

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

**Wednesday, February 6, 2019**

**9:00 A.M.**

**SAN ANTONIO WATER SYSTEM**  
**CUSTOMER CENTER**  
**CONFERENCE ROOM #145**

**1. Meeting called to order**

The regular meeting of the Capital Improvements Advisory Committee (CIAC) was called to order at 9:06 A.M. on Wednesday, February 6, 2019 by Dan Kossel, Chairman, Capital Improvements Advisory Committee.

**Committee Members Present:**

Arlene B. Fisher, District 1  
Michael Cude, District 4  
Michael Hogan, District 6  
Brian Hughes, District 7  
Amy Hardberger, District 8  
Michael Moore, District 9  
Dan Kossel, District 10  
Stephen Colley, Mayor/ETJ

**Committee Members Not Present:**

Susan Wright, District 2  
Debra Guerrero, District 3  
Vacant, District 5

**SAWS Staff Members Present:**

Mike Frisbie, Senior Vice President & Chief Operating Officer  
Doug Evanson, Senior Vice President & Chief Financial Officer  
Mary Bailey, Vice President, Customer Experience & Strategy  
Andrea Beymer, Vice President, Engineering & Construction  
Nancy Belinsky, Vice President, General Counsel  
Stacey Isenberg, Chief of Internal Audit  
Gavino Ramos, Vice President, Communications & External Relations  
Keith Martin, Corporate Counsel  
Tracey Lehmann, Director, Development  
Cecilia Velasquez, Director, Accounting / Controller

Darren Thompson, Director, Water Resources  
Eric Cloudt, Director, Continuous Improvement & Innovation  
Bob Johnson, Manager, Engineering  
Lou Lendman, Manager, Budget  
Mark Schnur, Senior Resource Analyst  
Ben Benzaquen, Senior Financial Analyst  
Jackie Kneupper, Planner III  
Patrick Middleton, Planner II  
Rene Gonzalez, Planner III  
Antonio Ramsey, Internal Audit

**Other Representatives Present:**

Meredith McGuire, San Antonio Sierra Club  
Kristin Flores, COSA  
Pam Monroe, COSA  
Jeff Pullin, COSA  
Morris Harris, COSA  
Michelle Garza, SARA  
Jackie Wang, Rivard Report  
Lee Niles, Pape-Dawson Engineers

**2. Citizens to be heard**

Meredith McGuire, Alamo Group of the Sierra Club, voiced her concern relating to water supplies. Ms. McGuire commented that she was pleased to see that the CIAC is more representative of the rate payers of San Antonio than in past years, and encouraged the CIAC to fund as much of the Vista Ridge Pipeline through impact fees to reduce the burden on residential rate payers.

**3. Approval of the minutes of the CIAC regular meeting of January 30, 2019**

The CIAC approved the minutes of the regular meeting of January 30, 2019.

**4. Deliberation, consideration of findings and recommendations by the CIAC on the LUAP, CIP and SAWS Maximum Impact fee.**

Mr. Kossl began the meeting by asking the CIAC if there are any items from the Draft Findings Report to add, change or discuss.

Mr. Kossl commented that Ms. Wright recommended adding language regarding the reconciled CIP list and biannual meetings in which the document will be reviewed.

Mr. Hughes asked if the CIAC intended to utilize the biannual meetings to potentially update the impact fee, if needed. Mr. Martin responded that the CIAC would need to make a recommendation to City Council to initiate the update process ahead of the five year mark. Mr. Kossl responded that he did not believe it was the intent of the biannual meetings, (and reconciled CIP list), to update the fee more regularly than every five years, (other than for unexpected circumstances). Mr. Hughes

commented that he did not intend for the update to be mandatory, only that the committee clarify that it is legally allowable if necessary. Mr. Colley commented that updating the impact fee too regularly could unduly impact developers negatively as they forecast the costs of their projects.

Mr. Kossl recommended to the CIAC that they open conversation on recommending the “equity” option for the Supply Impact Fee, due to the fact that in 2020 the Vista Ridge Project will move from construction into equity. The “equity option” for the Water Supply Fee involves assessing a prorated supply fee of \$2,706 per EDU which blends the maximum calculated supply fee and the expected future calculated supply fee based on the proposed acceptance date of the Vista Ridge Project in 2020. Mr. Hogan commented that in the previous update the fees were progressed in two phases. Mr. Lehmann responded that, from a staff perspective, it is more feasible administratively to have only one fee during the five year period.

