what the requirement is first and then match the resources to that requirement. I don't know what \$100 million will get us over 10 years. That might be a thimble amount trying to fill an ocean. And is it even worth it? What's our return on investment?"

To the program's advocates, the return is what it prevents: aquifer-harming development.

In 2015, officials with the **Edwards Aquifer** Authority traveled to Dripstone Ranch to assess its value to the EAPP. The regional water management agency is paid by the program to help monitor existing easements and evaluate new properties under consideration for protection; it has collected

\$525,000 from the city since the program began.

The assessment at Dripstone noted "multiple areas of high recharge potential."

San Antonio developer Pat Kennedy had purchased Dripstone Ranch in 2006 and put it into a trust for his children.

"The large numbers of caves indicate the high permeability of the Devils River Limestone in the area," the report stated. "Preserving the property would provide very high water quantity benefit and high water quality benefit for the city of San Antonio and the **Edwards Aquifer**."

But the White Whale would prove difficult to catch.

San Antonio developer Pat Kennedy had purchased the property in 2006 and put it into a trust for his children. By 2015, Kennedy knew the city was eyeing an easement on Dripstone via the Nature Conservancy, a land trust that negotiates on behalf the EAPP. Since the program's inception, its land acquisition team a "made up of the conservancy and Green Spaces Alliance a " has collected about \$4.2 million in fees.

But Kennedy, a seasoned entrepreneur who developed the La Mansion del Rio and Watermark hotels on the River Walk, was displeased with an initial appraisal of his property's value.

"It was not even to be considered," Kennedy, 89, said in an interview at his Alamo Heights office. "And they knew that, too. It was very poorly done."

So Kennedy changed course.

Rather than sell an easement to the city, he would develop on Dripstone. To the Nature Conservancy's consternation, Kennedy began drawing up plans for something he called the Frio River Ranch Estates Subdivision and Hotel.

Dripstone Ranch supervisor Farron Sultemeier walks along the dry riverbed of the Frio River at the ranch between Concan and Sabinal. The river has disappeared here as it drops straight into the **Edwards Aquifer** Recharge Zone.

(Josie Norris, Staff Photographer

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'Unforeseen consequences'

The city and the aquifer authority have each tackled the question on which the future of the EAPP hinges: How many more acres must be protected before the program can safely end?

When is enough enough?

They arrived at notably different conclusions.

The city released its results first, in October 2018. Using average annual rates, a consultant had analyzed aquifer recharge, stressing the unusual speed a " thousands of feet per day a " at which the **Edwards Aquifer** moves east to west through large underground channels.

READ: Program Study and Analysis Services for the **Edwards Aquifer**

## Protection Program

The study found that the aquifer was recharging at a rate of about 274 billion gallons a year, or about 357,000 gallons an acre, and the EAPP was protecting about 35.5 billion gallons of water per year, enough to protect nearly half of what the city withdraws.

An employee of a private ranch two hours west of San Antonio stands on the edge of a large sink hole as about 500 cubic feet per second of water go down the hole into the **Edwards Aquifer** in this 2016 photo. The land around the sinkhole is protected from future development under a conservation easement. The city's **Edwards Aquifer** Protection Program has protected nearly 160,000 acres on 113 properties at a total cost of more than \$260 million.

(William Luther, Staff / San Antonio Express-News

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If funding for the program were to end, a water deficit would begin in 2028, the study warned. It also found that reducing funding for the program by about half was a "reasonable alternative" that would provide enough recharge for increased water demand through 2070. By then, even as SAWS reduces its reliance on the aquifer, the city's demand for water is expected to rise from about 74.7 billion to 105 billion gallons a year.

Using the report's findings, the city concluded that an additional 56,000 acres remain for the EAPP to protect.

"That is purely a function of math, the 56,000," said Garcia, the head of the city's Parks and Recreation Department. "We just did the sheer math, and it's based on average recharge rate."

Assistant City Manager Colleen Bridger said exhausting the funds still available in the latest phase of the program would take about two more years. (The EAPP has spent about \$45.8 million of its current allocation of \$100 million.) She acknowledged that arriving at a goal of protecting 56,000 more acres was not "an exact science."

"An estimate never is," Bridger said. "We'll find another alternate funding source and not let there be a lapse. But during that two-year period, we want to bring together all of our major stakeholders and really zero in on, does everyone agree on that 56,000? Or is it 50? Or is it 61? It's going to be in that range and maybe a little bit less and maybe a little bit more."

But that's not nearly enough, according to the aquifer authority.

In a white paper released in December 2018, the EAA warned that the aquifer's vast contributing zone a " the Hill Country where rainfall flows down rivers and streams to the recharge zone a " has been "disregarded." More than 2 million acres of contributing zone stretch north of Bexar, Medina and Uvalde counties, and less than 1 percent of it a " about 13,500 acres a " is protected through conservation easements.

"You don't know what you don't know today."

a " Roland Ruiz, EAA

"You can't just limit (the EAPP) to the recharge zone," said Roland Ruiz, general manager of the EAA. "There's a benefit to the recharge zone because that's what you're protecting largely from immediate runoff of contaminants and pollution. But those pollutants and contaminants can get into the system up at the top of the watershed and ultimately make their way in."

