

MINUTES
RATE ADVISORY COMMITTEE
Thursday, April 30, 2009
5:30 P.M.

RAC Members Present:

Fred Arce	Gil Coronado
Kathie Estrada	Antonio Gallardo
Mike Harris	Keith Kindle
Ron Morales	Steve Patmon
Joe Soules	Allen Townsend
Liz Tullis	

RAC Member Absent:

Paul Foster

SAWS Board of Trustees Member Present

Michael Lackey

SAWS Staff Present:

Doug Evanson, Senior Vice President/CFO
Kelley Neumann, Senior Vice President, Strategic Resources
Stacey Isenberg, Vice President, Customer Service
Dan Crowley, Director, Financial Planning
Karen Guz, Director, Conservation
David Maxwell, Director, Engineering
Phyllis Garcia, Manager, Finance
Andrea Reymer, Senior Executive Management Analyst, CEO Office
Jenny Holmquist, Executive Management Analyst, Public Affairs
Stephen Turner, Senior Financial Modeler
Lou Lendman, Senior Financial Analyst
Pat Arriola, Financial Analyst
Carlos Mendoza, Financial Analyst
Robert Walker, Financial Analyst
Larry Zermeno, Financial Analyst

City of San Antonio Public Utilities Office Staff Present:

Alfred Chang	Morris Harris
Jeff Pullin	Marisela Vasquez

Raftelis Financial Consultants, Inc. Staff Present:

Peiffer Brandt	Harold Smith
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Citizens Present:

Stephen Lazor	Bruce Reppert
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Agenda Item #1, Call to Order by the Chairperson

Mr. Kindle, committee chairperson, called the meeting to order.

Agenda Item #2, Staff Opening Remarks

Mr. Evanson and Mr. Crowley welcomed the committee and attendees. Mr. Crowley stated that this committee meeting would involve presentation and discussion of the proposed conceptual rate design. The conceptual design focuses on proposed rate block cut-off's as opposed to suggesting actual rates at this point. He emphasized that the study needed to have the block cut-off's determined first before proceeding to determine actual rates. He also described the operation of water meters placed at each committee member's place and how water usage is measured in hundred cubic feet (CCF) increments by the meters and then converted to gallons for billing purposes. Additionally, Mr. Crowley described the purpose of various detailed handouts that are given at Attachment 1.

Agenda Item #3, Discussion and Selection of Committee Vice Chairperson

The committee selected Mr. Ron Morales by a majority vote to serve as committee vice chairperson.

Agenda Item #4, Rate Study Process

Mr. Lou Lendman gave the presentation provided at Attachment 2 which provided perspective as to where the Rate Study process had proceeded to date and as to the future steps still needed to complete the Rate Study.

Agenda Item #5, Conceptual Design Workshop

Mr. Harold Smith and Mr. Peiffer Brandt of Raftelis Financial Consultants, Inc. presented a briefing (Attachment 3) describing the consultants' recommended conceptual rate design.

The issues requiring subsequent resolution coming out of the discussion by the RAC are listed below:

1. Concurrence with concept of discretionary versus non-discretionary water consumption as foundation for conceptual rate design.
2. Proposed cut-off for Block One, Residential Water Delivery Class: Should the cut-off be higher than 5,237 gallons per month? (Please note that all issues relating to the conceptual design for the Residential Water Delivery Class also affect the conceptual rate design for the Irrigation Class and the Residential Water Supply Class, respectively.)

3. Appropriateness of proposed cut-off's for Blocks Three and Four, Residential Water Delivery Class as they relate to large lot owners and top 5% of water users.
4. Appropriateness of setting a price signal earlier in the year by both: (1) increasing the seasonal rates differential, and (2) increasing the length of the seasonal rates period by two months.
5. Discussion of suitability of Conservation education programs to assist customers in using water for irrigation more efficiently.

Following the discussion, Mr. Kindle suggested that the committee meet again on Thursday, May 7 to deliberate further on the issues raised. There being no objection, the committee agreed to hold the May 7 meeting.

At Mr. Townsend's suggestion, prior to the May 7 meeting, the committee members were invited to submit their comments on the above listed issues or to suggest additional issues via e-mail to all committee members and staff.

Agenda Item #6, Citizens to be Heard

There were no requests by citizens to make statements before the committee.

Agenda Item #7, Adjournment

There being no other business to conduct, Mr. Kindle adjourned the committee after Agenda Item #6.