

**CITY COUNCIL GOVERNANCE COMMITTEE MEETING
MINUTES**

WEDNESDAY, AUGUST 26, 2015

12:30 P.M.

CITY HALL, MEDIA BRIEFING ROOM

Council Present:	Mayor Ivy R. Taylor, <i>Chair</i> Councilmember Rebecca Viagran, <i>District 3</i> Councilmember Ron Nirenberg, <i>District 8</i> Councilmember Joe Krier, <i>District 9</i> Councilmember Mike Gallagher, <i>District 10</i>
Staff Present:	Sheryl Sculley, <i>City Manager</i> ; Martha Sepeda, <i>Acting City Attorney</i> ; Leticia Vacek, <i>City Clerk</i> ; Ed Guzman, <i>Assistant City Attorney</i> ; Camila Kunau, <i>Assistant City Attorney</i> ; David Kurpgeweit, <i>City Attorney's Office</i> ; John Peterek, <i>City Manager's Office</i> ; Brandon Smith, <i>Office of the City Clerk</i> ; Denice Trevino, <i>Office of the City Clerk</i>
Also Present:	Iris Dimmick, <i>Rivard Report</i> ; Byron Gibson, <i>SAWS</i> ; Steve Hixon; David McGee, <i>President/CEO, Amegy Bank</i> ; Richard Perez, <i>President/CEO, San Antonio Chamber of Commerce</i> ; Cecila Picazo, <i>SAWS</i> ; Gavino Ramos, <i>SAWS</i> ;

CALL TO ORDER

Mayor Taylor called the meeting to order.

Individual Briefings

1. Consideration of Applicants to SAWS Board of Trustees (1 slot) [Leticia M. Vacek, City Clerk]

Leticia Vacek stated that there was one vacancy on the San Antonio Water System (SAWS) Board of Trustees due to the resignation of Reed Williams and reported that there were two applicants for that position.

David McGee thanked the Committee for their consideration of his application for the position on the SAWS Board of Trustees. He reviewed his personal and professional background and noted that he graduated from Baylor University with a degree in Economics and Finance. He stated that he has been a Professional Commercial Banker for his entire professional career which began in 1980. He added that he became President of the San Antonio Regional J.P. Morgan Chase Bank. He noted that Amegy Bank was founded in 2007 which he joined and opened the San Antonio Regional Office. He stated that he was proud to serve the community and noted that he would bring his approach to discipline, fairness, integrity and transparency as a Banker into his role of Trustee on the SAWS Board. He noted that he could assist staff with financial efficiency and stated that he was committed to conserving water.

Steve Hixon stated that the primary role of the SAWS was to provide water at a reasonable price and to make that water available under any and all conditions. He noted that he received a Bachelor in Business Administration and a Juris Doctor from the University of Texas at Austin. He reviewed the growth of his family business and stated that the SAWS should be run like a business in an environmentally friendly manner. He stated that he has provided charitable support to organizations, many of which were involved in protecting the environment. He added that serving on the boards of Green Spaces Alliance, the Greater Edwards Aquifer Alliance and the Nation Parks Conservation Association has taught him about the rules and regulations for preserving what we have for future generations while respecting the rights of owners. He stated that he would bring a balanced perspective of business and the environment to the SAWS Board of Trustees.

Councilmember Nirenberg asked both applicants how they would balance the strategies for acquiring, managing and conserving water.

David McGee stated that the SAWS does a good job of conserving water. He noted that the need for water for our growing population could not be solved by conservation alone. He stated that SAWS would have to acquire more water at an affordable price along with practicing conservation to address this.

Steve Hixon stated that SAWS's performance was excellent and applauded the use of the Wilcox Aquifer for storage of water. He expressed support for pursuing other sources of water and technology such as desalination. He indicated that SAWS should not depend solely on Vista Ridge for 30 years.

Councilmember Nirenberg asked of, from a land use perspective, the role of development in managing the demand for water.

Mr. McGee suggested that staff identify and mitigate risks and pass any additional costs incurred as a result, on to those which created the risk. He noted that this would dictate where growth will occur.

Mr. Hixon recommended the continued purchase of easements over the Edwards Aquifer Recharge Zone. He expressed concern that SAWS plans to sell water to municipalities along the Vista Ridge pipeline. He stated that SAWS should ensure that said municipalities develop over their own recharge zones and not over the Edwards Aquifer Recharge Zone.

Councilmember Nirenberg asked the applicants how to ensure the mitigation of risks for the Vista Ridge Project and where they saw this project going.

Mr. McGee expressed his support for the Vista Ridge Project and noted that SAWS must hold Vista Ridge accountable at every stage of the project.

Mr. Hixon stated that SAWS should be prepared with another option in case financing of the Vista Ridge Project did not materialize.

Councilmember Viagran asked the applicants of their opinion on the rate structure and how they saw their role as Trustee in communicating with the community.

Mr. McGee responded that it was important for the SAWS Board of Trustees to communicate as a team and suggested that a communication unit be established within SAWS. He stated that the proposed rate structure was fair in that those which utilize the most water pay the most for it. He noted that issues such as Vista Ridge rates and attainment issues would have to be addressed along with the issue of what period of time would be required for same.

Mr. Hixon responded that all communications should go through the Communications Department at SAWS and that Board Members should project a united front.

Councilmember Viagran expressed the importance of communication between the City and SAWS regarding street infrastructure and maintenance. She stated that the SAWS Board should review projects to identify inefficiencies.

Mr. McGee agreed and noted that said inefficiencies were disruptive to the community. Mr. Hixon stressed the importance of communication between the City and SAWS.

Councilmember Gallagher asked the applicants for their suggestion of an alternate plan to the Vista Ridge Project.

Mr. McGee suggested that the timeline for the desalination plant be accelerated and he noted that SAWS had a very tight timeline. Mr. Hixon suggested that SAWS support funding for research and development and identify other counties as a backup source for water.

Councilmember Krier asked of the applicants philosophy related to water rates and consumption.

Mr. Hixon stated that SAWS was in the business of supplying water and would have to make a distinction between supplying water to families in San Antonio and supplying water to big businesses in San Antonio.

Mr. McGee noted that SAWS has never had an abundance of water and sales generated by the rate structure would provide the means to explore new technology.

Councilmember Krier asked how executive compensation should be approached.

Mr. McGee stated that SAWS must be efficient as possible. He noted that he supported the alignment of incentives and performance. He noted the importance of accountability of SAWS with peer groups.

Mr. Hixon stated that he would need to review best practices of other not-for-profit government programs.

Councilmember Krier asked if they would consider it a priority to allow Military Bases access to the Vista Ridge water supply in order to remove them from Stage IV water restrictions and into Stage II water restrictions. Both Messrs. Hixon and McGee replied that they would make this a priority.

Mayor Taylor recessed the meeting into Executive Session under Section 551.074 (Personnel Matters) at 1:35 p.m. to discuss the applicants. Mayor Taylor reconvened the meeting at 1:45 p.m. and announced that no action was taken in Executive Session.

Councilmember Gallagher moved to approve and forward the nomination for appointment of David McGee to the SAWS Board of Trustees to the full City Council for consideration. Councilmember Krier seconded the motion. Motion carried unanimously.

Consideration for Future Meetings

2. Next Meeting Scheduled: September 16, 2015

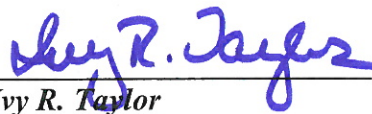
Adjournment

There being no further discussion, Mayor Taylor adjourned the meeting at 1:41 p.m.

ATTEST:



Leticia Vacek, TRMC/MMC/CMC
City Clerk



Ivy R. Taylor
Mayor