

INFRASTRUCTURE & GROWTH COUNCIL COMMITTEE MEETING MINUTES
WEDNESDAY, MARCH 18, 2015
11:30 AM
MUNICIPAL PLAZA ROOM B

Members Present: Councilmember Rey Saldaña, Chair, *District 4*
Councilmember Shirley Gonzales, *District 5*
Councilmember Ron Nirenberg, *District 8*
Councilmember Mike Gallagher, *District 10*

Members Absent: Councilmember Cris Medina, *District 7*

Staff Present: Erik Walsh, *Deputy City Manager*; Marion Gee, *Assistant Director, Finance Department*; Art Reinhardt, *Assistant Director, TCI*; Mike Frisbie, *Director, TCI*; John Dugan, *Director, DPCD*; Rosalinda Diaz, *Office of the City Clerk*

Also Present: Veronica Zertuche, *City Attorney's Office*; Norbert Hart, *City Attorney's Office*; Susan Guinn, *City Attorney's Office*; Eric Friedland, *City Attorney's Office*; Chris Hebner, *City Attorney's Office*; Daniel Aguilar, *TCI*; Robert Perez, *TCI*; Choco Meza, *Council District 5*; Eloy LaQue, *Council District 8*; Mario Hune, and Paul Jimenez, *Council District 10*; Val Ruiz, *SAWS*; Brian Davis, *National League of Cities*

Call to Order

Chairman Saldaña called the meeting to order.

1. Citizens to be Heard

No Citizens were present to speak.

2. Approval of Minutes for the February 18, 2015 Infrastructure and Growth Council Committee Meeting.

Councilmember Gallagher moved to approve the Minutes for the February 18, 2015 Infrastructure and Growth Council Committee Meeting. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

3. Briefing on the National League of Cities Residential Water and Wastewater Service Line Warranty Program. [Marion Gee, Assistant Director of Finance; Brian Davis, Administrator of the National League of Cities Service Line Warranty Program]

Marion Gee introduced Brian Davis with the National League of Cities (NLC). He noted that Mr. Davis would outline the Utility Line Service Program offered by his company. He explained that Customers were responsible for repairs from the meter to their home and SAWS was responsible for repairs from the main to the Customers' water meter. He added that Customers were also responsible for repairs of the sewer lateral lines that run from their home to the sewer

main. He spoke of the high cost involved with repairs to the water and sewer lines. He stated that many Utilities and Municipalities offer Customers the opportunity to purchase warranties from private companies to reduce the cost of the repairs.

Brian Davis outlined the structure of the Program and explained that the Program would provide residents of the City to purchase a warranty for water and sewer line repairs at a low cost. He stated that coverage for residents would begin on the day they enroll in the Program and that all repairs would be performed by Licensed Local Plumbers. He noted that the residents would be billed directly by the Company and not the City. He added that there would be no cost or liability to the City; however, the City would receive revenue based on participation of Homeowners. He explained that his Company was not allowed to enroll any residents into the Program without the City's Approval. He reviewed the accomplishments for the Program.

Councilman Nirenberg spoke of his visit to Washington, DC where various Elected Officials discussed the Program with him before he met with Mr. Davis. He noted that the City was not alone in pursuing a solution for residents. He stated that the purpose of pursuing this type of Program would be to protect the constituents who are not covered by the utility. He asked how much revenue was expected from the Program for a City of this size. Mr. Davis replied that the program would generate about \$5 Million over 5 years. He explained that most Cities place the Program's Revenue in a Care Conserve Fund to help less fortunate residents with repair costs. He added that other cities place the funds into Water Quality Improvements, Sustainability, and Parks. Councilman Nirenberg summarized Mr. Davis' request as follows: 1) Seek City Council approval and endorsement; 2) Allow the Company to use the City Logo; and 3) Allow the Company to contact constituents in the City.

