

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

Wednesday, September 22, 2021

9:00 A.M.

SAWS Headquarters – CR-C154

1. Meeting called to order

The regular meeting of the Capital Improvements Advisory Committee (CIAC) was called to order at 9:04 AM on September 22, 2021.

Committee Members Present:

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

Committee Members Not Present:

Vacant, District 5

SAWS Staff Members Present:

Keith Martin, Senior Corporate Counsel
Tracey Lehmann, Director, Development
Cecilia Velasquez, Senior Director, Financial Services
Darren Thompson, Director, Water Resources
Bob Johnson, Manager, Engineering
Frances Martinez, Project Engineer
Mark Schnur, Senior Resource Analyst
Rene Gonzalez, Planner III
Ruben Cruz, Network Administrator
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 September 22, 2021.

The CIAC approved the minutes of the regular meeting of September 22, 2021.

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

Tracey Lehmann, Director, Development, presented the memo detailing the impact fee eligible project within the SAWS capital improvements plan (CIP).

Mr. Moore requested that Mr. Lehmann explain impact fee recoupment. Mr. Lehmann explained that in the past SAWS has funded CIP projects without using money collected from impact fees. Projects that included a growth component that were originally funded by rate payers are eligible to have money recouped from impact fee revenue. Mr. Lehmann continued that this process is made possible by a change in Texas law in 2015.

Ms. Fisher asked for an explanation on the difference between impact fees collected (\$24,815,308.00) and impact fees spent (\$13,699,000.00) in the wastewater treatment category. Mr. Lehmann explained that SAWS has been using cash CIP funds in this category but has recouped approximately 12 million. Ms. Velasquez added that even if the project is impact fee eligible it is rarely 100% impact fee eligible, so the project must be funded using a balance of cash, debt, and impact fee funding. Ms. Velasquez continued that many of the treatment projects are still upcoming so the CIAC will see the impact fees spent in this category rise over the coming meetings. Mr. Cox asked who makes the decision regarding how to allocate cash, debt, and impact fee funds to a project. Ms. Velasquez explained that staff makes the decision internally, but the debt / cash thresholds are set forth in the SAWS budget which is board approved. Mr. Hughes commented that Table C of the report will provide a more complete picture of how the money is being allocated project by project to supplement the summary.

Mr. Cox asked about the lack of projected start dates on the water projects. Mr. Lehmann explained that the list includes ten years' worth of projects and some have not progressed to the design phase yet. Mr. Lehmann added that a start date could be estimated but it would most likely not be accurate.

Ms. Wright asked if there have been delays on project design due to staffing issues and remote work. Mr. Lehmann responded that the CIP schedule has been delayed mainly due to having to rebid some projects, but staffing has been sufficient to meet demand. Real estate issues such as securing easements have also caused delays on some projects. Mr. Hogan asked about the frequency of utility service agreements (USAs) being completed. Mr. Lehmann responded that in the past few months there have been an influx of new USAs. Ms. Velasquez added that the completion of the updated SAWS master plan will influence the scheduling of projects. Mr. Johnson commented that staff is currently updating the hydraulic model to determine what projects are needed for future demand. Mr. Johnson added that a goal of upcoming projects is to reduce inflow and infiltration (I &I), or rain and groundwater entering the sanitary sewer system. Mr. Moore asked where infiltration is an issue in the system. Mr. Johnson replied that infiltration

is an issue where sanitary sewer mains are close to or located within a 100-year floodplain. When conveying sewer flows by gravity it is sometimes difficult to avoid the floodplain. Mr. Moore asked about I&I issues around sewer manholes. Mr. Johnson clarified that storm water entering a manhole would be considered inflow and that a good deal of effort is being put forward to rehab manholes in the system. Infiltration occurs when after a rain event the soil is saturated, and water begins to seep into the sewer. Mr. Hogan asked if addressing I&I would be part of the CIP or part of maintenance. Mr. Lehmann responded that replacing manholes and lateral work being performed is part of the CIP. Mr. Hogan asked if the EPA consent decree was being funded out of the CIP. Mr. Lehmann responded that anytime SAWS replaces an asset it is considered part of the CIP and repair of an asset is considered part of O&M. Mr. Johnson added that the EPA consent decree continues through 2023. Sewer projects have been identified through condition assessments and capacity assessments, some of which can be found in Table C as they are adding new capacity to the system. Mr. Hogan asked if it is possible to determine which projects are part of the consent decree from the memo. Mr. Johnson replied that they are not currently identified but they can be flagged in the next memo.

