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OFFICE OF THE CITY COUNCIL
COUNCIL CONSIDERATION REQUEST

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16 FEB 10 PM 2:27

TO: Mayor and City Council

FROM: Councilman Ron Nirenberg, District 8

COPIES TO: Sheryl Sculley, City Manager; Leticia Vacek, City Clerk; John Petereck, Chief of Staff; Christopher Callanen, Assistant to the City Council; Martha G. Sepeda, Acting City Attorney

SUBJECT: A resolution for Council oversight of changes to the Vista Ridge Agreement

DATE: February 10, 2016

Issue Proposed for Consideration

I ask for your support for the inclusion of the following item on the agenda of the earliest available meeting of City Council:

A resolution that affirms the San Antonio Water system shall not, without public briefing of and majority consent by the San Antonio City Council waive or extend material obligations or otherwise alter the risk profile of the City Council-ratified Vista Ridge Regional Water Supply Transmission and Purchase Agreement.

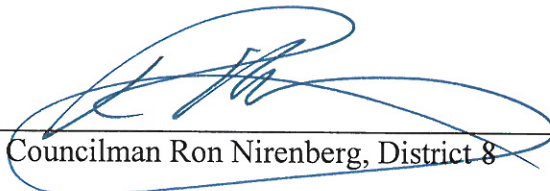
Brief Background

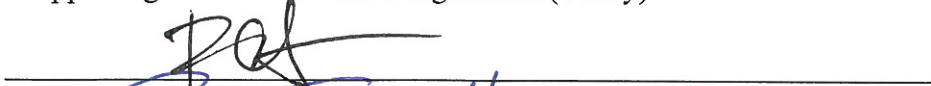
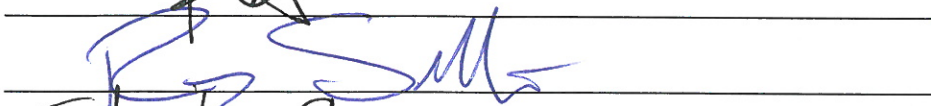
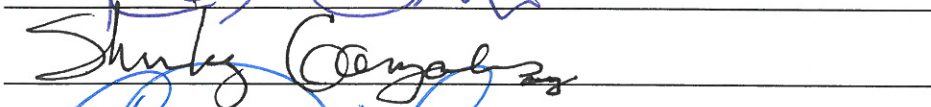

The San Antonio City Council ratified the Vista Ridge Regional Supply Project Water Transmission and Purchase Agreement on October 30, 2014 and approved the rate support necessary to continue the project on November 19, 2015. The City Council approved the contract and subsequent rate changes largely because of assurances that the agreement adequately protected SAWS ratepayers and that parent company Abengoa and project company Abengoa Vista Ridge, LLC were in a solid financial positions. Further, City Council was assured that the project is and would be fully risk mitigated.

Circumstances have changed since City Council approved rate support in November. Parent company Abengoa began pre-insolvency proceedings on Nov. 25, 2015, and project company Abengoa Vista Ridge, LLC has announced that it is seeking an equity partner to invest 80 percent of its \$82 billion share of the pipeline, which has the practical effect of adding yet unknown parties to the contract. SAWS leadership is now also openly contemplating taking over construction of the pipeline. The risk to ratepayers could significantly change given these developments.

SAWS ratepayers demand that the City Council maintain vigilant oversight of all major developments. It is in the best interest of the City of San Antonio and SAWS ratepayers that the City Council have the opportunity to provide input and consent for any material changes on these issues in the Vista Ridge Regional Supply Project Water Transmission and Purchase Agreement.

Submitted for Council consideration
by:


Councilman Ron Nirenberg, District 8

	Supporting Councilmember's Signatures (4 only)	District No.
1.		1
2.		4
3.		5
4.		7

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