MINUTES
MEETING OF THE SAN ANTONIO WATER SYSTEM
CAPITAL IMPROVEMENTS ADVISORY COMMITTEE

Wednesday, January 30, 2019
2:30 P.M.
SAN ANTONIO WATER SYSTEM
CUSTOMER CENTER
CONFERENCE ROOM #154

1. Meeting called to order

The regular meeting of the Capital Improvements Advisory Committee (CIAC) was called to order at 2:37 P.M. on Wednesday, January 30, 2019 by Dan Kossi, Chairman, Capital Improvements Advisory Committee.

Committee Members Present:
Arlene B. Fisher, District 1
Susan Wright, District 2
Michael Cude, District 4
Michael Hogan, District 6
Brian Hughes, District 7
Amy Hardberger, District 8
Michael Moore, District 9
Dan Kossi, District 10
Stephen Colley, Mayor/ETJ

Committee Members Not Present:
Debra Guerrero, District 3
Vacant, District 5

SAWS Staff Members Present:
Mike Frisbie, Senior Vice President & Chief Operating Officer
Doug Evanson, Senior Vice President & Chief Financial Officer
Mary Bailey, Vice President, Customer Experience & Strategy
Andrea Beymer, Vice President, Engineering & Construction
Nancy Belinsky, Vice President, General Counsel
Keith Martin, Corporate Counsel
Tracey Lehmann, Director, Development
Cecilia Velasquez, Director, Accounting / Controller
Darren Thompson, Director, Water Resources
Eric Cloudt, Director, Continuous Improvement & Innovation
Bob Johnson, Manager, Engineering
Lou Lendman, Manager, Budget
Cristina Brantley, Manager, Engineering
Mark Schnur, Senior Resource Analyst
Ben Benzaquen, Senior Financial Analyst
Jackie Kneupper, Planner III
Patrick Middleton, Planner II
Rene Gonzalez, Planner III
Antonio Ramsey, Internal Audit

Other Representatives Present:
Jennifer Ivey, Carollo Engineers
Hector Morales, San Antonio Apartment Association
Morris Harris, COSA
Pam Moore, COSA
Jim Koenig, Westwood
Joe Hernandez, KB Homes
Danielle Salvador, KFW Engineers
Brett Finley, SABOR
Michelle Garza, SARA
Brendon Gibbons, Rivard Report
Jeff Pullin, COSA
Martha Mangum, RECSA

2. Citizens to be heard

There were no citizens to be heard.

3. Approval of the minutes of the CIAC regular meeting of December 12, 2018 and January 23, 2019.

The Committee approved the December 12, 2018 and January 23, 2019 minutes. Mr. Hogan requested that staff verify the numbers provided on what portion of the Water Supply fee represents the cost of the Vista Ridge Project.

After the regular meeting staff verified that the estimate of $2,582.00 was correct as stated in the minutes, does include the Vista Ridge Pipeline Projects as well as the Vista Ridge Integration Projects and is based on a per EDU basis.
4. & 5. Follow up on CIAC member information requests from the regular meeting of January 23, 2019 & Briefing on the SAWS Maximum Impact Fee.

Mr. Lehmann presented information requested from the previous meeting.

Mr. Hughes asked for clarification on how the top line total was derived in the wastewater collection portion of the presentation. Mr. Lehmann responded that the total was weighted based on expected growth in each impact fee area and that one would need to reference the spreadsheet to view the weighting factor.

Mr. Hughes asked for a reminder on what parts of the system constituted Water System Development. Mr. Lehmann responded that it is comprised of pumps, tanks and larger infrastructure.

Mr. Hughes asked if the inclusion of Vista Ridge in the impact fee caused other water supply projects to be excluded from the CIP. Ms. Beymer responded that this was correct, and that latter phases of the Brackish Desalination Plant and the expanded Carrizo Aquifer Project dropped out of the calculation.

Ms. Hardberger asked for the date at which the Vista Ridge capital costs will move from construction into equity. Ms. Beymer replied that as of now it will be approximately April of 2020.

