

**State of Texas
County of Bexar
City of San Antonio**



**FINAL
Meeting Minutes
City Council A Session**

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

Thursday, November 21, 2013

9:00 AM

Municipal Plaza Building

The City Council convened in a Regular Meeting. The City Clerk conducted the Roll Call as follows:

Present: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

1. The Invocation was delivered by Reverend David Brockhouse, Mt. Olive Lutheran Church, guest of Councilmember Rey Saldaña, District 4.
2. Mayor Castro led the Pledge of Allegiance to the Flag of the United States of America.
3. Approval of Minutes for the September 11 - 12, 2013 City Council Meetings.

Councilmember Taylor moved to approve the minutes for the September 11-12, 2013 City Council Meetings. Councilmember Nirenberg seconded the motion. The motion prevailed by the following vote:

Aye: 9 - Mayor Castro, Taylor, Viagran, Saldaña, Lopez, Medina, Nirenberg, Krier and Soules

Absent: 2 - Bernal and Gonzales

POINT OF PERSONAL PRIVILEGE

Mayor Castro and the City Council recognized Jacqueline Bolds, Senior Executive Secretary, City Council District 9 on her retirement. Mayor Castro noted that Mrs. Bolds had been employed with the City of San Antonio since 1975 and served the Mayor/Council Support Division beginning in 1982. Mrs. Bolds thanked the City Council for the recognition and stated that she was pleased to have served the City of San Antonio for 38 years.

ACTION ITEMS FOR STAFF BRIEFING

The City Clerk read the following caption:

2013-11-21-0777

4. An Ordinance authorizing adjustments to the Water Delivery, Water Supply, Recycled Water and Wastewater base rates of the San Antonio Water System (SAWS). [Ben Gorzell, Chief Financial Officer; Troy Elliot, Director, Finance]

Ben Gorzell presented a brief Power Point and recommended approval of a two year SAWS Rate as follows: A 5.1% system average rate increase for 2014; and a not to exceed system average rate increase of 5.3% for 2015. The two rate plans also include a not-to-exceed adjustment in recycled water rates of 2.7% to be effective in 2015. He spoke of the Comprehensive Review conducted by Public Utilities Staff and reported that the estimated annual impact for 12 months equates to an increase in net revenue to the City of San Antonio of \$433,000.

Robert Puente presented a Power Point and stated that they were requesting approval of a rate increase of 5.1% for FY 2014 and a not to exceed system average rate increase of 5.3% for 2015. He spoke of the \$10 Million in reductions that they identified for FY 2014 to include less staff, fleet savings, and continued cost sharing and benefit adjustments. He highlighted the importance of investing in the sewer system noting that 84% of the increase would support the Water Supply and Sewer System.

Mr. Puente stated that there would be a separate Rate Structure Discussion to allow for a transparent process and avoid public confusion. He highlighted the Western Watershed

Sewer Relief Line and Broadway Corridor Sewer Main Projects. He noted that the Affordability Discount Program Budget had been increased by 15% and that new outreach efforts were successful. He reported that the Average Residential Bill in 2014 would total \$55.72 and would remain among the lowest in Texas. Lastly, he spoke of next steps that include regular discussions with the City Council regarding the Rate Structure, 2015 Budget, Affordability Programs, and the Regional Water Project.

Mayor Castro thanked staff for the presentation and called upon the individuals registered to speak.

Tom Shaw of the South San Antonio Chamber of Commerce addressed the City Council in support of the rate increase and asked SAWS to continue addressing Sewer Spill Overflows (SSOs).

Duane Wilson of the North SA Chamber of Commerce addressed the City Council in support of the rate increase noting the importance of addressing infrastructure needs.

Cristina Bazaldua-Salazar with the Hispanic Chamber of Commerce addressed the City Council in favor of the rate increase. She spoke of the need to address wastewater infrastructure and SSOs.

Margaret Day representing the Alamo Sierra Club stated that they were in support of the rate increase but expressed concern with SAWS' commitment to water conservation. She asked that the rates be structured in a way that improve conservation levels.

Meredith McGuire addressed the City Council in opposition to the rate increase. She stated that the rates failed to support conservation efforts and unfairly burdened residential and small business ratepayers.

Terry Burns commended the city for being a leader in water conservation but stated that he believed that more could be accomplished.

Richard Perez representing the Greater Chamber of Commerce addressed the City Council in support of the rate increase of 5.1% for 2014. He stated that they would like for SAWS to work with the city on benchmarks when developing multi-year increases.

Nazirite Ruben Flores Perez expressed concern with transferring water from one area to another noting pollution and contamination issues.

Elva Adams representing the Alamo Asian Chamber of Commerce addressed the City Council in support of the rate increases for 2014 and 2015. She stated that they understood the importance of investing in infrastructure.

Mayor Castro thanked staff for the presentation and stated that nobody liked rate increases but they were sometimes necessary. He spoke of the growing water demands and the need to improve infrastructure and address SSOs. He asked how the rate increase would be utilized. Mr. Puente replied that 80% of the increase would be used for the Water Supply and Sewer System. Mayor Castro asked of the reductions that had been identified for efficiencies. Mr. Puente responded that they had reduced staff and cut fleet spending by 28% over the past two years. Mayor Castro asked of the increase to the Affordability Program. Mr. Puente replied that it was being increased by 15% and would total \$2.5 Million. Mayor Castro asked of the need for a two-year increase. Mr. Puente stated that many of their projects are multi-year projects worth millions of dollars which required a great amount of planning. Mayor Castro spoke of the need to monitor SAWS closely and ensure that quarterly reports are received.

Councilmember Lopez spoke of the need for continued outreach to the community and asked of the role of the Public Utilities Supervisor. Mr. Gorzell replied that it was required by the Charter that the Public Utilities Supervisor provides recommendations to the City Council and City Manager regarding rate increases requested by SAWS and CPS Energy. He stated that they perform a comprehensive review to include the issuance of debt, cash flow, and financial position. Councilmember Lopez asked of rate stability related to debt. Mr. Gorzell responded that it was very important and that Bond Holders needed assurance of a financial plan to repay debt.

Councilmember Lopez moved to accept a two year rate plan as requested by SAWS for 2014 and 2015 with the following conditions: 1) For 2014, approval of a 5.1% system average increase to base rates and a 2.5% increase in recycled water rates consistent with the recommendation of the Supervisor of Public Utilities to become effective January 1, 2014; 2) For 2015, approval of a rate increase not-to-exceed 5.3% in system average base rates and not-to-exceed 2.7% in recycled water rates subject to the following conditions: A) The Supervisor of Public Utilities will conduct a traditional rate review for the 2015 Rate Request and make his recommendation to the City Council. B) Following the rate review, if the Supervisor of Public Utilities and SAWS agree on the rate recommendation which is at or below 5.3% and 2.7% respectively, the rate increases will go into effect without further City Council Action. In such case, Chapter 34 of the San Antonio City Code shall be amended consistent with such rate recommendation and the new rates will go into effect January 1, 2015. The report of the Supervisor of Public Utilities and amendments to Chapter 34 shall be filed with the City Clerk and made a part of this proceeding. C) Following the rate review, if the Supervisor of Public Utilities and SAWS disagree on the

rate recommendation, the City Council will determine which rates will go into effect for 2015 by a subsequent rate ordinance. Councilmember Krier seconded the motion.

Councilmember Soules thanked SAWS for working with him and noted that they were moving in the right direction. He expressed concern with the two-year rate increase noting that there were many factors that would need to be considered. He stated that there was a new Board of Trustees and a Rate Advisory Committee would be appointed soon.

Councilmember Soules moved to approve the rate increase as recommended for one year only. Councilmember Nirenberg seconded the motion.

Councilmember Medina asked of the two-year rate request. Mr. Puente replied that they felt it was necessary due to the Environmental Protection Agency (EPA) Consent Decree. He spoke of the need to decrease the amount of SSOs and the many water supply projects that are online. Councilmember Medina asked that SAWS continue infrastructure efforts in areas within District 7 that do not have access to SAWS Water or Wastewater. He requested that SAWS continue to update the City Council and stated that he felt that the request was reasonable.

Councilmember Nirenberg stated that water was the most valuable resource and that is why it was important to move forward cautiously. He asked of the improvement of conservation efforts. Mr. Puente replied that conservation was very important and had focused on indoor conservation efforts. He noted that they would look toward outdoor conservation efforts and providing incentives for same. Councilmember Nirenberg stated that he would be supportive of a one-year increase.

Councilmember Saldaña stated that he understood the need for an increase and asked of a timeline for future increases. Mr. Puente replied that there were increases projected over the next five years but hoped they could be reduced. Councilmember Saldaña asked of the rate structure process. Mr. Puente explained that they would look at how they charged for water and how much it cost to deliver the service. Councilmember Saldaña asked Mr. Gorzell if he was comfortable with the 2.7% growth projected by SAWS. Mr. Gorzell confirmed that they were comfortable with the assumptions made by SAWS. Councilmember Saldaña stated that he would be supportive of the two-year increase because he felt it was needed.

Councilmember Gonzales asked of the reduction in staff. Mr. Puente replied that some employees had left due to attrition and some had retired. He reported that there had not been any layoffs. Councilmember Gonzales asked of the increase in the recycled water rate. Mr. Puente confirmed that only those that used recycled water would pay said increase. Councilmember Gonzales stated that she would support the two-year increase due to the long-term goals that needed to be accomplished.

Councilmember Krier stated that he would be supportive of the two-year increase due to SAWS' conservation efforts and addressing the needs of low income customers. He asked if SAWS would be able to secure a supply of affordable water for the next 25 years and keep the city from reaching Stage 2 Water Restrictions. Mr. Puente replied yes and spoke of their current Request for Proposals for Water Supply.

