1. Meeting called to order.

The regular meeting of the Capital Improvements Advisory Committee (CIAC) was called to order at 9:12 a.m. on Wednesday, January 18, 2017 by Dan Koss, Chairman, Capital Improvements Advisory Committee. Mr. Koss recognized all the new members on the committee, and asked each member to introduce themselves.

Committee Members Present:
Arlene Fisher, District 1
Susan Wright, District 2
Debra Ann Guerrero, District 3
Michael Cude, District 4
Henry Reyes, District 5
Michael Hogan, District 6
Robert Hahn, District 7
Amy Hardberger, District 8
Michael Moore, District 9
Dan Koss, District 10
Stephen Colley, Mayor/ETJ

Committee Members Not Present:

SAWS Staff Members Present:
Genoveva Gomez, Vice-President, Engineering and Construction
Mary Bailey, Vice-President, Business Planning and Controller
Sam Mills, Director, Engineering
Keith Martin, Corporate Counsel
Lou Lendman, Manager, Budget
Jaclyn Kneupper, Planner III
Mark Schnur, Planner IV
Patrick Middleton, Planner II
Tim Skoglund, Senior Director, Vista Ridge
Other Representatives Present:
Michelle E. Garza, SARA
Hector Morales, SA Apartment Association
Theodore Sims, COSA
Garland Scott, SAWS CAP

2. Citizens To Be Heard
There were no citizens to be heard.

3. Approval of the minutes of the CIAC regular meeting of July 6, 2016.
The committee approved the July 6, 2016 minutes.

4. Briefing and deliberation on the status of impact fee related projects and impact fees collected and spent

Mr. Mills presented a general report on the status of impact fees and the Capital Improvements Program.

Mr. Cude remarked that the largest impact fee component is water supply, and asked if that is reflective of future supply from the Vista Ridge Pipeline. Mr. Mills responded that, no, the Vista Ridge Pipeline was not included in the impact fee amount. Mr. Kossel remarked that the Vista Ridge Pipeline’s effect on impact fee amounts will be discussed further at later meetings.

Mr. Kossel asked Mr. Mills to explain the timing of the meetings. Specifically, why impact fees are reviewed every five years, but using a ten year projection. Mr. Mills explained that rarely will all projects be completed within the first five years, and using a ten year projection allows SAWS to stay ahead of capacity demands from population growth.

Mr. Kossel asked where the desalination plant would be listed on next year’s report. Mr. Mills explained that it would be listed under existing infrastructure.

Mr. Reyes asked if any revenue from impact fees goes back into the general fund. Ms. Bailey explained that all impact fees are used to recoup the cost for existing capital improvements, or fund the cost for new capital improvements, and impact fees are not assessed to cover operating costs.

Ms. Wright asked about the reclassification of fees from the flow component to the supply component. Specifically, her concern was that internal changes could reverse recommendations from the committee. Mr. Mills explained that, in this instance, a few projects were listed incorrectly on the last update. This was a singular error, and therefore would not have affected the committee’s decision making in the past meetings.

Mr. Kossel, in response to a question from Mr. Reyes on the total cost of the desalination plant, quoted from a previous SAWS presentation that the desalination plant would produce a total of 33,600 acre feet by 2026 for a total of a $109,000,000. Ms. Bailey explained that the $109,000,000 figure was actually a portion of Phase 1, and
would yield 13,400 acre feet. She went on to say that the total of Phase 1 would be close to $200,000,000 leading to a grand total of around $500,000,000.

Mr. Hogan asked what the significance of $7,205.00 “impact fee per EDU” was. Mr. Mills explained that this was the weighted average of the cost per EDU.

5. **Briefing and deliberation on the Vista Ridge project**

Mr. Tim Skoglund with SAWS presented Vista Ridge update project.

6. **Adjournment**

The meeting was adjourned at 11:04 a.m.

**APPROVAL:**

[Signature]

CIAC Chairman