The agency warned that 94 percent of the aquifer's entire watershed remains unprotected. It suggested renewing funding of the EAPP "at the current level" with a goal of preserving at least half of a five-mile buffer zone north of the recharge zone a " about 200,000 more acres.

"We think that the model that's been so successful now for almost 20 years continues to hold a lot of value because it's based on a business model of a willing seller and a willing buyer to effectuate an outcome that's good for a natural resource," Ruiz said.

He added, "You don't know what you don't know today. It's a question of how much you want to invest in preventing what the unforeseen consequences might be."

The Frio River flows through the Annandale Ranch in Uvalde County. Many of the purchases in the 20-year **Edwards Aquifer** Protection Program have been in this area.

(Josie Norris, Staff Photographer

Express News)

Easement money

Follow the Frio River west from Dripstone across Ranch Road 2690, and you enter Annandale Ranch, a 14,000-acre property owned by the same family for 130 years.

All of Annandale is protected by three conservation easements that predate the EAPP, one of them purchased in 2007 by SAWS. (The transaction took years to complete.) The city-owned utility paid \$4 million to protect 7,553 acres of the ranch, the last easement administered by SAWS before the EAPP took over.

Bill Cofer, whose great-great grandfather first settled on the land, saw the protracted transaction through.

"I didn't want to see it sold," said Cofer, 68, who has lived on the cattle ranch and helped run it since 1978. "I was trying to muck it up as much as I could to keep the other family members from drifting off with big dollar signs. The developers would've been salivating to get their hands on it. And you can see what's happened up in Concan, there's McMansions on every corner, a golf course, it's the whole nine yards."

Bill Cofer walks outside the Frio Bat Cave on the Annandale Ranch in Sabinal. The San Antonio Water System bought a conservation easement on the ranch to protect the **Edwards Aquifer**, the city's largest water source.

(Josie Norris, Staff Photographer

Express News)

Bill Cofer laughs as he drives around the Annandale Ranch, a 14,000-acre property that has been in his family for 130 years.

(Josie Norris, Staff Photographer

Express News)

In a torn and frayed coat, Cofer steered an old pickup across the sprawling ranch on a recent

morning, past lolling cows and towering bald cypress trees, over the river and toward the Frio Bat Cave, where about 10 million Mexican free-tailed bats roost from spring to fall. As a boy, Cofer used to ride on horses through the hills of Annandale to the limestone arches of the cave to play inside.

While he was negotiating easements to protect his beloved ranch, he fielded some incredulous comments from nearby landowners.

"A lot of the neighbors said, 'Have you lost your everlovin' mind, Cofer? What are you doing? What are you gonna' do after you do the easement, are you gonna' retire and move back to Austin?'" he recalled. "I said, 'No, we're gonna' keep on ranchin'.'"

To persuade his neighbors to follow suit, Cofer would ask them whether they planned to sell or develop their land anyway.

A classic Texas scene a " a steer along the driveway of the Annandale Ranch. The San Antonio Water System bought a 7,553-acre conservation easement at the ranch, one of the last purchased by the utility.

(Josie Norris, Staff Photographer

Express News)

Outside the main gate of the Annandale Ranch in Sabinal. Caves, sinkholes and cracks in the limestone escarpment in this region allow rainwater to replenish the **Edwards Aquifer**, San Antonio's largest water source.

(Josie Norris, Staff Photographer

Express News)

"Well, gosh no!" he said they told him.

Some critics argue that the EAPP spends millions of dollars to stop development that never would happen anyway. Cofer noted that some who inherit property might sell or develop land that their parents or grandparents never would.

"You don't know what's gonna' happen generations down the road," he said.

Cofer remembers hearing about Kennedy's plans to build a subdivision and a hotel across the road. He said he doubted the viability of such a development at Dripstone, considering the river's tendency there to dip underground and stay there.

"I guess at the time, you get caught up in all the hoopla, and you think, 'Yeah, it's possible,'" he said. "But we knew the history of the river. So they would've had to put in a big infrastructure to have a lazy river around the hotel complex, because the Frio, 75 percent of the time, by the end of August, it's toes up at the crossing."

Cofer added, "So I think that was all ploy to get some easement money. They had one plan, and had it in all the fancy, glossy Realtor magazines."

James King, a Fort Davis Realtor who once worked for the Nature Conservancy, was first to tell Kennedy of its interest. After Kennedy rejected the initial appraisal, he hired King as his agent. By late 2017, Dripstone was for sale, featured prominently on the cover of Texas Farm & Ranch magazine.

Annandale Ranch owner Bill Cofer walks inside the Frio Bat Cave on his family property, which has been set aside from development to protect runoff into the **Edwards Aquifer**.

(Josie Norris, Staff Photographer

Express News)

A marketing pitch in the publication described the ranch as "the southern gateway to the Hill Country" with "famous karst limestone caves below it, where the historic owner's rite of passage was swimming in the **Edwards Aquifer**." It also noted plans for the subdivision and hotel, stating that "25 to 50-acre ranch estates are planned for on the east side of the river," along with "a 50-room boutique hotel and spa on the west side of the river."