Councilmember Viagran stated that she was pleased with the transparency of the process but expressed concern that District 3 had the second highest amount of SSOs. She asked that SAWS address the rate structure so that it would not negatively impact individuals on fixed and low incomes. She further requested more interaction with SAWS Staff and not just be provided reports. She spoke of the many capital improvements that would be made in District 3 and stated that was her reason for supporting the rate increases.

Councilmember Bernal concurred with Councilmember Viagran regarding the old infrastructure and high amount of SSOs. He spoke of the Consent Decree that SAWS was required to follow and noted that they were legally bound to address a series of problems within a certain period of time. He asked if the role of the SAWS Board would be diminished in any way if a two-year increase was approved. Mr. Puente replied that their role would not be diminished and that they were still required to approve the budget on an annual basis.

The motion by Councilmember Soules to approve a one-year increase failed by the following vote:

Aye: 2 - Nirenberg and Soules

Nay: 9 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina and Krier

The main motion by Councilmember Lopez to approve a two year rate plan prevailed by the following vote:

Aye: 10 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg and Krier

Nay: 1 - Soules

CONSENT AGENDA ITEMS

Items 9, 16A, 17, 18, 23, 24, 26M, 26N, 26O, 37, 39, 47, and 48 were pulled for individual consideration.

Mayor Castro called upon the individuals registered to speak on the Consent Agenda.

Randy Murdock spoke in support of Items 21 and 22 related to Animal Care Services. He stated that he was pleased with the partnership with Sea World and thanked the City Council for their continued support of Animal Care Services.

Nazirite Ruben Flores Perez spoke of the stray animal population in his neighborhood and noted that he was allergic to cats.

Faris Hodge, Jr. submitted written testimony in favor of Items 4, 5, 7-10, 13-17, 19-25, 27-34, and 36-48. He wrote against Item 6 noting that the city should not establish unit prices for goods and services. He wrote in opposition to additional funding for Hardberger Park (Item 11) and the acquisition of land adjacent to Friedrich Wilderness Park (Item 12). He wrote against Items 18, 26, and 35.

Mayor Castro addressed Item 39 at this time.

The City Clerk read the following captions:

2013-11-21-0817

39. An Ordinance authorizing the execution of a 15-year Chapter 380 Tax Reimbursement with Microsoft Corporation at a minimum of 40% of City property taxes on real and personal property investment of \$250 million and the creation of 20 high paying jobs starting in 2016. [Carlos Contreras, Assistant City Manager, Rene Dominguez, Director, Economic Development]

Councilmembers Taylor and Saldaña excused themselves from the meeting at this time for recusal purposes and noted that they had submitted the recusal forms to the City Clerk.

Rene Dominguez presented a Power Point stating that they were requesting authorization to execute a 15-Year Chapter 380 Economic Development Agreement with Microsoft Corporation. He provided background information on the Microsoft Corporation noting that they were founded in 1975 and headquartered in Redmond, Washington. He mentioned that they ranked Number 35 on the Fortune 500 List. He reported that Microsoft was proposing a capital investment of \$250 Million in real and personal property beginning in 2016. Additionally, they will create 20 jobs with a minimum annual wage of \$53,000. He explained the proposed incentive in which staff recommends a 15-Year Chapter 380 Tax

Reimbursement equating to 40% and up to 63% of the City's portion of Ad Valorem Property Taxes provided that a Net Property Tax Revenue Milestone of \$5 Million is reached. He added that the Net Property Tax Revenue Milestone of \$5 Million could be generated as a result of additional Microsoft Investment during the 15-Year Term. He stated that staff estimated that the project would have a net fiscal benefit to the city of \$56,319,724. Lastly, Mr. Dominguez introduced Microsoft Representatives that were present.

Mayor Castro thanked Microsoft for their continued investment in the City of San Antonio.

Councilmember Soules stated that he believed that Microsoft was a great company but felt that there should be broader discussion regarding the factors that are used to provide an incentive package to a company.

Councilmember Bernal stated that this was a great investment for the City of San Antonio and commended Microsoft for their relationship with the University of Texas at San Antonio.

Councilmember Lopez stated that Microsoft was a welcomed Corporate Citizen in District 6 and thanked them for their investment in San Antonio.

Councilmember Lopez moved to adopt the proposed ordinance. Councilmember Bernal seconded the motion. The motion prevailed by the following vote:

Aye: 8 - Mayor Castro, Bernal, Viagran, Gonzales, Lopez, Medina, Nirenberg and Krier

Nay: 1 - Soules

Abstain: 2 - Taylor and Saldaña

Item 9 was addressed at this time.

2013-11-21-0782

9. An Ordinance approving a change order in the increased amount of \$232,438.15 to upgrade existing traffic signals and supporting infrastructure at Burr and Broadway and authorizing payment to Texas Sterling Construction Company, for the Broadway Corridor Phase IIIA (Broadway-Hildebrand), an authorized 2007-2012 Bond and FY 2014 Traffic Signal funded project, located in Council District 2. [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Capital Improvements Management Services]

Councilmember Soules asked of the work of Texas Sterling Construction Company. Mike Frisbie replied that Texas Sterling was on schedule with the Broadway/Hildebrand Project to be completed in July 2014.

Councilmember Soules moved to adopt the proposed ordinance. Councilmember Bernal seconded the motion. The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

2013-11-21-0790

16A. An Ordinance authorizing the acquisition through condemnation of approximately 13.0 acres in NCB 14747 and approximately 4.0 acres of land in NCB 14854 located along Leon Creek in Council District 8 for the Linear Creekway Development Project, a 2010 Proposition 2 Sales Tax Initiative funded project; property being in the City of San Antonio, Bexar County, Texas; declaring the Linear Creekway Development Project on aforementioned waterway to be a public project for public use; declaring public necessity for the acquisition of privately owned real property; and authorizing the City Attorney and/or designated special counsel to file eminent domain proceedings.

Councilmember Nirenberg asked of the steps for negotiation. Xavier Urrutia replied that they had reached out to several property owners north of Loop 1604 who did not live in the city. He stated that they had not received a response. Councilmember Nirenberg asked if the property was undevelopable for general purpose. Mr. Urrutia replied that they did not feel it was developable due to its location over the Aquifer and along the floodplain.

Councilmember Nirenberg moved that the City of San Antonio authorize the use of the power of eminent domain to acquire property for the public use for the Linear Creekway Development Project by acquiring the following property described by the City Clerk and incorporated as part of this Motion. Councilmember Bernal seconded the motion.

City Clerk Leticia Vacek read the property description: The properties consist of the following all along Leon Creek: Approximately 13 acres out of Lot 2, Block 6, New City Block 14747; and approximately 3 acres out of Lot 5, La Cantera Restaurant Park PUD, New City Block 14854; and approximately 1 acre out of the Charles W. Beckmann Survey No. 391-3/4, Abstract No. 880, New City Block 14854. These properties are more particularly described by metes and bounds in Item A, attached to the Ordinance and incorporated as part of this Motion.

The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

17. Consideration of the following Ordinances associated with 10 conservation easements totaling 6,790 acres over the Edwards Aquifer Recharge and Contributing Zones for a total of \$7,058,524.93: [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Capital Improvements Management Services]

2013-11-21-0792

A) An Ordinance authorizing payment of \$752,150.23 for land, due diligence, and closing costs for an aquifer-protection conservation easement over a 792-acre tract known as the McNair Ranch in Uvalde County, Texas.

2013-11-21-0793

B) An Ordinance authorizing payment of \$2,398,755.55 for land, due diligence, and closing costs for an aquifer-protection conservation easement over a 2,057-acre tract known as the Dehnisch Ranch in Uvalde County, Texas.

2013-11-21-0794

C) An Ordinance authorizing payment of \$1,544,267.31 for land, due diligence, and closing costs for an aquifer-protection conservation easement over a 2,015-acre tract known as the Concan Ranch in Uvalde County, Texas.

2013-11-21-0795

D) An Ordinance authorizing payment of \$2,363,351.84 for land, due diligence, and closing costs for an aquifer-protection conservation easement over 1,923 acres, known as the Story Ranch parcels, in Uvalde County, Texas.

Councilmember Nirenberg highlighted the projects and asked of the acquisition of properties that have occurred through the voter approved initiative. Mike Frisbie stated that since approved in 2000; over 100,000 acres of land over the Edwards Aquifer have been protected. Councilmember Nirenberg stated that these were important tax initiatives that protected drinking water and land over the Edwards Aquifer.

Councilmember Nirenberg moved to adopt the proposed ordinances for Items 17A, 17B, 17C, and 17D. Councilmember Taylor seconded the motion. The motion prevailed by the following vote:

Aye: 10 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg and Krier

Absent: 1 - Soules

2013-11-21-0801

23. An Ordinance amending the Traffic Control Devices Schedules for the City of San Antonio, established in Chapter 19, Section 68 of the City Code, to add locations where new installations of traffic control devices have occurred, and remove locations where devices have been altered or removed ; providing for criminal and civil penalties for violations. [Peter Zanoni, Deputy City Manager; Anthony Chukwudolue, Director, Public Works]

Councilmember Medina spoke of the traffic control challenges on Bandera Road and requested the locations where traffic control devices would be installed. Anthony Chukwudolue replied that they would provide that information to the City Council.

Councilmember Medina moved to adopt the proposed ordinance. Councilmember Lopez seconded the motion. The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

2013-11-21-0796

18. An Ordinance authorizing submittal of four projects for funding consideration through the FY 2015-2018 Transportation Improvement Program by the San Antonio-Bexar County Metropolitan Planning Organization. [David Ellison, Assistant City Manager; John Dugan, Director, Planning and Community Development]

Councilmember Soules stated that he had pulled said item to call attention to the Harry Wurzbach/Austin Highway Intersection and stress its importance. He noted that they had been working on the Harry Wurzbach Corridor for many years improving mobility into Fort Sam Houston.