Mr. Hogan asked if the rate increases SAWS had recently passed were currently collecting fees to fund the Vista Ridge Project. Mr. Evanson replied that some small amounts are being collected, (parts of the integration improvements), but none of the increases servicing the $930 million have gone into effect. Mr. Evanson continued that the preapproved rate increases intended for the bulk of the project are intended to go into effect in 2020.

Mr. Moore asked for clarification on what determines the eligible percentage of the CIP. Mr. Lehmann explained that, of the total equity portion, the eligible equity represents how much of the next ten year window will be using the existing system, and the eligible portion of the total CIP represents what the remainder of that ten year window will need.

Mr. KossI asked if the water supplies listed as “Supply Alternatives” in the presentation were actually viable options. Ms. Beymer indicated that there is an issue with the second option in that it does not share the costs equitably with the new development. Ms. Beymer confirmed Mr. Hughes’ understanding that the third option would be accurate in early 2020 when the Vista Ridge Project is constructed and becomes an asset in the equity portion of the calculation.

Ms. Beymer asked for Mr. Hogan to clarify his suggestion of separating the Supply Fee into phases in regards to the Vista Ridge Project. Mr. Hogan responded that he believed there should be a discussion regarding what should happen to the Supply Fee in 2020 once Vista Ridge was included in the equity calculation. Mr. Hogan continued that he would like for it to be scheduled as an item for the CIAC to discuss in the subsequent meetings.

Mr. Hughes asked when the new impact fee would go into effect, once approved. Mr. Lehmann replied that it would go into effect in June of 2019.
Mr. Kossel stated to the CIAC that it is important to note that the charge of Chapter 395 is to find the maximum impact fee allowable by law. Mr. Kossel continued that corollary subjects are not precluded, but the committee must prioritize the objectives under Chapter 395.

Ms. Wright commented that this is the most comfortable and confident she has been with the data provided while working with the CIAC.

Mr. Cude asked what the staff projections were for the needs of the wastewater treatment system during the next impact fee update. Mr. Lehmann responded that the lowering of the sewer EDU did allow for more capacity in the treatment plants. Ms. Beymer added that staff is looking at the possibility of rerating the plants, and a treatment master plan. Ms. Beymer continued that increases to the treatment impact fee are a possibility in the next impact fee update, and that information will be brought to the CIAC during the biannual update meetings. Mr. Kossel asked what the excess capacity in the treatment system was. Mr. Johnson responded that he did not know exact numbers off hand, but the main issue the plants were facing was wet weather capacity. Mr. Johnson continued that the Rilling Rd. Storage Facility is partially alleviating that issue. Mr. Johnson commented that he believed the Dos Rios plant was rated at around 150-155 MGD, and that average daily flows into the plant were approximately 70 MGD or less.

Mr. Hogan requested using the 2014 Findings Report to blackline the information being replaced to show the changes from the 2014 report to the 2019 report.

Ms. Wright requested that the members' edits be color coded for clarity.

Mr. Martin stated to the CIAC that the primary objective of the committee is to make recommendations on and adopt the Land Use Assumptions Plan, the Capital Improvements Plan and the Maximum Impact Fee. Mr. Martin continued that the CIAC is also able to produce findings they believe to be relevant to the core objectives, which will be included in the final report to be submitted to City Council before consideration of an ordinance. The report will also be provided to the SAWS Board of Trustees.

6. Deliberation, consideration of findings and possible action by the CIAC on the SAWS Maximum Impact Fee.

Findings of the CIAC:

1. Acceptance of the Maximum Impact Fee as presented by SAWS staff at the regular meeting of 1/30/2019.

Ms. Wright presented a motion for approval; Mr. Hughes seconded the motion. The CIAC passed the motion unanimously with one member absent (District 3) and one position vacant (District 5).

All presentation materials can be found on the SAWS CIAC webpage: www.saws.org/CIAC
7. **Adjournment**

The committee agreed to meet on February 6, 2019 at 9:00 A.M. The meeting was adjourned at 3:31 P.M.

APPROVAL:

CLAC Chairman