Kennedy's asking price: \$25 million.

"When we put it on the market, the city and the Nature Conservancy definitely tuned into the opportunity a " "Well, would you consider a conservation easement so the next buyer won't consider the subdivision?" King recalled.

The EEAP paid Kennedy nearly \$8 million for an easement: a permanent restriction on most development at Driestone Ranch.

Kennedy said the subdivision and hotel was "a plan that respected the aquifer." But Jeff Francell, director of land protection for the Nature Conservancy, recalled it as a danger to the water supply.

"That definitely was a threat to the aquifer," Francell said. "But I don't think (Kennedy) intended it as a threat. I think that's just the business the landowner was in. He's in the development business. I think he was either going to sell an easement or he was going to develop the property."

Kennedy put it even more directly: "I wanted to make sure that if we didn't make a deal, this was the direction we were going to go."

In the end, they made a deal.

Kennedy hired his own appraiser, who came up with a higher price. In February 2018, the EAPP paid about \$7.9 million to limit development on 1,891 acres of Driestone a " a significantly higher price than it had paid for other easements on similar acreage. In 2014, for instance, the program spent about \$2.3 million for an easement on 1,847 acres on Hutzler Ranch, and about \$1.8 million for another easement on 1,958 aces on Horton Ranch, both in Uvalde County.

Even so, Kennedy said he "wasn't thrilled" by his take.

"If you look at it per acre, it wasn't really where it would've been had we gone forward with the development," he said. "I mean, that's the bottom line. But it was a fair response."

The Frio River briefly disappears as it flows underground into the **Edwards Aquifer** on the Driestone Ranch. To protect the river runoff here, the **Edwards Aquifer** Protection Program spent \$7.9 million for a conservation easement on the ranch.

(Josie Norris, Staff Photographer

Express News)

## Two options

While Nirenberg supports continuing the EAPP, he acknowledged it has given landowners leverage over the city in negotiations. Tweaking the program's structure could offer a counterbalance, he said.

"Absolutely," the mayor said. "And part of that is every five years we authorize this big pot (of money). That creates an urgency to spend that I think doesn't need to exist if we're making sure this program is driven by the science of water quality."

In 2000, the city established a scientific evaluation team to identify and prioritize properties for the program. Consisting of members from the EAA, SAWS and other agencies, the team developed a GIS (geographic information system) model to rank properties based on factors such permeability, biology, size and adjacency to open space.

Water flows along limestone rocks in the Frio River that winds through the Dripstone Ranch in Sabinal, Texas,

The team has modified and improved the model every five years. Last month, the presence of caves was removed as a factor that indicates permeability.

"Their significance as it relates to recharge and water quantity was not what we thought it was," said Garcia, the city Parks and Recreation director.

At the time the city acquired the easement on Dripstone, it was ranked 23rd out of 1,292 properties in the program's model, according to city records.

"I think we need to have a more concerted effort to update the scientific data more regularly and look at what criteria is informing the direction and amount of purchases as we move forward," Nirenberg said. "My biggest concern is there is this idea that we simply put a dollar figure out there or a number of acres out there, and say we're protecting our water supply. It's not as simple as that."

He added that collecting a specific amount of money within a limited period creates a false sense of urgency.

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"Right now we authorize a specific amount of money through a sales tax that sunsets, and it requires us to use that particular amount of money," Nirenberg said. "We're almost working against the clock every five years when we should be working through the science of the most vulnerable parts of the recharge."

Luana Buckner, chairwoman of the EAA's board, praised the program's ranking of properties.

"We have gotten much better at putting people on the ground looking at these proposed sites, which ones will provide the most protection," she said. "They've done a much better job in the past 15 years in finding the best properties."

The city staff has presented the council with two options for continuation of the EAPP: SAWS could manage the program at \$52 million over 5 years; or the city, using revenue it receives from SAWS, could continue operating it at \$109 million over 10 years.

Officials recommended the latter. The council is expected to vote on the proposal later this month.

If SAWS were to return to buying easements, it would no longer employ partners such as the Nature Conservancy or the EAA to help acquire land or evaluate properties a " those services would be performed in-house a " nor would the program remain under the oversight of the advisory board.

Last month, most council members seemed to support keeping the program at the city. Nirenberg said he supported that option: "It allows us to calibrate the program based on what the data and science suggest our priorities should be," he said.

Kennedy, for one, stressed the value of the EAPP, despite nearly allowing the White Whale to slip through its fingers.

"I am of the opinion that we really ought to preserve that aquifer," the developer said. "I mean, that is unique. And we cannot permit contamination of that aquifer. We can't permit it there at Dripstone, or anywhere else."

Design by Joy-Marie Scott.

The Frio River ripples in the sunshine at the Annandale Ranch in Uvalde County. All of Annandale is protected by three conservation easements. "I didn't want to see it sold," says Bill Cofer, whose great-great-grandfather first settled on the land.

(Josie Norris, Staff Photographer

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