Councilmember Soules moved to adopt the proposed ordinance. Councilmember Taylor seconded the motion. The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

2013-11-21-0802

24. An Ordinance amending Chapter 5 of the City Code to require the sterilization of reclaimed dogs and cats following the first impoundment; providing for criminal penalties and publication. [Erik Walsh, Deputy City Manager; Kathy Davis, Director, Animal Care Services]

Councilmember Soules moved to amend Chapter 5 Amendments to include the following exemptions: 1) Pets that have a current license and are wearing a license tag; 2) Pets that have an implanted and registered microchip. Councilmember Krier seconded the motion. The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

26. Consideration of the following Board, Commission and Committee appointments for the remainder of unexpired terms of office to expire May 31, 2015, to be effective immediately upon the receipt of eight affirmative votes, or, in the event eight affirmative votes are not received, ten days after appointment; or for terms and effectiveness as otherwise indicated below: [Leticia M. Vacek, City Clerk]

A) Appointing Guadalupe G. Ochoa (District 5) and reappointing Paul C. Stahl (District 7) to the San Antonio Public Library Board of Trustees.

B) Reappointing Anne C. Larme (District 1) and Donna Jean McBee (District 3) to the Disability Access Advisory Committee.

C) Appointing Michael (Alex) Nava (Mayoral), Dan Weingart (District 8) and Glenn MacTaggart (District 10) to the Port Authority of San Antonio effective December 1, 2013.

D) Appointing Adriel Alvarez (District 5) to the San Antonio Youth Commission.

E) Appointing Virginia M. Brown (District 6) to the Animal Care Services Advisory Board.

F) Appointing Kristin N. Sramek (District 6) and Elizabeth Riojas (District 5) to the Citizens' Environmental Advisory Committee.

City Clerk Leticia Vacek read a correction to Item 26F and stated that Ms. Sramek represented District 6 and not District 2.

- G) Reappointing Christopher R. Martinez (District 6) to the Zoning Commission.
- H) Appointing Linda M. Jackson (District 6) to the Ethics Review Board.
- I) Appointing Mark Potter (District 5) to the Building Standards Board.
- J) Reappointing Andrew M. Anguiano (District 3) to the Port Authority of San Antonio.
- K) Appointing John W. Salmons, Jr. (District 6) to the San Antonio Housing Trust.
- L) Appointing Lester Bryant to the Goal Setting Committees.
- M) Consideration of applicants for two (2) At-Large slots to the Building Standards Board.

For Item 26M, Councilmember Taylor moved to appoint Stuart Johnson in the Historic Preservation Professional Category and William G. Curtis III in the Commercial Rental Property Manager Category of the Building Standards Board as recommended by the Quality of Life Council Committee. Councilmember Viagran seconded the motion. The motion prevailed by the following vote:

Aye: 10 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg and Krier

Absent: 1 - Soules

- N) Consideration of Appointments to the Planning Commission (4 slots).

For Item 26N, Councilmember Saldaña moved to appoint Marcello Martinez, Jody Sherrill, Angela Rinehart, and Michael Garcia to the Planning Commission as recommended by the Infrastructure and Growth Council Committee. Councilmember Viagran seconded the motion.

The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

2013-11-21-0804**O) Consideration of Applicants to the Building-Related and Fire Codes Appeals Advisory Board – 16 Primary At-Large Positions**

For Item 26O, Councilmember Saldaña moved to appoint the following individuals to the Building Related and Fire Code Appeals Advisory Board as recommended by the Infrastructure and Growth Council Committee.

David BuShea	A/C and Refrig Contractor, Union
Jeff S. Beyer	A/C and Refrig Contractor, Open Shop
Robert G. Hanley	Architect
Michael Leonard	Commercial Building Contractor
Rodney C. Oliver	Electrical Engineer
Andre S. Garabedian	Fire Protection Engineer
Timothy D. Kerley	Master Electrician, Open Shop
James R. Caccamesse	Master Electrician, Union
Alvis "Randy" Hunter	Master Plumber
Michael O'Day	Master Plumber, Union
Michael J. Rust	Multifamily Building Owner/Manager
Christopher Garcia	Plumbing or Mechanical Engineer
Bryan E. Smith	Registered Building Contractor
Jack Uptmore	Registered Building Contractor
Arthur S. Sitterle	Master Electrician
Moises A. Cruz	Structural Engineer

Councilmember Viagran seconded the motion. The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

2013-11-21-0815

- 37.** An Ordinance approving a Chapter 380 Economic Development Grant Agreement in the amount of \$200,000.00 with the San Antonio Economic Development Corporation to help fund the retention and continued growth of local bioscience start-up company StemBioSys, Inc. [Carlos Contreras, Assistant City Manager, Rene Dominguez, Director, Economic Development]

Councilmember Nirenberg highlighted the project and asked of the mission of StemBioSys. Peter Savas, CEO of StemBioSys stated that the platform technology comes from the UT Health Science Center and believes it will change the fundamentals of Stem Cell Science.

Councilmember Nirenberg asked of the World Stem Conference. Ed Davis stated it would be held in San Antonio in December 2014. He noted that it would be an excellent opportunity to meet with researchers and others interested in Stem Cell Research.

Councilmember Nirenberg moved to adopt the proposed ordinance. Councilmember Lopez seconded the motion. The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

Councilmember Nirenberg recused himself from Items 47 and 48 by exiting the Council Chambers and noting that he had submitted the recusal forms to the City Clerk.

The City of San Antonio City Council recessed and convened as the City of San Antonio, Texas Education Facilities Corporation to consider the following:

EFC 2013-11-21-0001R

47. A Resolution of the City of San Antonio, Texas Education Facilities Corporation authorizing the issuance of up to \$50,000,000.00 in principal amount of "City of San Antonio, Texas Education Facilities Corporation Higher Education Revenue Improvement Bonds (Trinity University Project), Series 2014." [Carlos Contreras, Assistant City Manager; Rene Dominguez, Director, Economic Development]

Director Saldaña moved to approve the resolution. Director Taylor seconded the motion. The motion prevailed by the following vote:

Aye: 10 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Krier and Soules

Abstain: 1 - Nirenberg

The City of San Antonio, Texas Education Facilities Corporation adjourned and the City of San Antonio City Council reconvened and considered the following:

2013-11-21-0041R

48. A Resolution approving the issuance of up to \$50,000,000.00 in principal amount of Higher Education Revenue Improvement Bonds by the City of San Antonio, Texas Education Facilities Corporation for Trinity University. [Carlos Contreras, Assistant City Manager; Rene Dominguez, Director, Economic Development]

Councilmember Saldaña moved to approve the resolution. Councilmember Taylor seconded the motion. The motion prevailed by the following vote:

Aye: 10 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Krier and Soules

Abstain: 1 - Nirenberg

CONSENT AGENDA ITEMS

Councilmember Taylor moved to approve the remaining Consent Agenda Items. Councilmember Saldaña seconded the motion. The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

2013-11-21-0778

5. An Ordinance authorizing execution of a contract with Ready Snacks of San Antonio, LLC to provide healthy snack vending services in City-owned and leased facilities with anticipated revenue of \$3,500.00 annually, which will be deposited into the appropriate General Fund, Special Revenue Fund or Enterprise Fund. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance]

2013-11-21-0779

6. An Ordinance authorizing the following contracts establishing unit prices for goods and services for an estimated annual cost of \$892,000.00: (A) Municipal Emergency Services, Inc. for fire hoses, (B) Saeco Electric & Utility for drilling wood & steel pole foundations, (C) GlaxoSmithKline, LLC, Novartis Vaccines & Diagnostics, Regimed Medical and Sanofi Pasteur, Inc. for vaccines and biologicals, (D) WebQA, Inc. for open records module support for Freedom of Information Act (FOIA) and (E) Frio Nevada Corporation d/b/a Go Professional Environmental Mgt. for Janitorial, Supplemental Conversion/Labor, and Rigging Services at the Alamodome. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance]

2013-11-21-0780

7. An Ordinance ratifying an Amendment and Extension for the Personal Protective Clothing contract for Firefighters with Morning Pride Manufacturing, LLC, beginning October 1, 2013 and ending January 31, 2014, for an amount up to \$110,000.00 utilizing the FY 2014 General Fund. [Erik J. Walsh, Deputy City Manager; Charles N. Hood, Fire Chief]

2013-11-21-0781

8. An Ordinance authorizing an amendment in the increased amount of \$821,323.00 to the \$216,785.00 professional services agreement with Freese and Nichols, Inc. for additional design services for Belford Area Drainage, which was initially a \$1.8

million 2007 Bond Savings project which became fully funded with an additional \$8 million in 2012-2017 General Obligation Bonds, located in Council District 3. [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Capital Improvements Management Services]

10. Consideration of the following actions related to improvements for the Stinson Park 5 Diamond Little League Complex, a 2012-2017 Bond Program-funded Project, located in Council District 3. [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Capital Improvements Management Services]

2013-11-21-0783

A) An Ordinance authorizing the execution of a Job Order Contract in an amount not to exceed \$135,991.00, payable to Alpha Building Corporation, to provide renovation work for the restroom facility as part of the Stinson Park 5 Diamond Little League Complex project.

2013-11-21-0784

B) An Ordinance authorizing the purchase, fabrication, delivery and installation of a new 1,100 square-foot modular concession and restroom building from Restroom Facilities, Ltd. for a total cost of \$377,000.00 from 2012-2017 Bond Program funds, available in the FY 2012 - 2017 Capital Improvement Budget.

