1. Meeting called to order.

The regular meeting of the Capital Improvements Advisory Committee (CIAC) was called to order at 8:43 a.m. on Wednesday, February 9, 2011 by Dan Kossl, Chairman, Capital Improvements Advisory Committee.

Committee Members Present:
Felix Alvarez, District 1
Susan Wright, District 2
Jose Limon, District 3
Michael Cude, District 4
Mark Johnson, District 8
Keith Pyron, District 9
Dan Kossl, District 10

Committee Members Not Present:
Michael Martinez, District 5
Michael Hogan, District 6
Robert Hahn, District 7

SAWS Staff Members Present:
Sam Mills, Director, Infrastructure Planning Dept.
Dan Crowley, Director of Financial Planning
Kat Price, Manager, Engineering
Keith Martin, Corporate Counsel
Lance Freeman, Planner IV
Felipe Martinez, Planner II
Dwayne Rathburn, Manager of Program Planning
Mark Schnur, Planner IV
Tomas Cunanan, Project Engineer
Samuel Johnson, Graduate Engineer II
2. Citizens To Be Heard

There were no citizens to be heard.

3. Approval of the minutes of the CIAC regular meeting of February 2, 2011.

The committee approved the minutes of the regular meeting of January 2, 2011.

Mr. Dwayne Rathburn introduced the agenda and stated that Sam Mills, Manager of Master Planning, would finish the executive summary presentation, and offered a report of preliminary findings for discussion by the committee.


Mr. Sam Mills continued with a summary of the impact fee process, and explained that Chapter 395 requires calculating the maximum impact fee, but the CIAC can recommend less than the maximum fees. The committee discussed the Future Water Supply Support slide, the Capital Expenditures Since 2000 slide, and the charts showing the Overall CIP vs. Projected Impact Fee revenues. The committee indicated that some of the slides seemed somewhat confusing and may be sending the wrong message. The slides should be deleted or revised to not overstate the role of the ratepayer in paying for new water supplies. Mr. Mills indicated that staff would review the slides considering committee comments. Ms. Wright asked that at the next meeting, the committee revisit the issue of the low, middle and upper collection service areas. She asked that the rationale and policy be discussed. The committee asked for additional changes to the presentation, as summarized below.

Summary of additional changes to the presentation requested by the committee:

- Add a slide discussing the collection service areas and how it supports the Reinvestment Zone and the 23 mile arc bordering the Edwards Aquifer Recharge Zone
- Show the average impact fee percentage increase and the dollars projected to be collected over ten years
• Modify or delete slides showing the role of the ratepayers in paying for water supply projects
• Add footnotes on the slides comparing SAWS impact fees to other utilities explaining why the other utilities chose to not charge the maximum fees
• Add a slide that shows the impact of charging less than the maximum fees on rates
• Add a slide on phasing in the updated impact fees
• Add a column to the maximum fees table that shows the 50% maximum fee.

The committee also asked to see the report from the Rate Advisory Committee, and will review the findings from the previous impact fee update.

5. **Briefing and deliberation on CIAC findings and recommendations concerning the Land Use Assumptions Plan, Capital Improvements Plan, and Maximum Impact Fees**

The committee reviewed the draft preliminary findings, and the Chairman stated this was only a review and not a vote. The committee will continue to review the findings in more detail before the next meeting. The committee asked that the draft findings be reorganized to follow the structure of Chapter 395 LGC.

6. **Discussion of the Next CIAC Meeting**

The dates for the next meetings were set for February 16, 2011 at 8:30 a.m, and SAWS staff will also reserve a room for a meeting on February 23, 2011. Mr. Kossel emphasized that the committee will need to make decisions at the upcoming meetings and asked Mr. Rathburn to contact the committee members who are not present and urge them to attend the next meetings.

7. **Adjournment**

The meeting was adjourned at 10:26 a.m.

APPROVAL:

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CIAC Chairman