

# City of San Antonio



## Minutes Municipal Utilities Committee

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**Monday, April 4, 2022**

**2:00 PM**

**Municipal Plaza Building**

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**Members Present:** John Courage, *Chair*  
Melissa Cabello Havrda, *Member*  
Mario Bravo, *Member*  
Ana Sandoval, *Member*

**Members Absent:** Dr. Adriana Rocha Garcia, *Member*

### Approval of Minutes

#### 1. Approval of minutes from the February 22, 2022 Municipal Utilities Committee Meeting

Councilmember Sandoval moved to approve the minutes from the February 22, 2022 Municipal Utilities Committee meeting. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

**Aye:** Cabello Havrda, Courage, Bravo, Sandoval

**Absent:** Rocha Garcia

### Public Comment

Dr. Meredith McGuire spoke of her concerns regarding the current rate structure for SAWS rates and the need for revisions to the rate structure. She provided the MUC with documents to illustrate her position.

### Briefing and Possible Action on

- Briefing by the San Antonio Water System (SAWS) on their Certificate of Convenience and Necessity (CCN) boundaries including alignment with the City's Extraterritorial Jurisdiction (ETJ) and coordination with the City's growth policy.** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Andrea Beymer, Vice President of Engineering, provided an overview of the SAWS growth strategy noting the various factors impacting the strategy. She provided an explanation of the Certificate of Convenience and Necessity (CCN) policy, and reviewed the current CCN maps and growth projections for the City of San Antonio. Beymer also reviewed the Utility Service Agreement (USA) Policy, impact fees and the USA and City Development processes to be used in development areas. Beymer reviewed a recent example of the USA and CCN process used in the Guajolote Ranch Tract development. She noted that SAWS works closely with City staff to coordinate with the City Growth Plan.

Chair Courage asked if SAWS could withdraw a CCN. Beymer stated that SAWS did have that ability but that it could trigger an appeal process. Chair Courage asked for clarification on whether SAWS could not approve a USA until City staff approved the development first. Beymer stated that it was a possibility but that developers preferred SAWS USA first to quantify the developer needs for funding and other permits. Chair Courage noted his concern on situations when water rights were granted first and then development projects did not move forward, and water rights were granted to be used for other potential projects for that same development area. Robert Puente, SAWS President and CEO, provided clarification of when CCNs and USAs could be used which did not always lead to water rights.

Councilmember Sandoval asked for clarification on the difference between City and SAWS policy authority oversight. Keith Martin, SAWS Chief Counsel, clarified that SAWS had further authority associated with development projects that impacted the Aquifer Recharge Zones. Councilmember Sandoval asked for clarification of water impact fees associated with different types of developments and associated infrastructure. Martin provided clarification related to the installation of new and existing lines along with the related impact fees due to the infrastructure and ETJ impact. Councilmember Sandoval asked of the boundaries for the CCN. Beymer stated that SAWS did not have a set goal in mind regarding the boundaries.

Councilmember Cabello Havrda asked if the entire City of San Antonio and Bexar County was included in the CCN. Beymer stated that the County included military installations, suburban cities, and areas served by other utilities. Cabello Havrda asked how service could be extended to areas that were not initially in the city limits. Beymer stated that it was the responsibility of the developer and/or homeowner to extend services to those areas. Councilmember Cabello Havrda expressed her concern with the cost of expanding service to those areas. Puente clarified that in situations where a resident was seeking to expand water service, the homeowner was in fact developing their property further and those costs would be the homeowners. Councilmember Cabello Havrda reiterated that the associated impact fees for water extension were a large burden to homeowners and asked that SAWS consider developing a plan. Puente agreed that a discussion would be had to assist these homeowners.

Councilmember Sandoval agreed with Councilmember Cabello Havrda on the need for a more comprehensive discussion on how to assist homeowners with extending service.

Chair Courage asked for clarification on whether infill projects were required to pay impact fees.