Mr. Lehmann informed the CIAC that Black & Veatch has been selected to begin work on the water master plan. Mr. Johnson added that the process has begun, and SAWS staff is gathering the data that the consultant needs to prepare the plan. The plan will have an impact on the CIP as it identifies growth and demand. Projects could be confirmed, added, or eliminated as a result of the new plan.

Mr. Bella asked if, because of deteriorated sewer mains, it is possible for wastewater to leak into the water table. Mr. Johnson said it is possible, but the bigger issue is storm water entering the main. Mr. Johnson added that SAWS communicates with the San Antonio River Authority on possible overflow locations for water quality monitoring purposes. Mr. Hughes added that when ground water is saturated with storm water there is a pressure head pushing in on the pipe – rarely would a sewer main become so full that it would push out.

Mr. Bella asked how climate change factors into the water master plan. Mr. Johnson and Mr. Lehmann responded that climate change effects show influence in how SAWS uses weather events to create models. Staff has been required to analyze changing rainfall patterns and their effect on the system and adapt the model accordingly. Mr. Hughes commented that the traditional approach is to look back fifty years and use the worst storm on record, however the issue going forward is that weather patterns will become increasingly unpredictable. Mr. Bella added that the winter storm was also far outside the bounds of any past weather event. Mr. Bella asked how SAWS is working with other agencies in the city regarding emergency planning due to extreme weather. Mr. Lehmann responded that SAWS is actively involved in the Mayor's task force on emergency planning, especially CPS for power to the pump stations. Ms. Velasquez added that SAWS has allocated 30 million dollars in 2022 to install backup generators at strategic pump stations and over the next four years an additional 30 to 50 million dollars to increase the resiliency of SAWS' infrastructure.

Ms. Wright asked Mr. Lehmann to walk through the projects that have had significant changes starting with the water delivery category. Mr. Lehmann explained changes as follows:

Water Delivery - Flow

Project ID #7 Highway 281 16-inch WL - A combination of SAWS being required to use a TxDOT contractor and an increase in project scope added to the project cost.

Project ID #71 Whispering Wind Drive – Mogford to Riptide WL – Added cost due to increase in project scope.

Project ID #82 Westlakes Tract 1604 (Previously reported as WD Flow) – Reduction in cost from developer’s contribution in trilateral contract.

Water Delivery – System Development

Project ID #5 – Replace Loma Linda Tank with SW Loop 410 Tank – Added cost due to change in location of project which caused a change in the configuration of the pipeline connecting the facilities.

Project ID #8 Turtle Creek 3 Reservoir; PZ 8 (Pumps 1-4) – Reduction in cost due to bid coming in below estimate.

Project ID #23 Project 27 PZ4-02 Old Pearsall to Cagnon – Added cost due to project being rerouted due to TxDOT right of way issues.

Wastewater Collection (40:30)

Project ID #8 E-4: Bulverde: Evans to Redland – Added cost due to a significant amount of boring required and price increases.

Project ID #16 Steubing Tract – Staff could not recall details – will provide detail in the next meeting.

Project ID #34 E-19 Segment 1 – Added cost due to a significant change order.

Project ID #41 W-31 – Added cost due to issues with water during tunneling. This project had already begun prior to the impact fee study - prior board approved amount was not part of the calculation.

Wastewater Treatment

Project ID #4 Dos Rios WRC Electrical System Improvements – Phase 1 – This project had already begun prior to the impact fee study - prior board approved amount was not part of the calculation.

Project ID # 17 Dos Rios WRC Thickening Facility Expansion - This project had already begun prior to the impact fee study - prior board approved amount was not part of the calculation.

Mr. Cox asked what the broader implications of the increases in project cost are. Mr. Lehmann replied that it will be a more significant burden on the SAWS rate payer as these increases were not included in the impact fee calculation. Mr. Cox asked if inflation was calculated into the impact fee rate at each update. Mr. Lehmann responded that the 2019 projected cost was used for the calculation. Mr. Johnson added that the project cost will be updated again in 2023. Ms. Wright requested that projects with significant change be highlighted in the next memo. Mr. Cox

added that an additional column with percentage change in cost for each project would be beneficial. Ms. Wright asked for a short explanation on the change in project cost in the comment column. Ms. Velasquez asked if the CIAC would want a column with the percentage change in the impact fee eligible amount as well. Ms. Wright confirmed.

5. Adjournment

The meeting was adjourned at 9:57 AM on September 22, 2021.

APPROVAL:

A handwritten signature in blue ink, appearing to read "Michael", is written over a horizontal line.

CIAC Acting Chairman