Councilmember Gallagher expressed concerns with adding another bill to Constituents. He asked if the cost could be added to the existing bill. Mr. Davis responded that the billing would be prepared by NLC and then provided to the customer. He added that if the City billed the customers directly; it would seem more like a City Program instead of an option to enroll. Councilmember Gallagher noted that combining costs into one bill would simplify the billing process. Mr. Davis stated that they would be willing to explore both billing options with the City.

Val Ruiz stated that SAWS was in the process of releasing a Request for Information (RFI) soon. He noted that two other companies had approached SAWS with similar programs. He favored the NLC approach to provide separate billing and stated that the City could join their existing contract. He felt that adding another line item to the existing bill would confuse customers. He clarified that the Sewer Code was amended in 1999 which changed SAWS' responsibility to everything in the Public Right-of-Way.

Councilmember Gallagher asked Mr. Ruiz if SAWS had requested separate billing. Mr. Ruiz replied that they had requested separate billing in order to avoid confusion.

Councilmember Nirenberg moved to forward said items to the full City Council. Councilmember Gallagher seconded the motion. Motion carried unanimously by those present.

4. Update on the Storm Water Utility Fee Rate Methodology Revision. [Mike Frisbie, Director of Transportation and Capital Improvements]

Art Reinhardt explained that the current Rate Structure for the Storm Water Utility Fee was based on lot size and land use type. He stated that a fee structure based on impervious cover was the best way to measure the use of the drainage system. He outlined the three goals they were trying to accomplish to include covering the funding requirement; doing it in an equitable matter; and promoting storm water best management practices. He noted that there were three main issues: 1) High monthly fees with the removal of the rate cap; 2) Revenue requirements to help mitigate rate increases; and 3) Methodology to focus more on the land size and property type. He reviewed the Revenue Forecast for the next five years and added that the last increase occurred in 2008. He stated that they would continue working with various groups to develop a Rate Structure and refine the 5-year Rate Analysis. He requested a 5-year freeze rate for School Districts be brought forth to the City Council for consideration.

Councilmember Gallagher spoke of various 501(c)3 Organizations approaching him with concerns regarding the new Fee Structure. He asked if the 501(c)3 Organizations could be allowed the same exemptions as the School Districts. Mr. Reinhardt explained that current legislation allows Cities to give exemptions to Schools, Churches, County and City properties only. He noted that Statutory Exemptions were allowed, but the legislature would have to approve additional exemptions. Councilmember Gallagher asked if something could be done to help the organizations having financial problems. Mr. Reinhardt discussed the various incentives that would be offered to reduce rates.

Councilmember Nirenberg asked if the whole package presented was part of the 2016 Budget Process and if he was requesting individual consideration for the School Districts part only. Mr. Reinhardt replied yes and explained that with the Committee's approval, they would prepare a Letter of Intent for the School Districts. Councilmember Nirenberg inquired if it was legally acceptable to remove the School Districts from the design. Mr. Reinhardt stated that the Statutory Departments currently allow Cities to provide a complete exemption.

Chairman Saldaña inquired if Slide A contained all of the programs that the Storm Water Fee helped fund. Mr. Reinhardt replied yes and noted that the funds listed were for FY 2014 and that the same revenue was expected for FY 2015. Chairman Saldaña stated that the list was important because constituents and businesses cared about how the funds were being used. He asked Mr. Reinhardt to explain the difference between the Bill being proposed and the City's Proposal. Mr. Reinhardt explained that currently, the School District's Revenue was 1% and would hold them at that rate for the next 5 years. He clarified that based on the impervious area; their impact to the system would increase to 4%, creating a higher rate.

Councilmember Nirenberg moved to forward the School District Portion of the Storm Water Utility Fee Rate to the full City Council. Councilmember Gonzales seconded the motion. Motion carried unanimously by those present.