2013-11-21-0785

11. An Ordinance authorizing the acceptance of approximately 2.0 acres of land adjacent to the Phil Hardberger Park from the Phil Hardberger Park Conservancy and authorizing a reciprocal easement agreement with Henrietta Partners for access to the newly acquired land located in Council District 8. [Gloria Hurtado, Assistant City Manager; Xavier Urrutia, Director, Parks & Recreation]

2013-11-21-0786

12. An Ordinance authorizing the acquisition of approximately 23.2 acres of land adjacent to Friedrich Wilderness Park located in Council District 8 for \$750,000.00, and authorizing \$5,000.00 for associated closing costs, all payable from the Parks Development and Expansion Venue Projects fund approved by the voters in 2000 and 2005. [Gloria Hurtado, Assistant City Manager; Xavier Urrutia, Director, Parks & Recreation]

2013-11-21-0787

13. An Ordinance authorizing an amendment and restatement of the Henry B. Gonzalez Convention Center Lease Agreement with Texas Badger Developments-1, LLC (d/b/a The UPS Store) to extend the term through December 31, 2017, provide for a five-year renewal option, incorporate terms and conditions related to the finish-out of the future business center space in the current Convention Center expansion, and modify and update other terms and conditions of the agreement. [Ed Belmares, Assistant City Manager; Michael J. Sawaya, Director, Convention & Sports Facilities]

2013-11-21-0788

14. An Ordinance authorizing an amendment to a lease agreement with Atherton Properties, Inc. dba HH Aviation to exercise the option to extend the term for five years with an option of an additional five years at the San Antonio International Airport, expected to generate \$73,502.53 in revenue annually. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]

2013-11-21-0789

15. An Ordinance authorizing the execution of the 2nd Renewal and Extension of Lease Agreement for four years between the City of San Antonio and USAA Real Estate Company for approximately 1,219 square feet of office space located at 9830 Colonnade Boulevard, Suite 165, in Council District 8 for the continued operation of a Constituent Field Office. [Ben Gorzell, Chief Financial Officer; Jorge Perez, Director, Building and Equipment Services]

2013-11-21-0791

- 16B. An Ordinance authorizing the acquisition through donation and/or good faith negotiations of approximately 40.0 acres of land located in NCB 10845, 13485 and 13486 along Salado Creek in Council District 3 and NCB 18820 along Culebra Creek in Council District 6 for the Linear Creekway Development Project, a 2010 Proposition 2 Sales Tax Initiative funded project.

2013-11-21-0797

19. An Ordinance approving the submission of a grant application to the Humane Society of the United States and authorizing the acceptance of funds in an amount up to \$50,000.00 from the HSUS Pets for Life Grant for a one year term. [Erik Walsh, Deputy City Manager; Kathy Davis, Director, Animal Care Services]

2013-11-21-0798

20. An Ordinance approving the submission of grant application to Best Friends and authorizing the acceptance of funds in an amount up to \$10,000.00 from the Best Friends Feral Cats Spay/Neuter Grant for a one year term. [Erik Walsh, Deputy City Manager; Kathy Davis, Director, Animal Care Services]

2013-11-21-0799

21. An Ordinance authorizing the acceptance of cash grant funds and in-kind services for a total value in the amount of up to \$721,000.00 from Best Friends Animal Society for the expansion of the City's Trap, Neuter and Return efforts for the period of April 16, 2013 through April 15, 2015. [Erik Walsh, Deputy City Manager; Kathy Davis, Director, Animal Care Services]

2013-11-21-0800

22. An Ordinance authorizing an Agreement with Sea World for in-kind donations to Animal Care Services that will provide two free amusement park tickets to each person adopting a dog or cat from ACS for term of October 1, 2013 through September 30, 2014 with the option to renew for three additional one year terms. [Erik Walsh, Deputy City Manager; Kathy Davis, Director, Animal Care Services]

2013-11-21-0803

25. An Ordinance amending Chapter 5 and Chapter 20 of the City Code to adopt the administrative adjudication hearing procedures set out in Chapter 20 for animal care and control ordinance violations; providing for penalties and publication. [Erik Walsh, Deputy City Manager; Kathy Davis, Director, Animal Care Services]

2013-11-21-0805

27. An Ordinance authorizing an amendment to a professional services contract with BQR Advertising and Public Relations, Inc. to increase the contract value \$963,000.00 as approved in the Fiscal Year 2014 Budget. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]

2013-11-21-0806

28. An Ordinance authorizing the selection of Kimley-Horn and Associates, Inc., for negotiation and execution of a Professional Services Agreement to design a new Storm Water Utility Fee methodology and rate structure based on impervious cover, in a contract amount not to exceed \$590,000.00 as approved in the FY 2014 Budget. [Peter Zanoni, Deputy City Manager; Anthony Chukwudolue, Interim Director, Public Works]

2013-11-21-0807

29. An Ordinance authorizing the selection of Poznecki-Camarillo, Inc., and Lockwood, Andrews & Newman, Inc., for negotiation and execution of Professional Services Agreements for Program Management Services for Annual Sidewalk Projects, each in an amount not to exceed \$750,000.00 per contract period of one year, for as-needed professional services to assist Public Works Department staff in designing and managing the construction of sidewalk projects that are programmed in the annual

Infrastructure Management Program (IMP). [Peter Zanoni, Deputy City Manager; Anthony Chukwudolue, Interim Director, Public Works]

2013-11-21-0808

30. An Ordinance authorizing a professional service agreement with Telos Identity Management Solutions LLC dba Telos ID in the amount of \$125,400.00 per year, for a total contract amount of \$627,000.00, for Designated Aviation Channeling services for the San Antonio Airport System. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]

2013-11-21-0809

31. An Ordinance authorizing a second one-year extension of the contract with Dearborn National Life Insurance Company to provide Group Basic Term Life, Accidental Death and Dismemberment, Voluntary Term Life Insurance and Dependent Life Insurance coverage under the City's Self-Funded Health Benefits Program. [Ben Gorzell, Chief Financial Officer; Joe Angelo, Chief Human Resources Officer]

2013-11-21-0810

32. An Ordinance authorizing the execution of a contraband forfeiture agreement and the execution of a contraband forfeiture agreement for gambling property and proceeds, both with five-year terms commencing April 1, 2014, with the Bexar County District Attorney's Office to share proceeds from asset forfeiture cases pursuant to Chapters 18 and 59 of the Texas Code of Criminal Procedure. [Erik Walsh, Deputy City Manager; William McManus, Police Chief]

2013-11-21-0811

33. An Ordinance authorizing the extension of Line of Duty Leave for Fire Engineer Van Jones for an on the job injury, which occurred while on duty on November 2, 2010. [Erik J. Walsh, Deputy City Manager; Charles N. Hood, Fire Chief]

2013-11-21-0812

34. An Ordinance authorizing Amendment No. 2 to the Softball Lease and Management Agreement with San Antonio Amateur Softball Association to incorporate food and beverage concessions and implement other minor contract changes. [Gloria Hurtado, Assistant City Manager; Xavier Urrutia, Director, Parks & Recreation]

2013-11-21-0813

35. An Ordinance authorizing an extension and third amendment of the Alamodome Advertising License Agreement for pouring and advertising rights with Bottling Group, LLC d/b/a Pepsi Beverages Company to extend the term for ninety days through February 22, 2014, with up to three additional ninety-day extensions, as a transition period for the City to determine the provision of these services in the

future. [Ed Belmares, Assistant City Manager; Michael J. Sawaya, Director, Convention and Sports Facilities]

2013-11-21-0814

36. An Ordinance authorizing an extension and second amendment of the Alamodome Automated Teller Machine (ATM) License Agreement with CardTronics USA, Inc. for the placement of 10 ATMs at the Alamodome for a renewal period of one year through September 30, 2014, with four additional one-year renewal periods. [Ed Belmares, Assistant City Manager; Michael J. Sawaya, Director, Convention and Sports Facilities]

2013-11-21-0816

38. An Ordinance approving a Chapter 380 Economic Development Program Grant Agreement with the San Antonio Economic Development Corporation to provide \$500,000.00 in funding for the establishment of an SAEDC Investment Fund, and authorizing the SAEDC Board to approve projects at \$50,000 or less from the Fund. [Carlos Contreras, Assistant City Manager, Rene Dominguez, Director, Economic Development]

2013-11-21-0818

40. An Ordinance acknowledging and accepting the actuarial review of audits of the San Antonio Fire and Police Pension Fund and the Fund's response to the review. [Ben Gorzell, Jr., Chief Financial Officer; Troy Elliott, Finance Director]

2013-11-21-0819

41. An Ordinance authorizing an agreement with the Witte Museum for collaboration in assessing childhood health behavior and bio-metric data through the Witte's "H-E-B Body Adventure" interactive exhibit for a total amount not to exceed \$250,000.00, beginning upon execution of the agreement and continuing through the life of the Exhibit, and authorizing an amendment to increase compensation to the University of Texas Health Science Center at San Antonio contract for health provider education and outreach to an amount not to exceed \$382,170.00 for the remainder of the agreement ending on September 30, 2016. [Gloria Hurtado, Assistant City Manager; Dr. Thomas L. Schlenker, Director of Public Health]

2013-11-21-0820

42. An Ordinance authorizing the submission of an application and subsequent acceptance, if any, of a Promise Zone Designation in Council Districts 2 and 3. [David Ellison, Assistant City Manager; John Dugan, Director, Planning and Community Development]

2013-11-21-0821

43. An Ordinance approving revisions to the City's Housing Policy Guidelines for Community Development Block Grant and Home Investment Partnership Program. [David Ellison, Assistant City Manager; John Dugan, Director, Planning and Community Development]

2013-11-21-0039R

44. A Resolution casting the City's 914 votes for the City's Nominee, Roberto C. Trevino, to the Bexar Appraisal District Board of Directors for a term of office to begin on January 1, 2014, and expire on December 31, 2015. [Leticia M. Vacek, City Clerk]