Mr. Cude asked for verification that the statement from the Draft Findings Report, “Historically, the City of San Antonio has approved charging the maximum impact fee”, was factual. Mr. Martin confirmed, aside from the 2014 update which phased in the maximum fee and potentially one of the supply fees, that this statement was true.

### **Findings of the CIAC**

1. The CIAC recommends to assess the Water Supply Impact Fee at \$2,706, representing a blend of the maximum impact fee allowable and the inclusion of the Vista Ridge Project within the equity calculation.

Mr. Hughes motioned for approval. Mr. Hogan seconded the motion. The CIAC passed the motion unanimously with two members absent (D2 & D3), and one position vacant (D5).

Mr. Moore pointed out a spelling error on Section 3 Item 3. of the Draft Findings Report. Mr. Moore requested that the title “Population Growth Forecast” be removed from the Land Use Assumptions Plan section, due to being an inaccurate description. Mr. Moore requested that the language regarding climate change should be removed from the Draft Findings Report as it is not a direct charge of TLGC Chapter 395 to the CIAC. Mr. Moore also requested a numbering system for the progressive versions of the Draft Findings Report. Mr. Hughes replied that his intent regarding the climate change language was to attempt to incorporate the best modeling and forecasting available while developing the Land Use Assumptions Plan. Mr. Hogan commented that the drought of record has held for 65 years, and that the Edwards Aquifer supply is only limited in a legislative sense. Mr. Hogan continued that, if language regarding climate change was to be included, it should be more moderate than that proposed by Mr. Hughes. Mr. Colley commented that it would be unwise to completely discount the effects of climate change in the CIAC’s recommendations to City Council, specifically the possibility of higher than expected population growth in San Antonio due to water supply issues in other states. Mr. Kossl commented that including language on climate change in the Draft Findings Report introduces material political in nature and should not be included. Ms. Hardberger commented that recommending expanding future Land Use Assumptions Plans to include a more developed methodology would not be outside the scope of Chapter 395. Mr. Moore responded that it is incumbent on the SAWS Board to account for the effects of climate change and necessary changes to the CIP, not the CIAC. Mr. Cude commented that SAWS’ fiduciary responsibility is to secure a firm supply yield, which by its nature would include accounting for changes in climate.

## **Findings of the CIAC**

2. The CIAC recommends removing language of climate change from the Draft Findings Report.

Mr. Hughes made a motion for the CIAC to recommend that future versions of the Land Use Assumptions Plan incorporate probabilistic modeling methods and consider the impact of climate change. Ms. Hardberger seconded the motion.

The motion did not carry with five members voting against, and three members voting for. Two members were absent (D2 & D3) and one position vacant (D5).

Mr. Hogan pointed out a typo on section 5 item B, and Mr. Kossl recommended striking the number entirely to avoid unnecessary error.

Mr. Cude asked if the CIAC had been presented with rate and impact fee comparisons to other cities. Mr. Lehmann responded that no formal presentation had been delivered, but that staff did have the numbers prepared and will be including them in the subsequent version of the Draft Findings Report. Mr. Lehmann presented the rate and impact fee comparisons to the CIAC.

Mr. Hogan requested removal of the language, "possibly to stimulate economic activity", from Section 2. Item e to avoid any unnecessary assumptions.

Mr. Hughes requested matching the cities used in the impact fee comparisons in the rate comparisons for perspective.

Mr. Hughes and Ms. Hardberger requested showing both the recommended and maximum supply impact fee in the appendix spread sheet and in Section 5. (Water Supply).

Mr. Kossl requested the following edits be made to the Draft Findings Report:

- Items g. and h. from Section 2. be moved to Section 3. under Land Use Assumptions Plan.
- Remove "possibly to stimulate economic activity" from Section 2. Item e.
- Add "water supply" to clarify the statement in Section 5. Item d.
- Add a statement clarifying the recommendation of the reduced water supply fee.

Ms. Hardberger requested a statement in each section clarifying whether or not the committee is recommending the maximum impact fee for the component.

Staff will make necessary changes and distribute the document to the members.

All presentation materials can be found on the SAWS CIAC webpage: [www.saws.org/CIAC](http://www.saws.org/CIAC)

## **5. Adjournment**

The committee agreed to meet on February 13, 2019 at 9:00 A.M. The meeting was adjourned at 10:31 A.M.

APPROVAL:

  
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CIAC Chairman