

MINUTES
RATE ADVISORY COMMITTEE
Thursday, October 30, 2008
5:00 P.M.

RAC Members Present:

Gil Coronado	Rene Cortez
Kathie Estrada	Paul Foster
Mike Harris	Keith Kindle
Marcello Martinez	Ron Morales
Steve Patmon	Joe Soules
Allen Townsend	Liz Tullis

RAC Members Absent:

Rachel Fuentes

SAWS Board Member Present:

Alexander Briseño, Chairman, Board of Trustees

SAWS Staff Present:

Douglas Evanson, Senior Vice President/Chief Financial Officer
Debra Nicholas, Assistant Vice President, Communications & External Relations
Dan Crowley, Director, Financial Planning
Stephen Turner, Senior Financial Modeler
Lou Lendman, Senior Financial Analyst
Pat Arriola, Financial Analyst
Larry Zermeno, Financial Analyst
Robert Walker, Financial Analyst
Carlos Mendoza, Financial Analyst
Keith Martin, Corporate Counsel

City Staff Present:

Jeff Pullen, Public Utilities Office, City of San Antonio

Consultants Present:

Harold Smith, Raftelis Financial Consultants, Inc.
Peiffer Brandt, Raftelis Financial Consultants, Inc.
Rhonda Harris, Pro Ops, Inc.

Citizens Present:

Jenny Reagan	Austin Magnus
Lizana McDonald	Kevin Delgado

Agenda Item #1, Opening

Chairman Briseño opened the meeting by thanking the members for agreeing to serve on the Rate Advisory Committee (RAC). He said that the focus of the committee's work will be to help SAWS develop a rate structure that reflects community priorities. The Chairman emphasized that whether or not rates have to be increased is not the issue for the RAC to consider. Rather it is the RAC's role to provide thoughtful and considered input to the project team (SAWS staff and consultants) regarding the issues and principles that are important to the community that should impact the structure SAWS rates. He said that the committee will be confronted with many challenges over the next several months, and that the Board looked forward to working with the RAC.

Agenda Item #2, Introduction of Members, Staff and Consultant

All attendees introduced themselves to each other. The RAC members in particular were asked to state their individual expectations and priorities for the Rate Study as they introduced themselves:

Mr. Townsend is a Sierra Club member and an environmentalist. His priorities for the rate structure process include fairness, environmental responsibility and conservation.

Mr. Kindle is an engineer whose focus for the process includes rigorous public involvement and planning for the long term water supply for the community.

Mr. Morales is a social worker who will represent the interests of low income residents and wants to ensure that the aquifer is protected.

Mr. Soules is a retired businessman who wants to learn first and contribute second.

Mr. Harris is president of the San Antonio Manufacturers Association and wants to make sure that water and sewer costs are equitably shared among the various types of SAWS customers.

Ms. Tullis is a banker who wants to represent the city as a whole. She stated that water is a core resource for the city and that she wants to seek smart ways to do business.

Mr. Martinez is an architect who believes that conservation needs be emphasized more, to include raising the conservation rate.

Mr. Patmon is a small businessman and a former homeowners association president. He wants to represent small business interests, and is concerned about the high costs incurred by homeowners associations for operation of community swimming pools.

Mr. Coronado is a retired federal executive representing the interests of large lot, single family residential customers. He wishes to learn as much as possible.

Mr. Foster is a small businessman who wants to apply a common sense approach to the development of a rate structure and is interested in conservation.

Mr. Cortez is a geologist and a member of the SAWS Citizens Advisory Panel (CAP). He wants to use his CAP experience to benefit the RAC process. He looks forward to gaining an understanding of the rate structure especially as it applies to future water supply procurement.

Ms. Estrada is executive director of Air Force Village, a senior health care and residential community. She is particularly interested in ensuring that infrastructure on the southwest side is capable of sustaining growth.

Dan Crowley pointed out that the Board of Trustees is still in the process of considering the appointment of possibly one or two additional members to the RAC.

Agenda Item #3, Discussion/Consensus of RAC Procedural Guidelines

The Attachment 1 proposed procedural guidelines were discussed and approved by the RAC by consensus.

Agenda Item #4, Work Plan Discussion/Consensus

Mr. Harold Smith of Raftelis presented the Attachment 2 presentation on the proposed work plan for the Rate Study. As requested by Mr. Townsend, Attachment 2 is a .pdf copy of the presentation. As requested by Ms. Estrada, Attachment 3 is a regular Power Point version of the presentation.

Mr. Morales pointed out that “Affordability” needs to be acknowledged as a key issue among those listed on Slide 14. Mr. Smith agreed that affordability is certainly a key issue that will be addressed in the Rate Study, along with “Aging Infrastructure”, another issue that was pointed out during the discussion following the presentation.

Agenda Item #5, Meeting Schedule Discussion/Consensus

Attachment 4 contains the meeting calendar approved by the RAC. All meetings after October 30, 2008, with one exception, will be scheduled on Thursdays with dinner provided at 5:00 pm and the business portion of each meeting scheduled to begin at 5:30 pm. The objective is for each meeting to last two hours, but no later than three hours.

Staff also commits to the objective of sending out to the RAC members the agenda and supporting materials for each Thursday meeting no later than the Friday before each meeting. Presentations at each meeting will be scheduled for no more than 30 minutes each. Between meetings, RAC members are asked to e-mail any questions to Lou Lendman (llendman@saws.org) with copies to all other RAC members. Staff will copy all RAC members on each answer to all members’ questions. As requested by Mr.

Coronado, Attachment 5 contains a list of all RAC members with each member's e-mail address.

The exception to the Thursday meeting schedule is the Rain-to-Drain Tour of SAWS Infrastructure scheduled especially for RAC members on Saturday, January 17, 2009 beginning at 9:00 am and ending about 3:00 pm. The tour will encompass a visit to recharge features in the Stone Oak Area, a presentation on the workings of the water delivery system, a trip to a SAWS pump station and a tour of the Dos Rios Water Recycling Center. Lunch will be included. RAC members are encouraged to attend and are asked to confirm attendance with Lou Lendman by no later than Monday, January 5, 2009.

Agenda Item #6, Frequently Asked Questions Presentation

Mr. Peiffer Brandt of Raftelis discussed some frequently asked question concerning water and sewer rates. The questions and the answers are given in the Attachment 2 / Attachment 3 presentation beginning on Slide 16.

Ms. Tullis asked for a list of other, non rate-related charges assessed by SAWS for particular services. Attachment 6 contains a list of updated SAWS Special Services Fees, approved by the City Council in 2007.

Agenda Item #7, Citizens to be Heard

No citizens signed up to speak at this meeting.

Agenda Item #8, Adjournment

There being no other business to conduct, the meeting was adjourned after Agenda Item #6.