2013-11-21-0040R

45. A Resolution of the City of San Antonio requesting and approving the issuance by the City of San Antonio, Texas Empowerment Zone Development Corporation of \$39,900,000 in aggregate principal amount of its Contract Revenue Empowerment Zone Refunding Bonds (Drury Southwest Hotel Project), Series 2013A and Series 2013B, the proceeds of which will be loaned to Alamo National Building Development, LP, a Missouri Limited Partnership, to provide funds to refund the Corporation's Outstanding Contract Revenue Empowerment Zone Bonds (Drury Southwest Hotel Project), Series 2005 and Series 2007 which were issued to finance the redevelopment of the Former Alamo National Bank Building into a hotel, and approving other matters related thereto [Carlos Contreras, Assistant City Manager; Rene Dominguez, Director, Economic Development]

The City Council of San Antonio recesses and convenes as the City of San Antonio, Texas Empowerment Zone Development Corporation to consider the following:

EZDC 2013-11-21-0001R

46. A Resolution of the City of San Antonio, Texas Empowerment Zone Development Corporation authorizing the issuance of \$39,900,000 in aggregate in principal amount of City of San Antonio, Texas Empowerment Zone Development Corporation Contract Revenue Empowerment Zone Refunding Bonds (Drury Southwest Hotel Project), Series 2013A and Series 2013B; authorizing the execution of a Loan Agreement, an Indenture of Trust, a Tax Agreement, and a Purchase Contract; calling certain Outstanding Empowerment Zone Bonds for redemption; and approving other matters in connection therewith [Carlos Contreras, Assistant City Manager; Rene Dominguez, Director, Economic Development]

CONSENT ITEMS CONCLUDED

RECESSED

Mayor Castro recessed the meeting at 12:10 pm. He announced that the meeting would resume at 3:30 pm for Zoning.

RECONVENED

Mayor Castro reconvened the meeting at 3:35 pm and addressed the Zoning Items.

CONSENT ZONING ITEMS

Councilmember Saldaña moved to approve Items Z-2, P-3, Z-4, Z-5, Z-6, and Z-7 under Consent Zoning. Councilmember Lopez seconded the motion.

Mayor Castro called upon Jack M. Finger to speak.

Mr. Jack M. Finger spoke in opposition to the Childcare Facility requested for Items P-1 and Z-1. He expressed concern that the Plan Amendment for Item P-2 was too intense and would change the character of the neighborhood. He noted his opposition to the proposed Boarding Home in Item Z-3.

Faris Hodge, Jr. submitted written testimony in favor of Items 49, P-1, Z-1, P-2, Z-2, P-3, Z-4, Z-5, Z-6, Z-7, P-4, Z-8, and Z-9.

The motion to approve the Consent Items prevailed by the following vote:

Aye: 9 - Mayor Castro, Bernal, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg and Krier

Absent: 2 - Taylor and Soules

2013-11-21-0822

Z-2. ZONING CASE # Z2013206 (District 2): An Ordinance amending the Zoning District Boundary from "I-2 EP-1" Heavy Industrial Facility Parking/Traffic Control Overlay District to "R-6 EP-1" Residential Single-Family Facility Parking/Traffic Control Overlay District on Lots 11 and 12, Block 44, NCB 1234 located at 515 and 519 Rotary. Staff and Zoning Commission recommend approval.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY

DESCRIBED HEREIN AS: LOTS 11 AND 12, BLOCK 44, NCB 1234 TO WIT: FROM "I-2 EP-1" HEAVY INDUSTRIAL FACILITY PARKING/TRAFFIC CONTROL OVERLAY DISTRICT TO "R-6 EP-1" RESIDENTIAL SINGLE FAMILY FACILITY PARKING/TRAFFIC CONTROL OVERLAY DISTRICT.

2013-11-21-0823

P-3. PLAN AMENDMENT #13049 (District 4): An Ordinance amending the future land use plan contained in the United Southwest Communities Plan , a component of the Comprehensive Master Plan of the City, by changing the future land use of a 1.528 acre tract of land located at the southeast corner of New Valley Hi Road and Ray Ellison Drive from Low Density Residential to Community Commercial. Staff and Planning Commission recommend approval. (Associated Zoning Case # Z2013205)

2013-11-21-0824

Z-4. ZONING CASE #Z2013205 (District 4): An Ordinance amending the Zoning District Boundary from "R-6 AHOD" Residential Single-Family Airport Hazard Overlay District to "C-2 AHOD" Commercial Airport Hazard Overlay District on 1.528 acres out of Parcel 24, NCB 15148 located on a portion of the 8600 Block of Ray Ellison Boulevard. Staff and Zoning Commission recommend approval pending the plan amendment. (Associated Plan Amendment Case #13049)

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: 1.528 ACRES OUT OF PARCEL 24, NCB 15148 TO WIT: FROM "R-6 AHOD" RESIDENTIAL SINGLE FAMILY AIRPORT HAZARD OVERLAY DISTRICT TO "C-2 AHOD" COMMERCIAL AIRPORT HAZARD OVERLAY DISTRICT.

2013-11-21-0825

Z-5. ZONING CASE # Z2013216 (District 5): An Ordinance amending the Zoning District Boundary from "I-1 AHOD" General Industrial Airport Hazard Overlay District to "C-3NA AHOD" General Commercial Nonalcoholic Sales Airport Hazard Overlay District on 1.106 acres out of NCB 8114 and NCB 12771 located at 1334 South General McMullen Drive. Staff and Zoning Commission recommend approval.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: 1.106 ACRES OUT OF NCB 8114 AND NCB 12771 TO WIT: FROM "I-1 AHOD" GENERAL INDUSTRIAL AIRPORT HAZARD OVERLAY DISTRICT TO "C-3NA AHOD" GENERAL COMMERCIAL NONALCOHOLIC SALES AIRPORT HAZARD OVERLAY DISTRICT.

2013-11-21-0826

- Z-6.** ZONING CASE # Z2013215 (District 5): An Ordinance amending the Zoning District Boundary from "R-4 AHOD" Residential Single-Family Airport Hazard Overlay District and "IDZ AHOD" Infill Development Zone Airport Hazard Overlay District with uses permitted in "R-4" Residential Single-Family District and "NC" Neighborhood Commercial District to "RM-4 AHOD" Residential Mixed Airport Hazard Overlay District on Lots 1 and 2, Block 5, NCB 2569 located at 246 East Cevallos Street and 323 Clay Street. Staff and Zoning Commission recommend approval.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: LOTS 1 AND 2, BLOCK 5, NCB 2569 TO WIT: FROM "R-4 AHOD" RESIDENTIAL SINGLE-FAMILY AIRPORT HAZARD OVERLAY DISTRICT AND "IDZ AHOD" INFILL DEVELOPMENT ZONE AIRPORT HAZARD OVERLAY DISTRICT WITH USES PERMITTED IN "R-4" RESIDENTIAL SINGLE-FAMILY DISTRICT AND "NC" NEIGHBORHOOD COMMERCIAL DISTRICT TO "RM-4 AHOD" RESIDENTIAL MIXED AIRPORT HAZARD OVERLAY DISTRICT.

2013-11-21-0827

- Z-7.** ZONING CASE #Z2013207 (District 6): An Ordinance amending the Zoning District Boundary from "R-6" Residential Single-Family District to "O-1" Office District on Lot 14, Block 3, NCB 17637 located at 5524 Rogers Road. Staff and Zoning Commission recommend approval.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: LOT 14, BLOCK 3, NCB 17637 TO WIT: FROM "R-6" RESIDENTIAL SINGLE-FAMILY DISTRICT TO "O-1" OFFICE DISTRICT.

CONSENT ZONING ITEMS CONCLUDED**INDIVIDUAL ZONING ITEMS**

The City Clerk read the following caption:

2013-11-21-0042R

- 49.** A Resolution authorizing initiation of incorporation proceedings by the "Committee for the Incorporation of Sandy Oaks" for approximately four (4) square miles of land located within the Extraterritorial Jurisdiction (ETJ) of the City of San Antonio

(COSA). Staff recommends denial of the request as submitted by the "Committee for the Incorporation of Sandy Oaks" with an alternate recommendation of Approval of authorization to initiate incorporation proceedings for the portion of the requested area on the east side of I.H.-37 South that totals approximately 2.4 square miles. Planning Commission recommends approval of the request as submitted by the "Committee for the Incorporation of Sandy Oaks."

John Dugan presented a Power Point regarding the request to initiate Incorporation Proceedings by the Committee for the Incorporation of Sandy Oaks. He stated that the area was located in the ETJ and totaled four square miles with a population of 3,800 individuals. He reported that staff had conducted a review of the request and that the Sector Plan recommended residential development. He indicated that the Annexation Policies state that the impact on the city's ability to further expand should be considered, as well as the impacts related to potential economic competition with a proposed new municipality. He stated that the Annexation Study Area #4 overlapped with the area proposed for Sandy Oaks. He reported that staff recommended denial of the applicant's request as submitted by the Committee for the Incorporation of Sandy Oaks. He stated that the alternate recommendation was to approve the authorization to initiate proceedings for the portion of the requested area on the east side of IH 37 South that totals approximately 2.4 square miles.

Mayor Castro called upon the individuals registered to speak.

Art Martinez de Vara, Pedro Orduno, and Adrian Spears representing the Committee to Incorporate Sandy Oaks addressed the City Council. Mr. Martinez de Vara stated that he was the Attorney representing the Committee and indicated that the four square miles were landlocked by San Antonio's ETJ and could not grow. He expressed concern that 2.3 miles were completely residential and could not run a city with strictly property taxes. He noted that poor planning has resulted in the under development of the Southside and lack of sewer, roads and economic development. Mr. Orduno stated that they had initiated this request in March 2011. He noted that their original proposal included a request to incorporate nine square miles with a population of 5,000 people. He expressed concern with the many challenges they encountered with city staff throughout the process.

