

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

Wednesday, September 23, 2020

9:00 A.M.

Virtual Meeting – www.saws.org/live

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 Wednesday, September 23, 2020 by acting chairperson Susan Wright. A Chairperson was not available at the call to order and the Vice Chair was absent. Mr. Hughes nominated Ms. Wright to act as Chairperson for the remainder of the meeting. The CIAC agreed unanimously.

Committee Members Present:

Ms. Arlene Fisher, District 1
Ms. Susan Wright, District 2
Debra Guerrero, District 3
Ms. Kacy Cigarroa, District 4
Mr. Michael Hogan, District 6
Mr. Brian Hughes, District 7
Ms. Amy Hardberger, District 8
Mr. Michael Moore, District 9
Mr. Matt Cox, District 10
Mr. Peter Bella, Mayor/ETJ

Committee Members Not Present:

Vacant, District 5

SAWS Staff Members Present:

Steve Clouse – Chief Operating Officer
Andrea Beymer, Vice President, Engineering & Construction
Keith Martin, Corporate Counsel
Tracey Lehmann, Director, Development
Cecilia Velasquez, Director, Financial Services
Darren Thompson, Director, Water Resources
Bob Johnson, Manager, Engineering
Frances Martinez, Project Engineer
Michael Graef, Manager, Communications
Promise Murrell-Greco, Webmaster

Mark Schnur, Senior Resource Analyst
Rene Gonzalez, Planner III
Ruben Cruz, Network Administrator
Michelle Casteel, Desktop Support Specialist
Jorge Medrano, Help Desk Analyst
Patrick Middleton, Planner III

2. Citizens to be heard.

There were no citizens to be heard.

3. Approval of the minutes of the CIAC regular meeting of January 29, 2020.

The CIAC approved the minutes of the regular meeting of January 29, 2020.

4. Briefing and discussion on the method of tracking the status of impact fee eligible projects within the SAWS Capital Improvements Plan.

Mr. Lehmann, Director, SAWS Development Engineering, presented on the September 2020 status update of the SAWS Capital Improvements Plan.

Ms. Wright asked the committee if all members were comfortable with the formatting of the report, and if there were any recommendations on how to improve the report going forward. Mr. Hughes asked if it was accurate to say that all projects listed on the first page of the memo, save item 7, have not yet begun. Mr. Johnson, Manager, SAWS Master Planning, confirmed that this was correct. Mr. Lehmann clarified that this issue was unique to the Water Delivery – Flow projects, (water mains less than 24” and greater than 8”), and that due in part to Vista Ridge coming online, SAWS’ focus has been on larger projects included in the System Development component (water mains 24” and greater as well tanks, pumps and wells).

Mr. Hughes asked if the projects on page three (System Development) which had columns “% Impact Fee Credit Eligible” and “\$ Impact Fee Credit Eligible” excluded were ineligible to be included in the CIP. Mr. Lehmann explained that these projects are eligible, but that it became difficult to reflect an accurate percentage in the System Development component by project because of the varying types (high service pump, tank, well) and extent to which that type contributed to the total cost. If a percentage were to be included it would be an average, and staff opted not to include it with the concern that it could be misleading. Mr. Lehmann added that the intent was to receive input from the committee during this meeting on how best to provide the data in the report. Mr. Hughes responded that whereas the percentage may not reflect reality, the dollar amount should be able to be extracted and should be included while excluding the percentage. Staff will accommodate this request.

Ms. Wright commented that the purpose of the memo is to show any changes in cost that would be large enough to have altered the calculation of the impact fee significantly. Ms. Wright added that the report should utilize the change in the % Impact Fee Credit Eligible column to determine if a change in cost is substantial enough to require further scrutiny by the committee. Mr. Lehmann responded that staff will add an additional column to compare the initial and current %Impact Fee Credit Eligible to show any changes. Ms. Wright added that ultimately what the committee should know is what the current impact fee is, and how the fee would be calculated

accounting for any major changes in project cost. Mr. Hughes clarified that this could be shown by component (Flow, System Development, Supply etc.) and not by individual project. Ms. Wright agreed. Mr. Lehmann responded that staff will attempt to provide an updated fee, however Carollo Engineers ultimately owns the model. Mr. Hogan commented that the committee should be cautious of overanalyzing the CIP unless the committee is ready to reconvene. Instead, a broader view of whether the CIP is operating under or over the budget is appropriate, and when the committee reconvenes to calculate the impact fee, a deeper look can be taken as to what caused any significant deviations. Mr. Lehmann commented that one aspect the committee can look to is the percentage change between the original cost and the actual cost, which is not the original amount included in the impact fee but should be proportional. Ms. Fisher commented that an acceptable percentage of variation must also be decided.

Mr. Moore asked for an explanation on item 34 (Wastewater Collection – E-19 Segment 1) regarding the change in cost. Ms. Beymer, Vice President, Engineering and Construction, responded that this was due to a significant change order because the initial contractor could not complete the project, and a separate contractor was brought in to finish the work. Mr. Moore asked what the issue was with the initial contractor. Ms. Beymer responded that the contractor was a year over scheduled in completion, and an additional contractor was necessary to meet the EPA timeline. *

Mr. Hughes commented that is important to look at the total change of the CIP and its effect on the impact fee rather than on a project by project basis. Mr. Moore commented that it is important to point out projects with a significant change in cost and to understand the reasons why. Ms. Wright added that significant changes must be monitored to ensure that issues such as the failure of a contractor do not affect the impact fee unduly. Mr. Hughes replied that equal due diligence would be necessary when cost decreases. Mr. Hogan commented that the committee should be cognizant of the difficulty of cost estimating in the current economic climate.

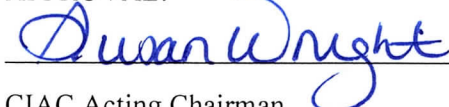
Ms. Guerrero asked if the committee should vote on a chair and vice chair. Mr. Lehmann replied that the intent was to take the vote when the committee meets again in person. Ms. Wright suggested postponing to the subsequent meeting. The committee agreed. Mr. Hogan suggested postponing until the committee can meet in person.

***Clarification from Andrea Beymer, Vice President Engineering and Construction –** The change order referred to in response to Mr. Moore’s question was in connection to E-19 Segment 2.

5. **Adjournment**

The meeting was adjourned at 9:50 A.M.

APPROVAL:



CIAC Acting Chairman