

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



DRAFT

Meeting Minutes

City Council B Session

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, June 1, 2016

2:00 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 with the following Councilmembers present:

PRESENT: 11 - Mayor Taylor, Treviño, Warrick, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, and Gallagher

1. A Briefing by the San Antonio Water System (SAWS) to include but not be limited to the following topics: [Robert R. Puente, President & CEO, SAWS]
 - A. Rate Structure
 - B. Vista Ridge Project
 - C. Customer Service

Robert Puente presented an overview of SAWS Customer Service Improvements and stated that they would continue to stabilize the Department in 2016. He noted that in order to accomplish same, they would: 1) Locate and Read all Meters; 2) Replace all Faulty Meters; 3) Perform Meter Reading Route Optimization; 4) Review Existing Processes; and 5) Dedicate Additional Resources. He added that they would continue process improvements as well as evaluate and implement Technological Aids in 2017 and beyond. He reported that they were reading more than 99% of all meters monthly and noted that the estimations

only occurred when there were obstructions to the meter or loose animal issues.

Mr. Puente outlined the approved Water Rate Structure Changes noting that there would be a reduction in rate and fixed charges to the Residential Lifeline Supply Block. He stated that they would encourage conservation and had increased the number of rate blocks from 4 to 8. He noted that they would also eliminate Seasonal Rates and reinforce efficient use 365 days per year. He presented a Residential Water Rate Comparison and stated that the restructured rates provided a Lifeline Supply Rate with Earlier Price Signals. He spoke of Residential Water Usage noting that year-to-date, 70% of customers have used less than 6,000 gallons per month.

Mr. Puente highlighted the Vista Ridge Project and mentioned the leadership change to Garney Construction. He stated that Garney would have 80% Equity and 100% Decision Making with Abengoa retaining a silent 20% Equity Share. He reported that Garney may bring on an Operating Service Provider subject to SAWS' Consent. He noted that Garney had committed to a higher quality project with regard to Pipe Type, Well Standards, and Tanks. He added that the Met Water vs. Blue Water Legal Claims were non-suited. He stated that Abengoa would discharge Intercompany Loans and Garney would pay unpaid contractors. He noted that they had agreed to short and long-term financing agreements and resolved an existing Bridge Loan. He confirmed that there would not be a change SAWS Customer's Fixed Cost. He reported that there would be a significant cost reduction of \$529 Million. He mentioned that the contract would continue to protect San Antonio and that they were confident in Garney's ability to lead the project. He added that the project risks would be reduced under Garney and that there would be sufficient water for the future.

Mayor Taylor thanked Mr. Puente for the presentation and asked of environmental impacts related to the water from the Desalination Facility. Mr. Puente replied that there were no environmental impacts. Mayor Taylor asked if SAWS was working with the Groundwater District on whether they need a program to mitigate any impacts to the wells. Mr. Puente stated that they had been working with them on same and that they had a Conservation Fund to help individual landowners address problems with their pumps. Mayor Taylor asked of the discussions regarding once-a-week watering. Mr. Puente stated that they were having internal staff discussions to gather all of the information necessary to make a presentation to the SAWS Board. Mayor Taylor asked how SAWS addressed water leak issues. Mr. Puente responded that the Industry utilizes an Infrastructure Leak Index and that SAWS was below Industry Standards with regard to water loss.

Councilmember Viagran asked of the storage of water reserves. Mr. Puente replied that they had hit the 100,000 acre-foot mark which was approximately 40% of what the community uses in one year. Councilmember Viagran referenced Slide 13 of the

presentation and asked if Garney being able to bring on an Operating Service Provider was a new concept. Mr. Puente replied that it was not new and was part of the original contract with Abengoa. Councilmember Viagran confirmed that SAWS Customers were not responsible for payment of the unpaid contractors. Mr. Puente replied that it was solely the responsibility of Garney.

Councilmember Medina asked if the issues reading meters in alleys had been addressed. Mr. Puente replied that they were still having some issues with access but would work with City Staff to report alleys that needed attention. City Manager Sculley added that they were working to address same but noted that it was the responsibility of the property owner to maintain their alley. Councilmember Medina asked why the water meter needs to be in the ground. Mr. Puente stated that is where they measure that amount of water that goes through the meter in a home. He noted that newer technology does not provide the return on investment at this time. Councilmember Medina thanked Mr. Puente for being accessible and stated that he was pleased with the \$529 Million in savings for the Vista Ridge Project.

Councilmember Gallagher asked of the rationale for the reduction of the easement on Vista Ridge from 100 feet to 85 feet. Mr. Puente replied that the reduction was requested by Garney and felt it better suited the cost issue in urban areas. Councilmember Gallagher stated that he was pleased with the \$529 Million lower cost of Vista Ridge and requested that the information be communicated to the public.

Councilmember Nirenberg asked of the Water Management Plan. Mr. Puente responded that their last Plan was updated in 2012 and was updated every five years. Councilmember Nirenberg asked when a decision would be made on year-round Stage I Restrictions. Mr. Puente replied that they hoped to have a recommendation by late Summer or early Fall. Councilmember Nirenberg asked if SAWS was on track with regard to the Sanitary Sewer Overflows (SSOs). Mr. Puente stated that they were on track and consistently reduced SSOs year to year. Councilmember Nirenberg asked of the \$120 Million Bridge Loan. Mr. Puente responded that Garney had made an agreement with the banks on how to pay the money back and were assuming responsibility. Doug Evanson added that Garney would have a significant reduction in interest during the construction of the project. Councilmember Nirenberg asked if the Rights-of-Way would be completed by June 2017. Mr. Puente replied that they would be substantially complete by that time. Councilmember Nirenberg spoke of the importance of mitigating risk and requested information on the potential Operating Service Providers. Mr. Puente replied that they would provide that information to the City Council.

Councilmember Krier stated that he was pleased with the improvements to Meter Reading. He noted that the City of Austin was transitioning to Smart Meters and asked of same for

San Antonio. Mr. Puente replied that they would look at the successes and failures of other cities using Smart Meters. He stated that they had looked at the technology in 2008 but did not have a good return on investment. Councilmember Krier asked of customer service and call wait times. Mr. Puente replied that they had greatly improved due to hiring Temporary Services and had formally hired a great number of the Temporary Staff. He added that the wait time was much shorter than before. Councilmember Krier asked if the risk for SAWS and the City of San Antonio remained unchanged. Mr. Puente stated that it had not changed and that Garney was a reputable and long-time partner of SAWS. Councilmember Krier spoke of San Antonio becoming a National Center of Water Research in the Area of Conservation.

Councilmember Warrick asked if the requests for the Affordability Program had increased. Mr. Puente confirmed that they had received 15% more requests for assistance than last year. Councilmember Warrick asked if there was capacity to expand the program. Mr. Puente stated that there was and that they would identify funds to assist all that qualified. Councilmember Warrick asked of the water that would be available from the Desalination Plant. Mr. Puente stated that Phase I would include 12,000 acre-feet; Phase II would include another 12,000 acre-feet; and Phase III would include 33,000 acre-feet. He noted that Phases II and III were still in the planning stages due to the potential water coming from the Vista Ridge Project. Councilmember Warrick asked if any Local, Small, Minority, and Women-Owned Firms were capable of performing work on Vista Ridge. Mr. Puente confirmed that there were opportunities for same and that they included a participation goal in the Request for Proposals.

Mayor Taylor thanked everyone for the presentation.

EXECUTIVE SESSION

Mayor Taylor announced that the Executive Session would not be held.

- A. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).
- B. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).

- C. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECESSED

Mayor Taylor recessed the meeting at 3:42 pm and announced that the meeting would resume at 5:15 pm for Ceremonials.

RECONVENED

Mayor Taylor reconvened the meeting at 5:23 pm and addressed the Ceremonial Items.

CEREMONIALS

Mayor Taylor presented a Proclamation to the Organization of Filipinos in Texas in recognition of Filipino Heritage Month being celebrated during the month of June 2016. It was noted that the observance commemorates the Philippine Declaration of Independence of June 12, 1898, after more than 300 years of Spanish Rule. The Filipino-American Community of San Antonio will host a series of activities during the month to highlight the cultural heritage of the Filipino People.

Mayor Taylor presented a Citation to Dr. Mauli Agrawal in recognition of him being inducted into the National Academy of Inventors. Dr. Agrawal, Vice President for Research at the University of Texas at San Antonio, was selected for the honor because of his research and innovations in Orthopedic and Cardiovascular Biomaterials and Implants. Dr. Agrawal is the second researcher in the Alamo City to be named a Fellow of the National Academy of Inventors.

Mayor Taylor presented a Citation to the Students of Keystone School in San Antonio for winning the 14th Annual WorldQuest National Competition hosted by the World Affairs Councils of America. The competition tests students' knowledge of International Relations, Current Events, and Foreign Policy Issues. It was stated that the students of Keystone (San Antonio) and Saint Edward's (Palm Beach, FL) were tied after the regular 10 rounds of questions, and a tie-breaker round still yielded no victor. A sudden death question on candidate countries for European Union Membership decided the contest with Keystone winning.

PUBLIC HEARING

City Clerk Vacek read the caption for Item 2:

2. A Public Hearing for the FY 2017 Action Plan and Budget for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD) which include the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME) Program, HEARTH Emergency Solutions Grant (HESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program. [Peter Zaroni, Deputy City Manager; Bridgett White, Interim Director, Planning and Community Development]

Mayor Taylor opened the Public Hearing for the FY 2017 Action Plan and Budget for the four Federal Grant Programs funded by the U.S. Department of Housing and Urban Development: CDBG, HOME HESG, and HOPWA. She called upon Stephanie Wiese to speak.

Ms. Stephanie Wiese, Vice-President of Habitat for Humanity, spoke in support of the funding allocations within the HOME Program. She stated that home ownership changes people's lives and provides stability. She spoke of the benefits of home ownership to include successes for children in school.

There being no other citizens registered to speak, Mayor Taylor declared the Public Hearing closed.

CITIZENS TO BE HEARD

Mayor Taylor called upon the citizens registered to speak under Citizens to be Heard.

Angie Garcia of LULAC requested that more funding be provided for delegate agencies. She expressed concern that the Museo at Market Square might be operated by the Conservation Society.

Paul Thorson addressed the City Council and expressed concern that the home next to his at 15218 Chalet was operating as an illegal Boarding Home. He stated that they did not have a sprinkler system as required by City Ordinance and that they were a threat to the neighborhood.

Henrietta LaGrange expressed concern with the South Side of the Seeling Channel Project. She stated that she had contacted the City Council and Director of TCI to assist but she had not received a response.

Mark Perez addressed the City Council and noted concerns with businesses operating

without the proper permits. He referenced the AGE Refinery Building and stated that there were various City Employees that had not responded to his requests.

Faris Hodge, Jr. submitted written testimony noting that Texas needed more prisons. He wrote that the Overtime Pay for Jail Guards soared with the summer inmate population. He wrote that Pope Benedict called on Catholics not to cast stones. He wrote that oil could soon see the final boom.

ADJOURNMENT

There being no further discussion, Mayor Taylor adjourned the meeting at 6:16 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

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