Mayor Castro thanked staff for the presentation and asked of the staff recommendation. Mr. Dugan replied that staff recommended denial of the applicant's request with an alternate recommendation to allow incorporation of the 2.4 miles of residential area. He noted that city staff would work with the community to recommend extension of the ETJ south of the Priest Road Intersection to add a commercial tax base. He added that long term; they would need more than three retail operations to run a government. Mayor Castro stated that he would like staff to work with the Committee to Incorporate Sandy Oaks to pursue alternatives that would work for them and for the City of San Antonio.

Councilmember Saldaña recognized the efforts of the individuals that live in the Sandy Oaks Area but noted that their position was counter to city policies.

Councilmember Nirenberg thanked the Sandy Oaks Residents for their efforts. He noted that the City of San Antonio's policies were clear and felt that denial of the request was in the best interest of the City and the residents of Sandy Oaks. He asked that staff work with the residents of Sandy Oaks to ensure that services are being met.

Councilmember Viagran commended the residents of Sandy oaks for their efforts but noted that the area was key to the City of San Antonio's growth and prosperity. She noted that city staff would continue to work with the residents of Sandy Oaks.

Councilmember Bernal asked of the future options for Sandy Oaks Residents. Mr. Dugan replied that they need a revenue source to operate a town and that they were looking toward the area at Priest Road which is the entry to the Waterwood Subdivision. He stated that there was potential for a good tax base in terms of Commercial and Light Industrial Development. He noted that services would need to be provided and that city staff would work with them on possible ETJ Releases.

Councilmember Saldaña moved to approve the staff recommendation. Councilmember Viagran seconded the motion. The motion prevailed by the following vote:

Aye: 8 - Mayor Castro, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg and Krier

Nay: 1 - Bernal

Absent: 2 - Taylor and Soules

Items P-1, Z-1 and P-2 were addressed jointly.

CONTINUED TO DECEMBER 5, 2013

P-1. PLAN AMENDMENT #13051 (District 1): An Ordinance amending the future land use plan contained in the Near Northwest Community Plan, a component of the Comprehensive Master Plan of the City, by changing the future land use of a 2.0131 acre tract of land located at 244 and 250 Sherwood Drive from Urban Low Density Residential land use to Community Commercial land use. Staff recommends denial and Planning Commission recommends approval. (Associated Zoning Case # Z2013211)

CONTINUED TO DECEMBER 5, 2013

- Z-1.** ZONING CASE # Z2013211 (District 1): An Ordinance amending the Zoning District Boundary from "R-5 AHOD" Residential Single-Family Airport Hazard Overlay District to "C-2NA AHOD" Commercial Nonalcoholic Sales Airport Hazard Overlay District on Lots 51, 52 and the east 12 feet of Lot 9, Block 2, NCB 8417 located at 244 and 250 Sherwood Drive. Staff recommends denial. Zoning Commission recommends approval, pending the plan amendment. (Associated Plan Amendment Case # 13051)

CONTINUED TO DECEMBER 5, 2013

- P-2.** PLAN AMENDMENT #13052 (District 1): An Ordinance amending the future land use plan contained in the Near Northwest Community Plan, a component of the Comprehensive Master Plan of the City, by changing the future land use of a 0.8368 acre tract of land located at 256 Sherwood Drive from Urban Low Density Residential land use to Community Commercial land use. Staff recommends denial and Planning Commission recommends approval.

Councilmember Bernal moved to continue Items P-1, Z-1 and P-2 until December 5, 2013. Councilmember Medina seconded the motion. The motion prevailed by the following vote:

Aye: 11 - Mayor Castro, Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Soules

Item Z-3 was addressed at this time.

DENIED

- Z-3.** ZONING CASE # Z2013140 CD (District 3): An Ordinance amending the Zoning District Boundary from "R-5" Residential Single-Family District to "R-5 CD" Residential Single-Family District with a Conditional Use for a Boarding Home with No More than 16 Residents on Lot 6, Block 7, NCB 12914 located at 2522 Hollyhill Drive. Staff and Zoning Commission recommend denial.

John Jacks presented Item Z-3 and stated that staff and the Zoning Commission recommended denial. He reported that of 26 notices mailed; one was returned in favor and nine were received in opposition. He noted that the Jupe Manor Neighborhood Association was opposed to the request. He added that the following conditions would apply to the operation of nonresidential conditional use permitted within any residential district unless otherwise approved by the City Council: 1) There shall be no exterior display or sign with the exception that a nameplate, not exceeding three square feet in area, may be permitted when attached to the front of the main structure; 2) No construction features shall be

permitted which would place the structure out of character with the surrounding residential neighborhood; and 3) Hours of operation shall not be permitted before 7:00 am or after 6:00 pm. He stated that should the requested zoning be approved, staff recommends waiver of the hours of operation limitation as the facility offers 24-hour care. He added that the case would require nine votes for approval due to more than 20% opposition from the adjacent property owners.

Mayor Castro called upon the individuals registered to speak.

Glenda Ellison addressed the City Council in opposition to the zoning request. She expressed concern with the increase in parking and traffic and stated that the Boarding Home would negatively impact the neighborhood.

Valentin Andrade stated that he was the property owner and a Vietnam Veteran. He noted that he currently had authority to house six individuals but would like to increase that to 12 individuals. He indicated that parking would not be an issue and asked the City Council to approve his request.

Arlene Sheppard addressed the City Council in opposition to the request. She stated that she lived next door and expressed concern with parking and traffic issues. She also noted concerns with the impact that the Boarding Home would have on the character of the neighborhood.

Written testimony was received in opposition to the request from the Eastern Triangle Implementation and Management Group and the Jupe Manor Neighborhood Association. A petition was received with 88 signatures in opposition to the zoning request.

Councilmember Viagran asked if the existing Single-Family Zoning allowed up to six people living in the Assisted Living Facility. Mr. Jacks confirmed same. Councilmember Viagran stated that she understood the concerns regarding parking and traffic, as well as the impact to the character of the neighborhood.

Councilmember Viagran moved to deny the request for Item Z-3. Councilmember Saldaña seconded the motion. The motion prevailed by the following vote:

Aye: 9 - Mayor Castro, Bernal, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg and Krier

Absent: 2 - Taylor and Soules

Items P-4 and Z-8 were addressed jointly.

2013-11-21-0828

P-4. PLAN AMENDMENT #14001 (District 8): An Ordinance amending the future land use plan contained in the North Sector Plan, a component of the Comprehensive Master Plan of the City, by changing the future land use of a 2.19-acre tract of land located on Texas Elm west of the intersection of Huebner Road and Lockhill-Selma Road from Suburban Tier to General Urban Tier. Staff recommends approval. Planning Commission recommendation pending the November 13, 2013 public hearing. (Associated Zoning Case: Z2014009)

2013-11-21-0829

Z-8. ZONING CASE #Z2014009 ERZD (District 8): An Ordinance amending the Zoning District Boundary from "C-3R ERZD MLOD-1" General Commercial Restrictive Alcoholic Sales Edwards Recharge Zone Camp Bullis Military Lighting Overlay District to "MF-25 ERZD MLOD-1" Low Density Multi-Family Edwards Recharge Zone Camp Bullis Military Overlay District on Lot 7, Block 7, NCB 17627 located on a portion of 3838 Lockhill-Selma Road and the 4100 Block of Texas Elm. Staff recommends approval pending the plan amendment. Zoning Commission recommendation pending the November 19, 2013 public hearing. (Associated Plan Amendment Case #14001)

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: LOT 7, BLOCK 7, NCB 17627 TO WIT: FROM "C-3R ERZD MLOD-1" COMMERCIAL RESTRICTIVE ALCOHOLIC SALES EDWARDS RECHARGE ZONE MILITARY LIGHTING OVERLAY DISTRICT TO "MF-25 ERZD MLOD-1" MULTI-FAMILY EDWARDS RECHARGE ZONE MILITARY OVERLAY DISTRICT.

John Jacks presented Item P-4 and stated that it would amend the future land use contained in the North Sector Plan. He noted staff and the Planning Commission recommended approval. For Item Z-8, he reported that staff and the Zoning Commission recommended approval. He stated that of 30 notices mailed; none were returned in favor or in opposition.

Councilmember Nirenberg moved to adopt the proposed ordinances for Items P-4 and Z-8. Councilmember Saldaña seconded the motion. The motion prevailed by the following vote:

Aye: 7 - Mayor Castro, Bernal, Saldaña, Gonzales, Lopez, Nirenberg and Krier

Absent: 4 - Taylor, Viagran, Medina and Soules

2013-11-21-0830

Z-9. ZONING CASE # Z2013132 ERZD (District 9): An Ordinance amending the Zoning District Boundary from "R-6 MSAO-1 MLOD-1 ERZD" Residential Single-Family Camp Bullis Military Sound Attenuation Overlay Camp Bullis Military Lighting Overlay Edwards Recharge Zone District to "C-2NA MSAO-1 MLOD-1 ERZD" Commercial Nonalcoholic Sales Camp Bullis Military Sound Attenuation Overlay Camp Bullis Military Lighting Overlay Edwards Recharge Zone District on Lot 28, Block 31, NCB 19215 located on a portion of the 22000 Block of Wilderness Oak. Staff and Zoning Commission recommend approval. (Continued from November 7, 2013)

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: LOT 28, BLOCK 31, NCB 19215 TO WIT: FROM "R-6 MSAO-1 MLOD-1 ERZD" RESIDENTIAL SINGLE-FAMILY CAMP BULLIS MILITARY SOUND ATTENUATION OVERLAY CAMP BULLIS MILITARY LIGHTING OVERLAY EDWARDS RECHARGE ZONE DISTRICT TO "C-2NA MSAO-1 MLOD-1 ERZD" COMMERCIAL NONALCOHOLIC SALES CAMP BULLIS MILITARY SOUND ATTENUATION OVERLAY CAMP BULLIS MILITARY LIGHTING OVERLAY EDWARDS RECHARGE ZONE DISTRICT.

