

MINUTES
MEETING OF THE SAN ANTONIO WATER SYSTEM
CAPITAL IMPROVEMENTS ADVISORY COMMITTEE
Wednesday, August 22, 2013
9:00 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 9:10 a.m. on Thursday, August 22, 2013 by Dan Kossl, Chairman, Capital Improvements Advisory Committee.

Committee Members Present:

Arlene Fisher, District 1
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:

Michael Martinez, District 5
Robert Hahn, District 7

SAWS Staff Members Present:

Sam Mills, Director, Engineering
Dwayne Rathburn, Manager, Engineering
Kathleen Price, Manager, Engineering
Jorge Monseratte, Manager, Engineering
Keith Martin, Corporate Counsel
Mark Schnur, Planner IV
Rene Gonzalez, Planner II
Felipe Martinez, Planner II

Other Representatives Present:

Morris Harris, City of San Antonio
Alfred Chang, City of San Antonio

Lori Carter, Red Oak/Arcadis
Jennifer Ivey, Red Oak/Arcadis
Hector Morales, San Antonio Apartment Association
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 July 25, 2013.

The committee approved the minutes from the July 25, 2013 meeting.

4. Briefing and deliberation on the District Special Project Integration study

Mr. Monseratte presented the DSP Integration study, focusing on the impact on the impact fees. He presented some background on the integration and the former Bexar Met service areas, the integration studies, and the goals and challenges. He also presented the cost avoidance realized through the integration projects, pointing out that using existing infrastructure is cheaper than building new infrastructure. Mr. Cude asked about the integration areas and whether Bexar Met Utility Service Agreements would convert to SAWS USA's, and the reply was that they would, but the impact fees charged would be Bexar Met impact fees until the impact fees are integrated.

Mr. Schnur took a moment to recognize Mr. Dwayne Rathburn for his 25 years of service to the City of San Antonio and SAWS, and that he has participated in eight impact fee updates, starting in 1990. Mr. Rathburn will retire on August 30, 2013. The committee thanked Mr. Rathburn and recognized his service.

5. Briefing and deliberation on the 2014 – 2023 Land Use Assumptions Plan.

Ms. Carter presented a summary of the Land Use Assumptions Plan which included a graph showing growth projections from several sources. Ms. Hardberger asked why the Water Management Plan was 1.90% on the Population Projections chart when the other lines were all much lower. Ms. Carter clarified that the top line is not the Water Management Plan projection but is the Texas State Data Center's full migration, and that the colors of the lines are too similar to distinguish them on the projector screen. Mr. Dugas asked about customer count changes from Bexar Met, and noted that Bexar Met served 10% of the county but had 25% of the housing starts. He wanted to make sure to look at all of the data before making recommendations. Mr. Mills acknowledged that SAWS projection of 1.2% growth is very conservative but stated that SAWS used the same methodology for this LUAP as the previous LUAPs, and SAWS has no justification to apply a factor to the projection in order to modify it. Mr. Mills also noted that the 1.2% growth projection is based on the 2000 census. Ms. Wright

stated that she is philosophically opposed to moving forward at this time. Ms. Hardberger stated that she does not understand the difference between the impacts of 1.2% vs. 1.35%. Mr. Dugas added that a 0.2% difference in the growth projection is a 16% differential of 1.2%, and noted that the EDU Actual and Projected Comparison chart shows that SAWS has been 15% low in its projections from 2004 to 2012. Ms. Wright reiterated that we need Bexar Met data to integrate the impact fees, and that we are just using SAWS data and not considering Bexar Met growth data. Ms. Carter added that in working with the Bexar Met system data on another project in 2009, she found that they had 89 billing cycles, numerous false addresses, and many other problems.

Mr. Kossel made note of two points. The population growth is not the same as the customer count, and is not necessarily linked. And in October SAWS will have new TAZ projections. Ms. Wright noted that the deadline to update the Bexar Met impact fees is June 2014, and Mr. Martin stated that the Bexar Met impact fees are still in effect.

Ms. Ivey presented a sample unit cost calculation, which showed that if the population projection was lower, SAWS would have reduced capital costs, reduced capacity, and the impact fees would be the same. She stated that the CIP is driven by growth, and that the system is not at capacity so there is a small impact of adding additional capacity. Mr. Mills added that SAWS is consolidating production facilities with pipelines for integration, and that Bexar Met overbuilt their capacity and their criteria was higher. Mr. Mills stated that the calculations are all just math, and that the CIAC will repeat the update every five years for the next ten years, and adjust as necessary. Mr. Johnson reiterated his experience from serving on the Bexar Met CIAC, and their CIAC did not have good information from Bexar Met, didn't consider a rate credit until later in the process, and inflated the denominator to reduce the fees, as at one point they were about \$8000. Mr. Dugas said that their assumption was that all lots in a new development would be built out in ten years, which inflated their CIP.

Ms. Wright stated that she was not comfortable with the projection and wanted the committee's finding to reflect concerns on the methodology, the population projection being too low, and suggested that SAWS revise the LUAP methods, so that the committee could move onto the CIP. She made a motion to adopt the LUAP, but the motion was not seconded. Ms. Hardberger asked that staff add a dotted line to the customer count to show SAWS and Bexar Met combined customer counts. Mr. Gonzalez said that he had informally obtained information from CPS Energy that showed a 1.73% ten year average growth for San Antonio. Mr. Garcia recommended that SAWS send a request through the City's Public Utilities Office for CPS Energy projections.

The committee agreed to meet on September 12th at 9:00 a.m. The topic of the next meeting will be SAWS Treatment CIP.

(didn't the committee give us a general consensus agreement to the LUAP so we could proceed with the CIP?)

6. Adjournment

The meeting was adjourned at 10:44 a.m.

APPROVAL:

CIAC Chairman