1. Meeting called to order.

The regular meeting of the Capital Improvements Advisory Committee (CIAC) was called to order at 9:07 a.m. on Thursday, September 26, 2013 by Dan Kossl, Chairman, Capital Improvements Advisory Committee.

Committee Members Present:
Susan Wright, District 2
Norm Dugas, District 3
Michael Cude, District 4
Michael Hogan, District 6
Mark Johnson, District 8
Keith Pyron, District 9
Dan Kossl, District 10
Amy Hardberger, Mayor/ETJ

Committee Members Not Present:
Arlene Fisher, District 1
Michael Martinez, District 5
Robert Hahn, District 7

SAWS Staff Members Present:
Sam Mills, Director, Engineering
Jorge Monserrate, Manager, Engineering
Marisa Palmer, Manager, Engineering
Lou Lendman, Finance
Tracey Lehmann, Engineering
Keith Martin, Corporate Counsel
Mark Schnur, Planner IV
Felipe Martinez, Planner II

Other Representatives Present:
Morris Harris, City of San Antonio
Hector Morales, San Antonio Apartment Association
2. **Citizens To Be Heard**

There were no citizens to be heard.

3. **Approval of the minutes of the CIAC regular meeting of August 22, 2013.**

The committee approved the minutes from the August 22, 2013 meeting.

4. **Briefing and deliberation on SAWS Treatment Capital Improvement Program.**

Mr. Mills started the meeting by announcing that SAWS intent is to present the Capital Improvement Program, starting with the Treatment program. He introduced Mr. Lehmann. Mr. Lehmann started with the history of wastewater treatment in San Antonio from 1894 to the present, and reviewed the permitted limits of 16 million gallons per day (MGD) for Medio Creek and 171 MGD for Dos Rios and Leon Creek combined. Mr. Cude asked if the Medio Creek limit is based on the full build out of the Medio Creek sewershed, and Mr. Mills replied that SAWS has enough capacity based on transferring flows to Dos Rios so that further expansion of Medio Creek capacity to 32 MGD is unnecessary. He also said that SAWS would probably have to look at increasing the Dos Rios capacity in the next impact fee update, but no capacity increase is planned in the current 10-year plan. Ms. Palmer added that the first phase of the Dos Rios re-rating is under construction, and that the planned capacity increase to 217 MGD was reduced to 137 MGD. Mr. Lehmann presented the CIP projects table, and Mr. Dugas asked about the 2013 equity numbers. Ms. Palmer explained that the scope increased on the Disinfection project and the Dos Rios Digesters Phase 2 and 3, and added that Phase 3 might be replaced with the Dewatering project. Mr. Lehmann presented the eligible capacity table and the Equity table, adding that the equity is a draft pending final calculation. The question was asked as to how the book value is determined, and the response was that the value as of the end of 2012 is used. Mr. Lendman added that the equity is what SAWS paid for the infrastructure, and Mr. Mills added that this is a compromise between the depreciated value and the replacement value. A question was asked about the trifecta value of selling biogas and Mr. Lendman replied that SAWS receives about $200,000 annually from selling biogas. Mr. Mills stated that SAWS does not cover the cost of recycled water in the impact fees. Mr. Dugas asked if SAWS is allowed to recoup the cost of pre-1987 infrastructure in impact fees. Mr. Martin agreed to research this and follow up with Mr. Dugas. Mr. Lehmann summarized the presentation and stated that SAWS staff have not calculated the maximum impact fee. Ms. Wright stated that she is concerned over how far off our projects are from those in the CIAC’s last report and needs to understand it better. Mr. Kossi added that during the last impact fee update of 2010 that the Dos Rios fees
went up 22% and the Medio Creek fees went up 53% from the previously approved 2010 report.

The committee agreed to meet on October 10\textsuperscript{th} at 9:00 a.m. The topic of the next meeting will be SAWS Flow CIP. Mr. Mills added that SAWS staff may have to schedule an extra meeting to stay on schedule.

5. **Adjournment**

The meeting was adjourned at 9:59 a.m.

**APPROVAL:**

_________________________________

CIAC Chairman