John Jacks presented Item Z-9 and stated that staff and the Zoning Commission recommended approval. He reported that SAWS recommended a maximum impervious cover of 50%. He noted that of 26 notices mailed; none were received in favor and five were returned in opposition.

Councilmember Krier moved to adopt the proposed ordinance. Councilmember Saldaña seconded the motion. The motion prevailed by the following vote:

Aye: 7 - Mayor Castro, Bernal, Saldaña, Gonzales, Lopez, Nirenberg and Krier

Absent: 4 - Taylor, Viagran, Medina and Soules

EXECUTIVE SESSION

Mayor Castro recessed the meeting into Executive Session at 4:30 pm to discuss the following:

Item A was addressed during the B Session the previous day.

B. 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).

C. 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).

D. 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).

RECONVENED

Mayor Castro reconvened the meeting at 5:16 pm and announced that no action was taken in Executive Session.

ADJOURNMENT

There being no further discussion, Mayor Castro adjourned the meeting at 5:16 pm.

APPROVED



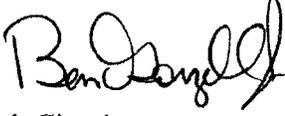
JULIÁN CASTRO
MAYOR

ATTEST:



LETICIA M. VACEK, TRMC/MMC
CITY CLERK

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL CORRESPONDENCE
CITY MANAGER'S OFFICE**

TO: Sheryl Sculley, City Manager
FROM: Ben Gorzell Jr., Chief Financial Officer 
COPIES: Mayor and City Council; Michael Bernard, City Attorney
SUBJECT: Report on Proposed Adjustments to SAWS Rates and Rate Structure
DATE: November 6, 2013

SUMMARY & RECOMMENDATIONS:

After discussions with SAWS personnel and a comprehensive review of SAWS rate proposals, Staff makes the following recommendations for City Council consideration:

- ⇒ Approval of an 5.10% system-wide increase;
- ⇒ SAWS continue to work with the City to study its pension and benefits plans and associated costs;
- ⇒ SAWS continue to provide quarterly written progress reports relating to its SSO program which outline performance of the program to include operational statistics such as miles of lines cleaned and televised and financial information;
- ⇒ Continue briefings to City Council every other month; agenda to be managed by the City and should be focused on financial performance and key policy issues; key policy issues include items such as water supply projects (Request for Competitive Sealed Proposal process), drought management plan, conservation initiatives, and rate structure; these key issues should be aligned from a policy perspective;
- ⇒ Where applicable, continue to implement efficiencies identified in the recently completed efficiency study by PA Consulting Group

BACKGROUND:

The San Antonio Water System (SAWS) has proposed adjustments to its water supply fee, water delivery and wastewater rates which are equivalent to an overall 5.1% system-wide increase. The proposed rate increase is scheduled to become effective January 1, 2014 and is expected to generate approximately \$23.6 million in additional revenues for SAWS. Briefings on the proposed rate adjustments were held on October 2nd and October 17th and covered topics such as revenue requirements, operations and maintenance budget, capital improvements program, wastewater sanitary sewer overflow (SSO) program, customer bill impacts, financial projections and proposed adjustments to the Affordability Discount Program. During the rate review that was completed earlier this calendar year, SAWS had indicated that the anticipated rate adjustment for 2014 would be 13.5%; however, SAWS made the following adjustments to reduce this request:

Previous Rate Forecast	13.5%
<hr/>	
Adjustments:	
O&M Budget Cuts	(2.9%)
Increased Revenue Projections	(2.7%)
Capital Financing Saving	(1.6%)
Removal of RFCSP Integration*	(0.6%)
Capital Budget Reallocation	(0.6%)
<hr/>	
Proposed Revised Request	5.1%
<hr/>	

*Includes capital costs related to a Regional Water Supply contract that will be brought separately for Council consideration.

REVIEW PROCESS:

The Public Utilities Staff (“Staff”) of the Finance Department conducted a comprehensive review of the proposed rate adjustments. Staff was involved in the process as SAWS was developing its revenue requirements and rate models. The review included areas such as the Economic/Rate Model; Key Financial Targets; Revenue Requirements; Proposed Capital Plan; Operations and Maintenance Budget; Financing Plan; Affordability Programs; and Credit Considerations. The following sections offer a more detailed description of the areas included in the analysis.

Sales Forecast

The projections for water consumption and the average winter consumption were reviewed taking into consideration factors such as use per bill, customer growth, historical trend patterns, and correlations to other factors such as annual rainfall. Water consumption is the estimated volume of water to be sold to SAWS customers and is utilized to project revenues for the Water Delivery and Water Supply Core Businesses. Average winter consumption is the average water usage for residential customers between November 15th and March 15th. This calculation is meant to determine the volume of water utilized excluding irrigation which is then used as a basis for volumes entering the wastewater system. The average winter consumption is utilized to project revenues for the residential segment of the Wastewater Core Business.

For 2014, SAWS has projected 56.6 billion gallons of water to be sold and average winter consumption of 5,598 gallons. Public Utilities Staff reviewed these projections and conducted regression analysis. Based on this analysis, Staff believes the projections for water consumption and average winter consumption are reasonable.

Operations & Maintenance (O&M) Budget

The proposed SAWS O&M budget for FY2014 is \$260.3 million (after capitalization). This represents a \$16.4 million or 6.7% increase from last fiscal year’s budget of \$243.9 million. Approximately \$7.2 million of this increase can be attributed to planned activities to address

Sanitary Sewer Overflows (SSOs). The following Table I summarizes historical and projected O&M expenses.

Table I – O&M History and Projections

	2009	2010	2011	2012	2013
	Actual	Actual	Actual	Actual	Projected
O&M Before Capitalization	\$ 234,478,695	\$ 227,952,429	\$223,616,376	\$268,490,334	\$276,523,966
Capitalization	(\$32,822,158)	(\$32,036,485)	(\$30,362,080)	(\$33,413,937)	(\$32,775,409)
Intercenter Transfers*				(\$1,159,517)	(\$1,496,905)
O&M After Capitalization	\$ 201,656,537	\$195,915,944	\$193,254,296	\$233,916,880	\$242,251,652

* SAWS work performed on behalf of DSP, costs represent labor transfer

	2014	2015	2016	2017	2018
	Forecast	Forecast	Forecast	Forecast	Forecast
O&M Before Capitalization	\$292,742,376	\$298,630,254	\$307,409,362	\$311,761,282	\$316,651,143
Capitalization	(\$32,429,266)	(\$32,628,897)	(\$32,628,897)	(\$32,628,897)	(\$32,628,897)
O&M After Capitalization	\$260,313,110	\$266,001,357	\$274,780,465	279,132,385	284,022,246

The growth in projected O&M expenses from 2014 to 2018 averages 2.3% annually; while the average growth in revenues is .68%. As such, it is projected that future rate increases, cost reductions, or a combination of these will be necessary to cover the expected growth in operations and maintenance expenses. Following is a brief discussion on some of the key areas of the O&M budget.

Personnel Positions

With respect to personnel positions, Table II summarizes positions at year-end from 2007 to 2012 and the authorized positions, net of turnover for fiscal years 2013 through 2015. The labor costs associated with the District Special Project (formerly Bexar Metropolitan Water District) activities are charged directly to the District Special Project (DSP) or allocated via the SAWS allocation model. As noted in Table II, the total number of budgeted positions decreased by 70 in 2014. Additional decreases in authorized positions are expected to occur in 2015 as efficiencies are realized due to the merger of SAWS and DSP. Effective in 2013, all employees of the DSP were considered SAWS employees.

Table II – Authorized Positions

	2007	2008	2009	2010	2011	2012	2013 (a)	2014 (a)	2015 (a)
SAWS	1,608	1,595	1,696	1,647	1,669	1,748			
Bexar Met/DSP	341	324	375	351	303	143			
TOTAL	1,949	1,919	2,071	1,998	1,972	1,891	1,902	1,832	1,792

(a) Budgeted positions, net of turnover.

Performance Pay

SAWS has budgeted the following for merit pay adjustments in 2014: 2% for Executive Management, 2.5% for Managers and Directors and 3% for all other employees. The average merit pay increase will be approximately 2.9% at a cost of approximately \$2.0 million. This amount represents funding for three-fourths of a year and the full cost will be realized in fiscal year 2015. For comparison purposes, the change in the CPI from September 2012 to September 2013 was 1.2%, as reported by the Bureau of Labor Statistics.

Health/Pension Benefits

SAWS offers its employees a comprehensive benefits program which includes health, dental, vision, long-term disability, life insurance and pension benefits. In 2011, SAWS announced changes to its medical insurance and retirement plans that cover active employees in order to address escalating employee benefit costs. These changes were to be phased in over eight years. During the SAWS 2012 rate discussion, Staff expressed concern that SAWS was lagging in managing the level of benefits being provided even with the proposed eight year phase-in. During their 2013 budgeting process, SAWS reduced the phase-in for the benefit changes from eight years to four years and implemented additional changes to their health benefit plan designs for employees and retirees. During 2014, SAWS will make additional changes to its healthcare plans including increasing the premiums and Out of Pocket maximums for In-Network and Out-of-Network benefits, requiring co-pays in addition to co-insurance for high cost imaging, increasing co-pays for urgent care visits, and increasing retail prescription drug costs in addition to introducing a tier for specialty prescriptions.

SAWS contributed \$12 million to an external trust in March 2012 to address post-employment, or retirement medical benefits based on funds allocated in the 2012 and prior year budgets. SAWS contributed \$4 million to the trust in FY 2013 and plans to increase the contribution to \$6 million in 2014. The current Annual Required Contribution (ARC) is approximately \$21.9 million and SAWS currently has \$11.1 million in rate support to contribute towards the ARC. The remaining balance of \$10.8 million would be equivalent to a 2.3% increase in rates to generate revenue to fully fund this requirement.

