

Does Austin need to spend \$850 million for a third water treatment plant?

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Argument: Water needs will exceed demand capacity of 260 million gallons per day in 2014 due to a steep demand curve. The plant needs to be built NOW.

ChangeAustin Response: The Austin Water Utility and plant boosters ignore the flattening of the demand curve that has occurred since 2000. In fact, 2008 and 2009 were the hottest and driest on record, yet the demand curve has not topped 227 million gallons per day and we have a capacity of 285 MGD. Simple conservation efforts have blunted the demand and altered the slope of the demand curve to the point that a 10-year construction delay is warranted and will save taxpayers \$14 million a year.

Argument: Conservation won't reduce the demand enough to delay the project.

ChangeAustin Response: Per capita water use in Austin is 30% higher than San Antonio and 18% higher than the state recommended per capita. Austin plant boosters don't want to be compared to San Antonio for obvious reasons and are silent on the implications on the demand curve when per capita usage reaches the lower state level. Austinites are learning how to reduce water consumption without sacrificing quality of life even with some city conservation measures in place.

Argument: Austin has all of the water it needs from the Highland Lakes.

ChangeAustin Response: Central Texas is in the grip of a drought with no end in sight. Austin is 100% dependent on the water contained in the Lake Buchanan and Lake Travis for its drinking water. Lake Travis is currently at its 3rd lowest level since the Mansfield Dam was completed in 1941. Inflows into the Highland Lakes are at their lowest point ever. How long will the drought last?

Argument: Austin only has two water treatment plants, Davis and Ulrich, which are old, rusty and liable to fail. That would be catastrophic. It's like driving on a spare tire.

ChangeAustin Response: Davis and Ulrich have been expanded, upgraded and modernize multiple times each as recently as 2007. The vast majority of cities are served by only one or two plants. An EPA survey of 1,246 water treatment facilities found that surface water systems serving more than 100,000 persons have 1.7 plants on average.

Have there been any catastrophic water treatment plants failures in the United States? We can't find one. Even Austin Water Utility Director Greg Mezeros stated that "it is admittedly a small risk."

Argument: The new plant will reduce the amount of greenhouses gasses due to less pumping uphill.

ChangeAustin Response: Operating three plants instead of two would probably offset any reductions in greenhouse gasses from reduced pumping costs. Since water and wastewater demand go hand in hand, any increases in water use will demand more wastewater plant capacity and energy use to treat wastewater. The tradeoffs need to be recalculated to determine the net.

Argument: Austin needs jobs and this will supply 3,800 jobs.

ChangeAustin Response: The Austin Water Utility and the Greater Austin Chamber of Commerce have both mis-used the 3,800 job figure, which is incorrect, political and overstated. In order to calculate the effects of the national economic stimulus package, the Obama White House used a gross calculation to justify the jobs

created by the stimulus package as **one job year** per \$92,000 of government spending with 64% direct jobs and 34% indirect. Therefore, using a \$350 million project cost/\$92,000 yields 3,804 total job years: persons employed full time for one year. Of those, 64% are direct and 34% indirect. Yet the Greater Austin Chamber of Commerce and others use the 3,800 total as a job figure as if they were permanent throughout the construction period rather than a job year.

Even so, similar water treatment projects constructed around the country show much less employment than the Obama figures. The \$340 million Carroll water treatment plant in Massachusetts employed a daily maximum of 280 people over its 6-year design and construction period. The construction cost to be expanded in the next phase of WTP#4 would be \$350 million. So, it is reasonable to assume similar employment levels with the Carroll plant. Even by using the maximum daily figure of 280 people over the entire period, a highly unlikely occurrence, the job years total is 2,625 not 3,805. Using job figures from the Croton water treatment plant under construction in NY, this would yield total job years as 1,296.

WTP#4 per Mezeros briefing Power Point #24

Cost: \$350 million
Employment: 3,804 total job years
2,435 direct
1,369 indirect
Obama Cost per total job year: \$92,000

Croton NYC - <http://www.tullyconstruction.com/projects/details/pdf.php?c=33&t=1396397975>

Cost: \$1.327 billion over 4.5 years: Aug 2007 – April 2012
Employment: 700 daily employment x 4.5 years
4,927 total job years
3,150 direct
1,777 indirect
Actual cost per total job year: \$269,332
WTP#4 job years under this scenario 1,296

Carroll – Massachusetts - <http://www.mwra.com/osu/whwtpfacts.htm>

Cost: \$340 million over 6 years
Employment: 280 max daily x 6 years
2,625 total job years
1,680 direct
945 indirect

Actual cost per total job year: \$129,523

WTP#4 job years under this scenario 2,625

Conclusion: Building Water Treatment Plant #4 is unnecessary, costly and imprudent in the face of the drought, budget crisis and real results of conservation. Every signal out there is telling us to wait.