



SAN ANTONIO
RIVER AUTHORITY

Leaders in Watershed Solutions

Market Analysis for Edwards Leases and Forbearance Agreements

ASR/VISPO/Stakeholder Workgroup

June 17, 2014

Market Participants

- HCP ASR Leasing Program
- San Antonio Water System (SAWS)
- Regional Water Resources Development Group (RWRDG)
- Voluntary Irrigation Suspension Program Option (VISPO)
- Individual lessors (ag, industrial, municipal)

Historical and Recent Market Changes

- ASR entered the market in Sept 2012
 - SAWS and RWRDG both active in market
- SAWS: 5yr and 10yr lease options
 - 10 year lease: Years 1-5 @ \$115/AF, Years 6-10 @ \$140/AF*
 - *Bonus payment: 50% of 1st yr's payment, paid in year 6 if renewed
 - “Special Leases”
 - 2,000 acre-ft, or more
 - Years 1-2 @ \$127/AF
 - Year 3 @ \$140/AF
 - Year 4 @ \$154/AF
 - Year 5 @ \$170/AF
- RWRDG: 5yr and 10yr lease options
 - 5 yrs @ \$110/AF
 - 10 yrs @ 136/AF

Historical and Recent Market Changes (cont.)

- ASR: two lease options in Sept. 2012
 - 10 yrs @ \$135/AF
 - 15 yrs @ \$150/AF
- January 2013, ASR introduced 7 yr term
 - 7 yrs @ \$120/AF

Historical and Recent Market Changes (cont.)

- October 2013, ASR introduced shorter terms:
 - 1yr @ \$100/AF
 - 3yrs @ \$115/AF
 - 5yrs @ \$118/AF
- November 2013, SAWS introduced new rates/terms:
 - 2yrs @ \$120/AF
 - 5yrs @ \$130/AF
 - 10yrs @ \$140/AF
- December 2013, RWRDG subsequently changed rates/terms to match SAWS

Market for Unrestricted Water Rights

Leases and Forbearance

	ASR	SAWS	RWRDG*	VISPO (standby/ implementation)	Individual	East of Cibolo
1 yr	\$100	-	-	-	\$100-\$150	\$240-\$300
2 yrs	-	\$120	\$120	-		
3 yrs	\$115	-	\$125	-		
5 yrs	\$118	\$130	\$130	\$50-\$53/ \$200-\$212		
7 yrs	\$120	-	-	-		
10 yrs	\$135	\$140	\$140	\$57-\$70/ \$230-\$280		

*RWRDG allows for a 10% variance in rates

Purchase Market

ASR	SAWS	RWRDG*	VISPO	Individual	East of Cibolo
-	\$5,000	\$5,200	-	\$5,500-\$6,000	\$13,000 - \$16,000

*RWRDG allows for a 10% variance in rates

Questions?