

**TRANSPORTATION, TECHNOLOGY, & UTILITIES COUNCIL COMMITTEE
MEETING MINUTES**

WEDNESDAY, NOVEMBER 9, 2016

11:00 AM

MUNICIPAL PLAZA BUILDING, B ROOM

Members Present:	Councilmember Ray Lopez, Chair, <i>District 6</i> Councilmember Rey Saldaña, <i>District 4</i> Councilmember Shirley Gonzales, <i>District 5</i> Councilmember Ron Nirenberg, <i>District 8</i> Councilmember Joe Krier, <i>District 9</i>
Members Absent:	<i>None</i>
Staff Present:	Douglas Melnick, <i>Chief Sustainability Officer</i> ; Mike Frisbie, <i>Director of Transportation & Capital Improvements</i> ; Alicia Beckham, <i>Office of the City Clerk</i>
Others Present:	Heriberto Guerra, <i>SAWS Chairman</i> ; Robert R. Puente, <i>SAWS President & CEO</i> ; Doug Evanson, <i>Vice President & Chief Financial Officer, SAWS</i>

1. Approval of Minutes for the October 12, 2016 Transportation, Technology, and Utilities Committee Meeting.

Councilmember Krier moved to approve the Minutes for the October 12, 2016 Transportation, Technology, and Utilities Council Committee Meeting. Councilmember Saldaña seconded the motion. Motion carried unanimously.

2. A briefing by the San Antonio Water System on the Council Consideration Request made by Councilman Nirenberg regarding Permanent Stage 1 Water Restrictions.
[Robert R. Puente, SAWS President & CEO]

Robert Puente presented a briefing on potential Permanent Stage 1 Restrictions and stated that SAWS had reviewed the option for Once A Week Water Restrictions for San Antonio. He noted that Austin had Once A Week Year Round Water Restrictions. He provided charts that described water restrictions in the year 2008 and charts that described water without restrictions in the year 2011. He reported that in the year 2011; there was 2,543 acre-feet less water production during restrictions. He described water restrictions in the year 2010 and water without restrictions in the year 2012. He stated that in the year 2012; there was 4,323 acre-feet more water production during restrictions. He noted that it may have been weather, temperature, and rainfall that contributed the rise in water production during the year 2012.

Mr. Puente stated that the financial implications in the last decade had driven rates up an additional 1.6%. He noted that water that is in the Edwards Aquifer could not be saved; however, SAWS would like to maintain a progressive conservation of water. He mentioned that they would need additional staffing to enforce Once a Week Water Restrictions. He

reported that in SAWS' Findings; the rates would increase and added that it would be hard to sell this concept to the public.

Chairman Lopez highlighted that the City had a Water Management System that worked and was a Modeled System. He stated that he agreed that the City should review ways of conserving water for future needs.

Councilmember Nirenberg stated that there was no source of water in the State of Texas that was drought proof. He asked SAWS to discuss the Automatic Metering Infrastructure (AMI). Mr. Puente responded that others cities were using AMI, but SAWS was hesitant about using it. He noted that the System had glitches; therefore, they wanted to learn before implementing. Councilmember Nirenberg asked when SAWS would be introducing their Pilot Programs. Doug Evanson replied that the Pilot Program would roll out the first quarter of 2017.

Councilmember Krier stated that District 9 Constituents would not approve of the Once a Week Water Restrictions. He asked how SAWS was able to repay their debt obligations if they do not sell water. Mr. Puente responded that SAWS relied on peak periods to even out the cost. Councilmember Krier asked if the high consumer of water subsidized the lower consumers of water. Mr. Puente replied that was correct.

Heriberto Guerra reported that the SAWS Board agreed that Once a Week Water Restrictions would not work for the City, but they support SAWS Staff findings.

Councilmember Krier stated that Texas did not have a shortage of water but there was a water distribution problem.

Councilmember Gonzales asked how Once a Week Water Restrictions would affect the rate. Mr. Puente responded that the current rate would be 1.6% higher. He noted that if the City had a Year Round Water Restriction, the future rate would be 1.1% higher. Councilmember Gonzales stated that saving water for today does not help to save money for the future.

Councilmember Saldaña stated that the City is known for its conservation efforts and that history proves that the City had been doing things correctly.

Councilmember Nirenberg stated that over time; it would take getting the Public to align with the ideal that wasting water would not be good for a community that would be seeking water supplies 30 to 50 years from now.

Councilmember Nirenberg moved to direct SAWS to return the Item to the Transportation, Technology, and Utilities Council Committee in April 2017 with an update on AMI and further studies on the Once a Week Water Restriction. Councilmember Saldaña seconded the motion. The motion carried unanimously.

3. A briefing on the scope of information to be compiled in response to Councilman Krier's Council Consideration Request on San Antonio Water System and CPS Energy bonus pay process. [Ben Gorzell, Chief Financial Officer]

Mike Frisbie reported that Councilmember Krier submitted a Council Consideration Request (CCR) regarding SAWS and CPS Energy on May 20, 2014. He noted that City Staff briefed the Governance Committee on the CCR on October 15, 2014 and there was a request for staff to return to the Committee with more data.

Mr. Frisbie stated that the City Council had the ability to set rates, issue bonds, condemn property for utility use, and appoint board members to SAWS and CPS Energy. He noted that City Council had the following options:

- Provide input when reviewing proposed rate adjustments
- Discuss compensation philosophies with potential appointees
- Provide feedback to the Mayor as Ex-Officio Voting Member
- Periodic briefings to Council on Policy Issues

Mr. Frisbie reported that on March 15, 2016; data showed that the SAWS President and CEO's Salary was in the middle when compared to other Local Public Sector Leaders' Salaries. He stated that SAWS Bonuses are measured on CEO Goals and Objectives. He noted that the maximum bonus the CEO could be eligible for was \$85,000. He added that the salary for the SAWS President and CEO was in the lead compared to other Governmental Water and Waste Utility Companies. He reported that Former CPS President and CEO's Salary was larger when compared to other Large Utility Leaders. He noted that the Former CPS President and CEO's Retirement EIP included short-term and long-term incentive bonuses.

Chairman Lopez acknowledged the caliber of effort that the President and CEO of SAWS and CPS Energy put into the Companies.

Councilmember Krier stated that the goal should not be to have the highest paid Utility Companies President and CEO in the United States, but to have the best President and CEO in the Industry. He stated that he appreciated the performance that both leaders had contributed to the City and that CPS ranked as one of the top two or three Publicly Owned Utility Companies. He stated that the Boards should keep Citizens in mind when they make discussions about salaries and bonuses.


Councilmember Nirenberg stated that he would like to have the Item come back to the Committee at a future date.

Chairman Lopez asked what the philosophies were behind the salaries and bonuses for the President and CEO. Mr. Guerra responded that the Board sets goals for the President and CEO. He noted that each Board Member separately scores the President and CEO on the goals.

Adjourn

There being no further discussion, the meeting was adjourned at 12:11 p.m.

Respectfully Submitted,


Alicia K. Beckham,
Office of the City Clerk


Ray Lopez, Chairman