Beymer clarified that if service previously existed, they would not have to pay an impact fee.

No action was required for Item 2.

**3. Briefing by the San Antonio Water System (SAWS) on the ConnectH2O Automated Metering Program including pilot results, technologies selected, and system wide deployment status.** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Mary Bailey, VP for Customer Experience and Strategic Initiatives, provided an overview on the ConnectH2O Automated Metering Program to include pilot project results, technologies selected and the system wide deployment status. Bailey reviewed the ConnectH2O Program's key objectives, program deployment highlights, program timeline, Pilot objectives and technology analysis comparisons. She also provided an overview of the customer engagement efforts conducted by SAWS, associated program costs, installation timeline, and anticipated program benefits.

Chair Courage asked what was being done to mitigate concerns from residents who were now on more accurate meters which would read more accurate costs resulting in higher bills. Bailey stated that staff would be assisting residents to address the increased costs and educate them on what could be the sources of increased costs and to address leaks. Chair Courage asked what programs would be provided to households who would require financial assistance to address leaks and higher costs. Bailey stated that available programs would continue to be used and provide customers with assistance.

Councilmember Cabello Havrda stated that it was important to educate residents that there were no associated costs with the installation of the new meters to the residents.

Councilmember Sandoval asked for clarification on the accuracy of the physical displacement meters currently used. Bailey stated that the older meters were not as accurate as the new ultrasonic meters which were installed in the pilot areas. Bailey noted that the old meters removed were tested to confirm inaccuracy and compared to the ultrasound meters for reading differences. Councilmember Sandoval stated that it was important to have accurate readings even though it could lead to higher meter readings and therefore bills. Councilmember Sandoval stressed the need for public education and communications regarding new meter installations and asked what the range was for increase in bills due to more accurate readings. Bailey stated that on average it was a 2% increase but could be as high as 10%. Bailey reiterated that SAWS would work with residents to address needed financial assistance for water customers. Councilmember Sandoval stressed the need for communications and education on the new meters and possible billing cost impacts.

Councilmember Bravo asked if the 2% increase in bills would impact the need for future rate increases. Bailey stated that the installation of the meters would be over the next four years and SAWS had already budgeted these cost so would not drive increased rates. Councilmember Bravo

asked if meters were being installed in all areas of the city and asked if an equity lens was being used for installation. Puente stated that meters had been continuously changed for the past 20 years and included new and older meters in areas of service.

Chair Courage asked that an update be provided to the Committee every six months during the installations period.

No action was required for Item 3.

**4. Briefing by the San Antonio Water System (SAWS) on the Rate Advisory Committee.**

[Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Mary Bailey provided an overview of the Rate Advisory Committee (RAC), the SAWS Rate Study and the current rate structure. Bailey reviewed the purpose of the rate study and the process for the study. Bailey provided an overview of the RAC Bylaws, RAC structure and charge to provide rate design recommendations to the Board of Trustees regarding the rate structures for water, wastewater, and recycled water services. She also reviewed the RAC meeting schedule and meetings scope. She noted that the RAC consultant conducted a cost of service analysis and described the associated analysis actions.

Doug Evanson, SAWS Chief Financial Officer, reviewed the current potable water rate structure to include water delivery, water supply fee, and customer classes. He also provided an overview of the recycled rate structure, existing water rate structures and various discount programs.

Chair Courage stated that the Committee would need more time to review the report provided. Chair Courage stated that the staff would coordinate with SAWS for this to be addressed at the June 2022 meeting. Chair Courage asked that impact fee development and possible audit of the impact fees be addressed at that meeting as well.

**Executive Session**

No Executive Session was held.

**Consideration of items for future meetings**

Next Municipal Utilities Committee meeting tentatively scheduled for April 26, 2022.

## **Adjournment**

There being no further discussion, the meeting was adjourned at 3:58 PM.

**Approved**

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*John Courage, Chair*

**Respectfully Submitted**

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**Debbie Racca-Sittre, Interim City Clerk**