5. Briefing on the unfunded Springvale Street construction project that would provide access to Lackland Air Force Base. [Mike Frisbie, Director of Transportation and Capital Improvements]

Mike Frisbie spoke of the Lackland AFB East Campus Expansion Project expected to be completed soon. He stated that the next project for the Base would be the Lackland AFB West Campus. He expected the project to take about 5 years to complete and would cost \$700 to \$800 Million. He noted that the Military was not allowed to spend funds outside of the Military Base. He outlined the proposed construction site for Springvale Drive and Eaglerock Drive Road Improvement Project. He estimated that the project would cost the City \$1 Million and would allow for safe and quick access to the construction on Base. He stated that he was working with the City Manager's Office and the Office of Management and Budget to identify funding options. He noted that they would work with District 4 to notify residents in the surrounding area that the road would be used as a construction route.

Chairman Saldaña stated that this Project was one of the largest investments happening in the City. He explained that the Military had the funds available to build on the Base, but could not utilize any Federal Funds outside of its border. Therefore, the City would have to fund the construction for the road from HWY 90 Frontage Road leading to the base. He noted that the road would be built of concrete, since the current road could not withstand the heavy construction trucks.

Councilmember Gallagher expressed support for the Military and stated that he looked forward to making Lackland a vibrant facility.

Councilmember Gallagher moved to forward said items to the full City Council. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

6. Briefing and update on the progress of the Comprehensive Planning Committee. [Peter Zaroni, Deputy City Manager; John Dugan, Director, Planning and Community Development]

John Dugan updated the Committee on the progress of the Comprehensive Planning Committee (CPC). He noted that the branding for the CPC was "SA Tomorrow" and displayed the various Logos that had been created for the different Plans. He anticipated that the website would be completed in two weeks. He outlined the process of the five (5) phases for the project. He explained the various activities that would be available at the Public Kickoff Meeting scheduled for April 11, 2015. He reviewed the timeline for the Sustainability Plan and discussed the results of the Comprehensive Plan Baseline Study.

Councilmember Nirenberg explained that the Comprehensive Plan would be a process developed by the City with input from the Public. He noted that the Plan should be reviewed and updated annually.

Councilmember Gallagher stated that he was concerned of the problems associated with high density areas. Mr. Dugan explained that all issues associated with the new density were evaluated so that they did not impact the surrounding neighborhoods.

No action was required for Item 6.

7. Discussion and consideration regarding a request for the Community of North Savannah Heights to incorporate within the City of San Antonio's Extraterritorial Jurisdiction (ETJ). [John M. Dugan, Department of Planning and Community Development; Peter Zanoni, Deputy City Manager]

John Dugan outlined the infrastructure proposal for the North Savannah Heights (NSH) Area requesting Incorporation. He noted that residents of NSH had signed a petition requesting incorporation of two Square Miles. He explained that the City Council would have to release the Extra Territorial Jurisdiction (ETJ) in order to approve the Incorporation. He outlined the process NHS would have to follow for Incorporation to occur. He noted that Atascosa County had held an election to Incorporate NSH which resulted with 1 vote in favor and 77 votes in opposition. He stated that Staff recommended denial of Incorporation due to the location and gateway into the County. He noted that the Planning Commission had also recommended denial of NSH Incorporation.

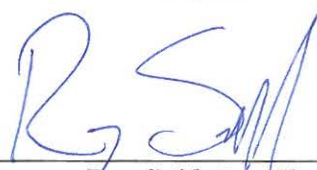
Councilmember Nirenberg asked why would the City not be proactive in pursuing annexation since we are aware of issues in that area. Mr. Dugan replied that they would pursue annexation in the future under the Comprehensive Plan being developed.

Councilmember Gallagher moved to accept Staff's Recommendation for denial of the request by the Community of NSH to incorporate. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

Adjourn

There being no further discussion, the meeting was adjourned at 1:05 p.m.

Respectfully Submitted,



Rey Saldaña, Chairman



*Rosalinda G. Diaz,
Office of the City Clerk*