

**State of Texas
County of Bexar
City of San Antonio**



**DRAFT
Meeting Minutes
City Council Special Meeting**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Thursday, April 12, 2018

1:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the "B" Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call noting the following Councilmembers present:

PRESENT: 9 - Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Pelaez, and Courage

ABSENT: 2 - Sandoval, and Perry

Mrs. Vacek announced that Councilmember Sandoval was representing San Antonio in the Texas Delegation attending the Women in the World Summit while Councilmember Perry was attending to personal matters.

1. A briefing by President and CEO of the San Antonio Water System on the SAWS Development Services Process with focus on impact fees and how they are determined. [Robert R. Puente, SAWS President & CEO]

Robert Puente stated that the SAWS Board passed a Resolution in 2010 to support the City of San Antonio's Master Plan, expand the Certificate of Convenience and Necessity (CCN) to the Extraterritorial Jurisdiction (ETJ) to provide exclusive and obligatory services through contiguous and cost-effective expansion, ensure growth is self-sustained through Impact

Fees, and acquire other systems in a cost-effective manner. He noted that SAWS provided service to new customers when developers design, construct, and pay for all SAWS-compliant infrastructure to connect to existing SAWS Infrastructure and pay applicable Impact Fees. He stated that infrastructure was deeded to SAWS at a value of \$300 million over the last five years. He outlined the components of a Utility Service Agreement (USA) and noted it was used to reserve capacity of water infrastructure for a limited time and only if the developer built all required infrastructure and paid Impact Fees.

Mr. Puente stated that Impact Fees were one-time charges to new developments to recover capital costs associated with providing Water and Wastewater Service. He outlined five types of Impact Fees: (1) Water Flow; (2) Water System Development; (3) Water Supply; (4) Wastewater Collection; and (5) Wastewater Treatment. He provided an overview of the Impact Fee review process conducted by the Capital Improvements Advisory Committee (CIAC). He stated that the review process include a calculation of the Maximum Impact Fee for City Council consideration. He provided an overview of the Impact Fee review timeline with full City Council consideration in June 2019. He noted that Impact Fees varied by location.

Mr. Puente stated that SAWS' goal was to balance Impact Fees and Rates to ensure existing customers do not subsidize new customers with rate increases. He provided a comparison of Water and Sewer Rates with other large Texas cities and noted that SAWS was lower than every other major city except Dallas. He stated that the balance of fees and rates allowed SAWS to pursue smart growth through the Southwest Bexar County Sewer Pipeline as a Public-Private Partnership to provide sewer capacity for 250,000 people and encourage growth away from the Edwards Aquifer Recharge Zone. He noted that Impact Fees comprised 3% of median home prices in San Antonio and stated that SAWS was committed to assisting with affordable housing.

Mayor Nirenberg asked if the CIAC had released an RFP for a consultant regarding the Maximum Impact Fee update. Mr. Puente replied that they had and he would make the final recommendation to CIAC in May. Mayor Nirenberg asked how the current fee update process differed from the previous one. Mr. Puente replied that the process was heavily dependent on Councilmembers' appointees. Mayor Nirenberg asked if SAWS had considered modification of the CCN. Mr. Puente replied that they had not.

Councilmember Viagran asked of locations that were utilizing septic or wells. Mr. Puente replied that they were primarily on the deep South Side and far West Side because they were not part of the service area when built and it was cost-prohibitive to join the SAWS infrastructure. Councilmember Viagran asked how many Impact Fees had been waived by the City. Lori Houston stated that the City administered three waiver programs based on allocations from SAWS totaling \$7.7 million from 2012 to 2017 out of a total allocation of

\$28 million for 2012 to 2024. Councilmember Viagran asked if conservation efforts were required as part of the waiver program. Ms. Houston replied that they were not but were being considered for inclusion in the future.

Councilmember Saldaña asked of efforts to encourage growth in under-developed areas. Mr. Puente replied that more education could encourage same. Councilmember Saldaña asked of the development impact of the Southwest Bexar County Sewer Pipeline. Mr. Puente replied that developers had already requested capacity and committed money for 73,000 future homes. Councilmember Saldaña asked if SAWS could cut Impact Fees in targeted development areas. Mr. Puente replied that rates would require an increase to cover Impact Fee reductions.

Councilmember Pelaez asked if Impact Fees were earmarked for specific purposes. Mr. Puente replied that they were required to be used for Capital Costs. Councilmember Pelaez asked for comparative water cost data for similarly sized cities.

Councilmember Brockhouse spoke in support of lessening Impact Fees to encourage development.

Councilmember Treviño spoke in support of Impact Fee Waivers to targeted development areas and incentivizing public infrastructure improvements to support appropriate infill development. Councilmember Courage spoke in favor of incentivizing affordable infill development in targeted areas with Impact Fee Waivers. He asked how SAWS would have been affected if Impact Fees had not been collected the five years prior. Mr. Puente replied that they would have cut services, cut costs, or raised rates. Mayor Nirenberg thanked Mr. Puente for his presentation.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 2:05 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK