

State of Texas
County of Bexar
City of San Antonio



DRAFT

Meeting Minutes

City Council B Session

City Hall Complex
114 W. Commerce
San Antonio, Texas 78205

Wednesday, May 7, 2014

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building at 2:00 pm with the following Councilmembers present: Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, Gallagher, and Mayor Castro.

1. A Briefing by SAWS Staff on the Rates Advisory Committee process and input on Rate Study priorities. [Ben Gorzell, Chief Financial Officer; Robert Puente, CEO and President, San Antonio Water System]

Robert Puente stated that the Rate Advisory Committee (RAC) was comprised of an appointee from each City Council District and was chaired by Carroll Jackson, Senior Vice President at Morgan Stanley. He stated that the RAC was charged with developing a method for determining rates.

Doug Evanson reported that the San Antonio Water System (SAWS) was currently undergoing a Study of the Rate Structures for: 1) Water Delivery; 2) Water Supply; 3) Recycled Water; and 4) Wastewater. He noted that Rate Studies were undertaken to develop Pricing Structures that reflected prioritized objectives. He noted that said study was supported by the RAC and the Rate Consultants of Black & Veatch. He mentioned that one of the key roles of the RAC was to provide input on community priorities. He noted the following RAC Meetings: 1) SAWS Issues Overview on February 4, 2014; 2) Project

initiation with Black & Veatch on March 4, 2014; 3) Rate Process Workshop on April 1, 2014; and 4) Public Hearing on May 6, 2014.

He reviewed the list of members appointed by City Council and those appointed At Large by the SAWS Board of Trustees (Board). He outlined the 2010 Residential Water Rate Structure and noted that it included the Meter Charge, Tiered Water Delivery, and Flat Water Supply Fee. He reported that the Meter Charge was a fixed charge of \$6.77, regardless of gallons used. Additionally, the Tiered Water Delivery Rate started at \$.0906 per 100 gallons and increased according to the volume used. He noted that the Flat Water Supply Fee was fixed at \$.1529 per 100 gallons. He reported that the major change to the Residential Rate Structure was revising the Water Supply Fee from a flat fee to a tiered fee where the price increased according to the volume used. He compared the 2010 and the 2014 Rate Structure. He noted that the current Rate Structure was more affordable for the lowest volume and higher for the highest volume of water used. He reviewed the difference in charges for 0 to 25,000 gallons of water used. He noted that the Rate Structure for the City of Austin was more progressive than that of the City of San Antonio. He noted the Rate Structure for the City of El Paso was the least progressive. He reported the major issues to be addressed: a) Rate Integration of SAWS and District Special Project (DSP) was required by January 2017; b) Identification of funding sources for Water Management Plan, Sanitary Sewer Overflow (SSO) Reduction, and Conservation Program; c) Possible New Multi-Family/Apartment Class; and d) Improve affordability programs for Fixed Income and Economically Disadvantaged Customers.

He noted the following other Rate Study issues: 1) Inside City Limits (ICL) vs. Outside City Limits (OCL) Rates; 2) Seasonal Rates; 3) Water Delivery Subsidy of Water Supply; 4) Irrigation Rates; 5) Drought Surcharge & Drought Restrictions Revenue Sufficiency; 6) Recycled Water Rates; 7) Wholesale Water & Sewer Rates; 8) Sewer Winter Average & Unaveraged Residential Charge; 9) Industrial Sewer Surcharge; and 10) Various Special Service and Pass-Through Fees.

He stated that the Study would identify Objectives, Policies, and Rate-Setting Principles. He noted that staff would identify costs and allocate them to the various types of services in Customer Classes. He reviewed the following Rate Objectives and the possible results of each:

1. Financial sufficiency
2. Cost of Service-based Allocations
3. Revenue/Rate stability
4. Conservation
5. Drought Management
6. Minimize customer impact

7. Economic Development
8. Affordability
9. Simple to understand/update
10. Ease of implementation

He requested feedback from the City Council to establish priority of the stated objectives. He stated that the potentially conflicting objectives were: 1) Revenue Stability vs. Conservation/Drought Management; 2) Cost of service vs. Economic Development/Affordability Discounts; 3) Drought Management vs. Simple to Implement and Understand; and 4) Financial Sufficiency vs. Minimize Customer Impact. He reported that feedback was received from the Board and the community at the RAC Public Hearing held on May 6, 2014. He noted that City Councilmembers could provide feedback for the establishment of priorities at this time, directly to their RAC Representative, or by completing the Rate Objective Survey and returning it to SAWS by May 9, 2014. He noted that the RAC would attend an Objective Setting Workshop on May 13, 2014 and present a Follow-Up Report to the Board on June 3, 2014. He reviewed the Survey Design and noted that following establishment of the priorities the Rate Structure Design would be developed from June through October 2014. He indicated that the Consultant would develop Rate Structure Proposals based on priorities and RAC Meetings would be held in which back-and-forth Rate Structure Proposal Refinement would occur with the Consultant. He stated that the results would be presented to the SAWS Board in October or November 2014 and presented to the full City Council in November 2014. He added that the proposed Rate Structure would be brought before the Board and the full City Council for formal consideration in December 2014.

Councilmember Saldaña stated that significant water conservation should be encouraged. He asked of the Lifeline Rate Structure. Mr. Evanson replied that said Rate Structure could be applied for users of 2,000 to 3,000 gallons per month. He noted that it could be a fixed rate but there were some challenges with the use of this Rate Structure. Councilmember Saldaña noted that Drought Management and Economic Development were top priorities.

Mayor Castro stated that water was a basic necessity and stressed the need to ensure that water was fundamentally available to all citizens regardless of their income. He requested more discussion of this item and a report of how other cities have addressed the issue. He noted that his priorities were Drought Management, Affordability, and Economic Development, in that order and noted that SAWS has played an effective role in Economic Development.

Councilmember Nirenberg stated that he would support a Rate Structure that would ensure an adequate Long-Term Water Supply for the City. He noted that he supported utilization of a Gray Water or Reclaimed Water System and diversification in utilizing other supplies.

He mentioned that drought conditions called for Regional Diplomacy.

Councilmember Bernal encouraged SAWS and City Public Service (CPS) Energy to engage in establishing their Affordability Programs together.

Councilmember Gallagher asked of Impact Fees. Mr. Evanson noted that discussions were held as to whether Developers should be assessed Impact Fees which would be passed to homebuyers.

Councilmember Krier asked if staff had considered how the Guadalupe Blanco River Authority (GBRA) Lawsuit would affect the assumptions about supply or the use of Reclaimed Water. Mr. Puente replied that the Waste Water Treatment Plants collectively discharged 150,000 acre-feet of water of which 50,000 acre-feet was for CPS Energy. Additionally, 35,000 acre-feet was distributed to Toyota and Microsoft. He noted that only 25,000 acre-feet of the 35,000 acre-feet was appropriated. SAWS has asked permission from the State to let the 50,000 acre-feet of the remaining water flow into the Gulf of Mexico.

Mayor Castro thanked staff for the presentation.

2. A Briefing on the Hemisfair Civic Park Edge Conditions Study. [Carlos Contreras, Assistant City Manager; Andres Andujar, CEO, HemisFair Park Area Redevelopment Corporation]

Lori Houston stated that the Hemisfair Park Area Redevelopment Corporation (HPARC) was created in 2009 and that a Master Plan for Hemisfair Park was adopted in 2012. She mentioned that the Civic Park Component would be used for the community and introduced Andres Andujar. Mr. Andujar provided an overview of the Civic Park Edge Conditions Study and noted that Great Urban Parks have Great Urban Edges. He explained that the Study would consider Potential Massing, Densities, Ground Plane, and Ease of Parking Structure Use. He presented renderings of the area as well as Global Comparables.

Mayor Castro thanked staff for the presentation and stated that he looked forward to the ribbon cutting during the 300-Year Anniversary of the City. He spoke in support of having a balance between active and serene green space.

Councilmember Bernal expressed his support and stated that he felt that connectivity between the city and the park had been achieved. He noted that future discussions would need to be held to discuss transportation and parking.

Councilmember Lopez asked of the guiding principles and assumptions relative to the Federal Courthouse. Mr. Andujar replied that they had a work-around and would continue to prepare for the future.

Councilmember Krier thanked staff for the presentation and spoke of three potential World Class Parks in San Antonio: 1) Hardberger Park; 2) Brackenridge Park; and 3) Hemisfair Park. He referenced two World Class Parks in Houston noting that there were always many people utilizing them. Mr. Andujar spoke of the Magik Theater and Tower of the Americas within Hemisfair Park that attract people to the Park.

Councilmember Gonzales asked of parking and transportation for the Park. Mr. Andujar replied that they hoped to connect to the neighborhood and encourage people to walk and ride their bicycles to the Park. He noted that they were also looking at shared parking strategies. Councilmember Gonzales stated that this was a very important component and wanted to highlight same. Mr. Andujar referenced the River Barge which could also bring visitors to the Park.

RECESSED

Mayor Castro announced that the Executive Session would not be held and recessed the meeting at 4:16 pm. He stated that the meeting would resume at 6:00 pm for Citizens to be Heard.

- A. Discuss legal issues related to Greater San Antonio Builders Association, et al v. City of San Antonio, pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- B. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- C. 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).
- D. 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).

- E. Deliberate the appointment, evaluation and duties of public officers and discuss legal issues pursuant to Texas Government Code Section 551.074 (personnel matters) and Texas Government Code Section 551.071 (consultation with attorney).

CITIZENS TO BE HEARD

Mayor Pro Tem Medina reconvened the meeting at 6:08 pm and called upon the individuals registered to speak.

Jaime Martinez presented a Resolution to the City Council calling for a moratorium to be placed on deportation. He reported that Texas Wages would increase by \$9.7 Billion if the 1,650,000 undocumented immigrants were legalized. He added that the State would gain \$4.1 Billion in Tax Revenues and 193,000 jobs.

Emma Lozano requested that San Antonio be declared a Sanctuary City so that the Immigrant Population would feel welcomed and given protections. She requested that the City no longer detain Immigrants for the Immigration and Customs Enforcement (ICE) and for the City Council to approve a Resolution against deportation.

Elvira Arellano stated that she was now in San Antonio after seven years of deportation. She noted that she had also stayed in a church sanctuary for one year to try and prevent her deportation and separation from her only son. She requested that the City Council declare San Antonio a Sanctuary City.

Gabriel Velasquez addressed the City Council in opposition to Deportation. He stated that Immigration was a Family Issue and not a Political Issue. He requested that the City Council act with their hearts and make San Antonio a Sanctuary City.

Kindra Fulcher, Elementary Student, spoke against plastic bags. She stated that plastic bags were harmful to the environment and wildlife. She noted that Austin has already implemented a ban against the use of plastic bags and would like San Antonio to implement same.

Dina Toland "Bag Monster" she stated that Bag Monsters were taking over the planet and one was created every minute. She stated that the United States was the largest contributor of the 20th and 21st Century. She noted that plastic bags take 1,000 years to decompose and spoke of the Great Pacific Garbage Patch the South Pacific Ocean.

Daniel Chapa, Elementary Student, spoke against the use of plastic bags. He stated that the

bags were not biodegradable which was harmful to the environment and wildlife. He stated that it costs approximately \$1 Million per year to pick up plastic bags in San Antonio.

Tanya Clark stated that the City has spent over \$300,000 conducting multiple studies on La Villita and the Downtown and Center City Development Department was not following the recommendations set forth by those studies. She noted that the studies place a large emphasis on Physical Design, Parking, Marketing and Promotions, and the Management Structure. She suggested that the City focus more on what brings dollars into the City and create jobs rather than trying to make La Villita a Hub for locals.

Mark Perez requested that the City Council improve the Local Emergency Management to ensure that regulated facilities are in compliance with Local, Federal and State Laws. He expressed dissatisfaction with the work and lack of response from various City Staff.

Nazirite Ruben Flores Perez expressed concern with the bonuses provided to CPS Energy Executives noting that the funds could have been better spent. He stated that citizens were not properly educated about plastic bags.

Theresa Berlanga requested that the local Polish Community try to stop the violence in Ukraine and Russia. She stated the Polish Community in San Antonio is the original setting place for the Polish after their immigration to the United States.

Gilbert Luevano expressed concern that the Stablewood Subdivision was built on top of a landfill and subsequently the residents are being affected both physically and emotionally. He stated that DR Horton did not properly build or construct their houses which are now falling apart. He requested that the City Council help the residents make DR Horton buy their houses back.

Gizelle Luevano requested the assistance of City Council regarding the Stablewood Subdivision and stated that the only resolution was for DR Horton to buy the homes back from the homeowners.

Henry Rodriguez expressed concern that the city would not allow citizens to vote on the Streetcar Issue.

Michael Furlow expressed concern that detention centers use handcuffs as a weapon of choice. He noted that he was banned from City Property.

Graciela Spencer, Elementary Student, requested that the City Council ban the use of Plastic bags noting that they were harmful to the environment.

Thomas Spencer, Elementary Student, spoke against the use of plastic bags noting that they were harmful to the environment and wildlife.

Antonio Diaz thanked the City Council for their work and spoke of a Resolution passed in June 2010 addressing Racism and Anti-Immigration. He expressed concern that many of the projects surrounding the Missions may cause them damage. He spoke of a refinery fire that occurred in May 2010 and the two recent refinery spills.

Faris Hodge, Jr. submitted written testimony highlighting Former Army Specialist Santiago Erevia who was awarded the Medal of Honor for his bravery in South Vietnam in 1969. He wrote that Downtown Tuesday had been beneficial for Locals and Businesses. He expressed concern that Prison Rapes take a toll on taxpayers and that Fire Inspections are not occurring on time. He highlighted a number of City Projects including the District 2 Senior Center and the FY 2015 Arts Funding Guidelines. He wrote that San Antonio Wages were among the lowest in the State of Texas.

ADJOURNMENT

There being no further discussion, Mayor Pro Tem Medina adjourned the meeting at 7:08 pm.

APPROVED

JULIÁN CASTRO
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/MMC
CITY CLERK