

**MINUTES**  
**MEETING OF THE SAN ANTONIO WATER SYSTEM**  
**CAPITAL IMPROVEMENTS ADVISORY COMMITTEE**  
**Wednesday, August 9, 2017**  
**9:30 A.M.**

**SAN ANTONIO WATER SYSTEM**  
**ADMINISTRATION BUILDING**  
**EXECUTIVE CONFERENCE ROOM A-695**

**1. Meeting called to order.**

The regular meeting of the Capital Improvements Advisory Committee (CIAC) was called to order at 9:45 a.m. on Wednesday, August 9, 2017 by Dan Kossl, Chairman, Capital Improvements Advisory Committee. Mr. Kossl recognized all the new members on the committee, and asked each member to introduce themselves.

**Committee Members Present:**

Susan Wright, District 2  
Michael Cude, District 4  
Henry Reyes, District 5  
Michael Hogan, District 6  
Fred Rangel, District 7  
Amy Hardberger, District 8  
Michael Moore, District 9  
Dan Kossl, District 10  
Stephen Colley, Mayor/ETJ

**Committee Members Not Present:**

Arlene Fisher, District 1  
Debra Ann Guerrero, District 3

**SAWS Staff Members Present:**

Andrea Beymer, Vice-President, Engineering and Construction  
Mary Bailey, Vice-President, Business Planning and Controller  
Sam Mills, Director, Engineering  
Keith Martin, Corporate Counsel  
Monica Dobe, Corporate Counsel  
Lou Lendman, Manager, Budget  
Mark Schnur, Senior Resource Analyst  
Jackie Kneupper, Planner III  
Patrick Middleton, Planner II

**Other Representatives Present:**

Ramiro Gonzalez – COSA  
Erika Ragsdale – COSA  
Sarah Esserlieu – COSA  
Jeff Pullin – COSA  
Pam Monroe - COSA

**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 January 18, 2017 minutes.

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

Mr. Mills presented a report on the status of impact fee funds and projects. Mr. Mills noted that going forward, the DSP, (Bexar Metropolitan Water District), terminology will be removed from the reports, and the SAWS and DSP impact fees will be merged into one.

Mr. Moore asked for clarification on using impact fees for rehabilitation of the existing system, noting that he believed O&M expenses were not eligible under TLGC Chapter 395. Mr. Mills explained that no O&M costs are included in the impact fee, but that impact fees are used to improve existing infrastructure if necessary to serve future growth.

Ms. Wright requested Mr. Mills expand on the status of collected funds versus committed funds, and why there is a difference between the two amounts. Mr. Mills explained that SAWS has collected a total of approximately \$192 million in impact fees, and has committed to approximately \$260 million worth of projects that have some component that is growth related (impact fee eligible). The flow component, which represents the distribution system, has collected approximately \$42 million, but has committed to approximately \$4.8 million worth of projects. This is partially due to the fact that every impact fee has a portion for recoupment of existing infrastructure, along with a portion for new infrastructure. Within the flow component, 70% is accounted for in recouped costs of existing infrastructure that is already in the ground. Similarly, the treatment component is recouping for treatment plants built in the past, essentially repaying what rate payers have already paid for. Ms. Wright stressed the importance of showing what is totally committed within the impact fee components, to avoid the appearance of overcharging. Ms. Bailey suggested showing totals for recouped funds to show a more accurate total picture.

Mr. Mills summarized the major points of the CIP by showing allocations for the following ten years: of the approximately \$2.1 billion SAWS is planning to spend over

the next ten years on capital projects, approximately \$579 million is for existing customers, approximately \$453 million is for new customers, and approximately \$1.1 billion is for post 2023 customers. Mr. Mills reiterated that the existing customers will always finance the long term customers, thus maintaining the need for a recoupment facet to the impact fee.

Mr. Rangel asked if Vista Ridge was included in the current impact fee. Mr. Mills answered that Vista Ridge was not included in this round of impact fees. Mr. Kossl commented that it would be part of next year's discussion.

Mr. Cude asked when the process would start again to reevaluate the impact fee rates. Mr. Mills explained that SAWS will put out a request for proposal for a consultant at the end of this year, and will bring the chosen consultant in the first quarter of next year. Mr. Cude then asked for the earliest possible time frame that the impact fee rates could change. Mr. Mills responded that SAWS is required to update every five years (June of 2019), but could possibly complete the process sooner. Mr. Cude also requested a graph showing the relationship between what SAWS has collected and what has been committed to projects (on a yearly basis). Ms. Wright added that she would like to have updates at the next meeting showing the SAWS LUAP's accuracy over time, in order to see how close the CIAC's assumptions are to the reality of current project status.

**5. Briefing and Deliberation on ICRIP Waivers Program**

Sarah Esserlieu, Senior Management Analyst with the City of San Antonio Center City Development & Operations Department, delivered a presentation on the SAWS Impact Fee Waiver Program. The program is designed to incentivize growth in targeted areas of San Antonio by waiving SAWS impact fees on new residential and commercial development.

**6. NEXT SCHEDULED MEETING: February 21, 2018 at 9:00 AM**

**7. Meeting Adjourned at 11:30 AM**

APPROVAL:



CIAC Chairman