

**MINUTES**  
**MEETING OF THE SAN ANTONIO WATER SYSTEM**  
**CAPITAL IMPROVEMENTS ADVISORY COMMITTEE**  
**Thursday, October 10, 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 9:15 a.m. on Thursday, October 10, 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  
Dan Kossl, District 10

**Committee Members Not Present:**

Michael Martinez, District 5  
Robert Hahn, District 7  
James Garcia, District 9  
Amy Hardberger, Mayor/ETJ

**SAWS Staff Members Present:**

Sam Mills, Director, Engineering  
Mary Bailey, Controller  
Jorge Monserrate, Manager, Engineering  
Lou Lendman, Finance  
Carlos Mendoza, Finance  
Tracey Lehmann, Engineering  
Gregg Eckhardt, Environmental Services  
Mark Schnur, Planner IV  
Felipe Martinez, Planner II

**Other Representatives Present:**

Morris Harris, City of San Antonio  
Alfred Chang, City of San Antonio  
Pam Monroe, City of San Antonio  
Hector Morales, San Antonio Apartment Association  
Marisela Vasquez, City of San Antonio  
Jennifer Ivey, Red Oak Arcadis  
Martin Tower, Red Oak Arcadis  
Lori Carter, Red Oak Arcadis

**2. Citizens To Be Heard**

There were no citizens to be heard.

**3. Approval of the minutes of the CIAC regular meeting of August 22, 2013.**

The committee approved the minutes from the September 26, 2013 meeting, subject to changes as recorded.

**4. Briefing and deliberation on SAWS Flow Capital Improvement Program.**

Mr. Mills started the meeting by announcing that Mr. Keith Pyron from City Council District 9 was replaced on the CIAC by Mr. James Garcia. Mr. Garcia was not present. Mr. Kossl announced that everyone on the Committee except Mr. Hogan and Ms. Harberger's term had expired as of May 31, 2013, and the members with expired terms need to reach out to their Councilperson and be reappointed. Mr. Mills stated that Mr. Hahn wished to stay on the committee, and was working out transportation issues and would attend the next meeting. Mr. Mills noted that staff has not been able to reach Mr. Mike Martinez, and apparently he has retired from Bexar County. Ms. Wright stated that in her opinion that is better to leave vacant positions open due to the learning curve in the middle of an impact fee update.

Mr. Monserrate addressed the committee and introduced Mr. Gregg Eckhardt, who gave a history of the evolution of SAWS water system from the Blue Hole and the Espada Aqueduct in 1745 to present times. Mr. Hogan clarified that the Applewhite reservoir permit was given up prior to the Endangered Species lawsuit. Mr. Monserrate stated that today's presentation is covering the Flow Capital Improvements Program. The current water system including DSP includes 23 pressure zones and over 7,600 miles of water mains, from 2" to 96" water pipe. He showed the 2010 and 2012 water service area change, and the SAWS-DSP integration impacts on the system. Mr. Hogan asked if there was any positive addition to SAWS system due to the Bexar Met integration, and Mr. Mills said that there was some sharing but approximately 90% is SAWS supplying capacity to the DSP. Mr. Mills reminded the committee that the Flow impact fee is charged

equally to the entire system, and that philosophy will continue to the integrated system.

Mr. Tower presented next on Eligible Capacities and Flows, starting with the demand of 127 gallons per capita per day, with a peaking factor of 2.81. This translates to an overall demand of 600 million gallons per day (MGD) in 2014, which is expected to rise to 684 MGD by 2023. Ms. Wright asked what data was used for the population projections, and Mr. Mills replied that it was the same data used in the LUAP. Mr. Tower presented the available capacity chart which shows growth in demand during the 10 year study period consuming all of the current excess capacity (67 MGD or 10% of total capacity) and part of the future capacity (17 MGD or 18% of the capacity increase). Mr. Hogan asked if fire flow was included in the calculation, and Mr. Tower confirmed that it is. Mr. Tower explained that new customers will use the existing available capacity of 667 MGD, and some of the new capacity of 760 MGD, by 2023. Mr. Tower showed some details of the Flow CIP projects, and distributed a handout showing the SAWS 2014-2017 distribution projects. The slide is titled 2014-2013, but the numbers reflect projects currently planned for execution between 2014 and 2017. SAWS staff will correct the slide as the CIP through 2023 is finalized. Mr. Cude asked if governmental projects are included in the CIP, and Mr. Mills replied that those projects are included only when they are oversized. Mr. Dugas asked if SAWS gives credit for pipe that is removed from the ground. Mr. Lendman replied that the value of new pipe takes the place of the old pipe. Ms. Bailey added that SAWS does not remove the cost of the line replaced, and the costs still need to be recovered. Mr. Dugas clarified that the impact fees include the cost of the remaining old capacity that is no longer present, and the value of the new excess capacity. Ms. Ivey added that the "sandwiched" piece of capacity is now more expensive than it was before the line was removed. Ms. Ivey stated that it was not a double dip because all of the costs are actually incurred by the utility, and it is the nature and cost of doing business when replacing pipes due to roads being repaired, and realizing savings elsewhere. Mr. Mills pointed out that most of the old infrastructure replaced is over 50 years old and has minimal or no value. Mr. Dugas agreed that the value of old infrastructure is de minimus and not worth further research. Mr. Johnson clarified that the handout is only SAWS projects and is through 2017, while the slide includes DSP projects. Ms. Ivey stated that the slide includes only eligible CIP costs. Mr. Dugas asked if the CIP number goes up by a certain percentage, the growth projects will go down by that same percentage? Ms. Ivey stated that the numbers are preliminary, but does not expect a big change. There is an error on slide 13 where the Total Value of Capacity for Existing and New Capacity does not add up correctly to the Total Value of All Capacity. Ms. Fisher asked that SAWS check the math on the slides.

**5. Adjournment**

The committee agreed to meet on October 24<sup>th</sup> at 9:00 a.m. The topic of the next meeting will either be SAWS Collection or System Development CIP. Mr. Mills added that SAWS staff will have updated Flow numbers. The meeting was adjourned at 10:25 a.m.

APPROVAL:

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CIAC Chairman