

MINUTES
MEETING OF THE SAN ANTONIO WATER SYSTEM
CAPITAL IMPROVEMENTS ADVISORY COMMITTEE
Wednesday, February 2, 2011
8:30 A.M.

SAN ANTONIO WATER SYSTEM
ADMINISTRATION BUILDING
EXECUTIVE CONFERENCE ROOM

1. Meeting called to order.

The regular meeting of the Capital Improvements Advisory Committee (CIAC) was called to order at 8:46 a.m. on Wednesday, February 2, 2011 by Dan Kossl, Chairman, Capital Improvements Advisory Committee.

Committee Members Present:

Susan Wright, District 2
Jose Limon, District 3
Michael Martinez, District 5
Michael Hogan, District 6
Mark Johnson, District 8
Keith Pyron, District 9
Dan Kossl, District 10

Committee Members Not Present:

Felix Alvarez, District 1
Michael Cude, District 4
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

Louis Lendman, Sr. Financial Analyst
Kelley Neumann, Sr. Vice President, Strategic Resources

Other Representatives Present:

Morris Harris, City of San Antonio
Alfred Chang, City of San Antonio
Pam Monroe, City of San Antonio
Gabriel Garcia, City of San Antonio

2. Citizens To Be Heard

There were no citizens to be heard.

3. Approval of the minutes of the CIAC regular meeting of January 19, 2011.

The committee approved the minutes of the regular meeting of January 19, 2011.

Mr. Dwayne Rathburn introduced the agenda and stated that Kathleen Price, Manager of Master Planning, would finish the discussion of methods used to estimate costs for Capital Improvements projects, and Sam Mills would present an executive summary of the impact fee update process.

4. Briefing and deliberation on questions previously asked by members of the Capital Improvements Advisory Committee

Ms. Kathleen Price presented a table of recent capital improvement projects and explained that two different consultants had developed the cost estimates used in the 2006-2015 impact fee update. Ms. Price addressed the committee's questions on the 25% construction contingency, stating that it is common practice to use contingencies of 25% to 40% when estimating project costs for projects that won't go to construction for several years. She also said that SAWS can't do detailed cost estimates for the hundreds of projects on the CIP, and the projects are estimated at the conceptual level. Ms. Price presented two water projects, one of which the impact fee cost estimate was 64% over the low bidder's price, and the other was 11% under the low bidder's price. She also presented three wastewater projects that have not yet gone to construction, and the impact fee cost estimate varied between 62% over to 11% under the final design cost estimate. Ms. Wright asked if anyone goes back to check to see where the cost estimates are off, and Ms. Price replied that SAWS staff do check and consultants also look at factors that influence cost estimates, and found that routing, congestion, soil vs. rock, all contribute to variations in cost for infrastructure projects. Mr. Tom Cunanan explained the sewer pipe methodology, and stated that SAWS did adjust the consultants estimates on the sewer master plan to use a 10% contingency. The committee asked if SAWS Finance Dept. tracks costs and if the impact fees are updated with actual costs. Mr. Dan Crowley replied that the actual costs are input into the existing value for the next impact fee study. Mr. Crowley also explained

that part of staff salaries are capitalized into the overhead on projects. Mr. Sam Mills added that the cost estimates are conservative and are not overestimating the project costs.

5. Briefing and deliberation on a summary of the update of the 2011 – 2020 Land Use Assumptions Plan, Capital Improvements Plan and Maximum Impact Fees.

Mr. Sam Mills presented a summary of the impact fee process, and explained that this presentation would be the template for presentations to SAWS Board of Trustees, Citizens and Industry groups, and City Council. He also said that SAWS is currently planning to present the updated impact fees to City Council for approval on May 19, 2011, which is the final Council meeting for the current sitting City Council. The committee had a number of suggestions on the slides, which are summarized below. The committee discussed how their recommendation on the impact fees is to City Council, and not to SAWS Board. Ms. Wright requested a presentation to the Real Estate Council, and Mr. Mills agreed to present to the REC at a date to be determined. Mr. Kossl asked the committee members to visit with their respective Council members who appointed them to discuss the impact fees. The committee and staff also discussed SAWS and City of San Antonio policy vs. Texas Local Government Code Chapter 395 requirements.

Summary of changes to the presentation requested by the committee:

- Add a slide on CIAC roles, one of which is to validate the maximum impact fee and the option to charge 50% of the maximum in lieu of calculating the rate credit.
- Revise the basic concepts slide to clarify SAWS and COSA policy and Chapter 395 requirements.
- Spell out LUAP and CIP.
- Add a slide on major changes to the impact fee process.
- Revise the impact update schedule slide to make it easier to read the dates, and add an explanation of the June to October timeframe when SAWS staff was working with the consultant on the data and model.
- Add the words “new” or “no change” to the service area maps to distinguish between existing and new service areas.
- Add a slide explaining changes to the impact fee service areas.
- Revise the water and wastewater infrastructure slides to clarify that the impact fee eligible cost is for the 2011-2020 study period.
- Revise the water infrastructure slide to distinguish between the high, middle, and low service areas.
- Add a slide explaining the rate credit.
- Add a total column to the Calculated Impact Fees slide to total the eligible CIP value.
- Add a % column to the Change in Impact Fees slide.
- Remove the Proposed Total Maximum and Minimum Impact Fees slide.

- Revise the Impact Fees by Service Areas slide to make the labels easier to read, and highlight the maximum and minimum fees, and the greatest and least change in impact fees.

Mr. Mills completed the presentation through page 16/slide 31, and will continue the presentation at the next meeting.

6. Discussion of the Next CIAC Meeting

The dates for the next meetings were set for February 9, 2011 t 8:30 a.m. Mr. Rathburn stated that the meeting would finish the summary presentation of the impact fee process, and will send a schedule of the process to take the impact fees to City Council, and draft findings for the committee to consider.

7. Adjournment

The meeting was adjourned at 10:37 a.m.

APPROVAL:

CIAC Chairman