While SAWS continues to make progress in the area of health and pension benefits, Staff recommends that SAWS continue to comprehensively evaluate its pension and health benefits. In addition, SAWS should continue to work with the City to collaboratively develop strategies to minimize or prevent increases in its pension and benefits plans and associated cost.

Capital Improvement Plan

Capital requirements are a significant driver in the development of rates as funding is derived from the issuance of additional debt and equity contributions, both of which impact cash flows on an annual basis. Equity contributions include both cash funding from the Repair and Replacement Account and impact fees. Staff's review of the capital plan focused on the first 5 years (FY 2014 through FY 2018). Individual meetings with SAWS department heads and staff of each of the core business areas were conducted in order to obtain a greater understanding of the proposed capital plan, its development, as well as the prioritization of proposed projects.

All non-corporate SAWS capital projects are analyzed through an extensive prioritization process. These projects are reviewed by a CIP review team which consists of managers and directors from the submitting departments. The SAWS evaluation methodology is known as FMEA, which stands for Failure Modes and Effects Analysis. This evaluation methodology consists of reviewing the probability, impact, and cost of mitigation to ascertain the risk associated with each capital project. The team also examines whether a project can be executed efficiently and how the project can be funded, using impact fees, cash, bonds and low cost loans. The review team selects a final list of projects to be sent to the SAWS Executive Management Team (EMT) for consideration. The EMT then reviews and prioritizes all known requirements for the budget year to ensure the highest priority requirements are addressed in a timely and fiscally responsible manner. Corporate projects (i.e., Information Technology equipment replacement, Customer Information Systems) are not scored but are reviewed by the EMT for funding consideration.

SAWS' five year \$1.4 billion capital plan includes \$253 million for water resource development (includes recycled), \$800 million for wastewater projects and \$374 million for water delivery projects. Table III below summarizes the five year plan. The proposed rates will provide sufficient funding for the 2014 capital plan which consists of \$391.2 million of capital improvement projects comprised of the following:

- ⇒ \$140.1 million in Wastewater projects with 60.93% consisting of replacement related projects, 38.5% consisting of growth related projects, and .57% of other projects;
- ⇒ \$87.6 million in Water Delivery projects with 71.7% consisting of replacement related projects, 27.51% consisting of growth related projects and .79% of other projects;
- ⇒ \$160.7 million in Water Supply & Recycled Water projects which consists of \$143.6 million for Phase 1 of the Integration Pipeline project and includes funding for the purchase of additional Edwards Aquifer Groundwater Rights;
- ⇒ \$2.8 million in Chilled Water and Steam projects which includes chiller replacements and meter upgrades

Table III – 5-Year Capital Improvement Program

	2014	2015	2016	2017	2018	Total
Wastewater	\$ 140,117,472	\$ 164,353,446	\$ 182,976,050	\$ 138,053,144	\$ 174,530,113	\$ 800,030,225
Water Delivery	\$ 87,554,343	\$ 51,913,803	\$ 58,095,638	\$ 101,989,454	\$ 74,449,761	\$ 374,002,999
Water Resources	\$ 160,690,984	\$ 30,279,790	\$ 18,289,554	\$ 40,022,127	\$ 4,135,976	\$ 253,418,431
Chilled Water & Steam	\$ 2,837,500	\$ 2,055,750	\$ 752,500	\$ 7,325,000	\$ 1,311,413	\$ 14,282,163
Total	\$ 391,200,299	\$ 248,602,789	\$ 260,113,742	\$ 287,389,725	\$ 254,427,263	\$ 1,441,733,818

Attachment A provides a 5-Year Summary and a 2014 CIP Detail relating to the SAWS capital improvements program.

With respect to the percentage of capital projects committed and/or spent, a review of the results of the prior five years and YTD 2013 indicate that system-wide actual expenditures on CIP projects are equal to 65% of the total revised CIP budget dollars. SAWS has committed 82% of the total revised CIP budget dollars and expects to commit the remaining 18% within the next six months. As has been the case in the past, CIP spending in the Water Supply Business is much lower than the other business units. The unique operating characteristics of this business unit make attaining a high actual expenditure to budget ratio difficult to achieve. Water supply projects take several years to complete and these projects may face legal and regulatory hurdles.

SSO Initiative

As reflected in Table IV, SAWS is projected to spend \$37.9 million (after capitalization) in FY 2014 for operation and maintenance expenses that relate to its SSO initiative. The bulk of these expenditures consist of line cleaning (\$10.2 million), line televising (\$8.7 million), and sewer point repairs (\$7.5 million).

Table IV – SSO O&M Budget (after capitalization)

Sewer Management Program - O&M	2013 Budget	2014 Budget	2015 Budget
Program Management	\$4,638,526	\$5,630,797	\$5,743,413
Line Cleaning	\$10,175,335	\$10,166,939	\$10,370,278
GIS Inventory	\$664,117	\$0	\$0
Flow Metering	\$1,204,785	\$1,429,441	\$1,458,030
Wastewater Modeling	\$296,700	\$488,250	\$498,015
Smart Covers/SSORP/Liftstations/FOG	\$3,628,921	\$3,249,231	\$3,314,215
CCTV	\$2,694,410	\$8,734,074	\$8,908,755
Manhole/Force Main Inspections	\$308,784	\$512,920	\$523,178
Pole Camera Inspection	\$159,147	\$197,954	\$201,913
Sewer Point Repair	\$6,947,289	\$7,484,908	\$8,624,606
Totals	\$30,718,013	\$37,894,514	\$39,642,404

SAWS maintains a 5,200 mile collection system that consists of 350 miles of large diameter pipe (≥ 24 inch) and 4,850 miles of small diameter pipe. According to SAWS personnel, the most common cause of SSOs for San Antonio is grease and debris accumulation within the collection system which now accounts for approximately 75% of all SSOs. The remaining 25% of SSOs are caused by collection system structural defects, capacity constraints or other issues

Approximately 80% of SAWS SSOs occur on small diameter (<24”) mains. SAWS’ Sewer Management Program to address SSOs includes increasing the amount of small pipeline cleaning from an estimated 1,100 miles in FY 2012 to 1,500 miles in FY 2013. This volume is expected to remain at 1,500 miles in FY 2014 and FY 2015. SAWS also increased the amount of large pipeline cleaning from an estimated 27 miles in FY 2012 to 38 miles in FY 2013. SAWS expects to clean 34 miles of large diameter pipe in FY 2014 and FY 2015.

During 2013, SAWS provided Council with written quarterly report updates regarding the expenditures and results relating to its SSO Management Program. Additional details regarding the status of the SSO program can be found in the quarterly reports.

Economic/Rate Model

SAWS uses a comprehensive Cash Flow Model (“Model”) to develop financial forecasts of revenues, operations and maintenance expense, capital expenditures, capital financing including cash and debt financing, and rate requirements. The Model incorporates 20-year financial forecasts and requirements by each core business unit – Water Delivery, Wastewater, Water Supply, and Chilled Water and Steam.

The structure of the Model, which includes the calculation of the flow of funds and rate adjustment requirements, is based on the enabling ordinance of SAWS. In addition to structure under the ordinance, SAWS leadership team has developed key financial targets and policies that are designed to assist SAWS in maintaining a strong financial position, attaining its long-term financial goals, meeting the capital and maintenance requirements of four core business units, and maintaining a strong credit rating. Credit ratings are an important factor due to the level of projected capital funding required and the impact on the overall cost of borrowing.

The financial targets include such items as: Debt Service, Debt Service Coverage, Days Cash on Hand, Debt per customer, etc. Attachment B includes graphs for selected key financial measures. Financial targets were evaluated in terms of SAWS’ cash flow and system requirements. In reviewing the sufficiency of SAWS’ key financial targets, Staff reviewed several documents/items including the most recent rating agency reports for SAWS senior lien and junior lien debt, respectively, and the “2013 Water and Sewer Medians”, a report by Fitch Ratings in December 2012. This report compares the recent financial performance of Water and Sewer Utilities among various categories utilizing different financial ratios.

The analysis indicates that the current rate request will maintain or slightly improve key SAWS financial measures during the next several years. With the large capital program SAWS has planned over the next several years, strong financial measures will be essential to ensure the lowest possible financing costs along with adequate debt capacity. The proposed rate model also plans for all obligations in the flow of funds (outlined in SAWS bond ordinances) to be met as

required. As discussed in the Summary and Recommendations section, it is recommended that further policy discussion occur on topics such as the Drought Management Plan, the Water Management Plan and the SAWS Business Model to ensure that these policies/models comprehensively align. As policy decisions and direction is taken in these areas, it could have significant impact on this model.

Rate Structure Review

The 2014 rate request does not include any changes to the existing rate structure. SAWS conducts a formal review of its rate structure approximately every five years and the last review was completed in 2009. SAWS will hire an external consultant to assist with a rate structure review that will occur in 2014. SAWS requested names of individuals from Council members to serve on the Rate Advisory Committee (RAC). The SAWS Board is expected to approve the RAC members within the next two months. The consultant will work with SAWS staff and the RAC to develop recommendations that will be presented to Council.

Rate Plan and Customer Bill Impact

The proposed rate adjustments as requested by SAWS will have a combined effect of an overall increase of 5.1% in system wide revenues for Wastewater, Water Delivery and Water Supply Fee rates. If the proposed rate increase is approved, the average residential customer using 7,788 gallons would pay \$52.91 per month, an increase of \$2.58 per month from the existing rate structure. Specific percentage increases for each of the core businesses include the following: 2.5% for Water Delivery, 3.8% for Wastewater, and 13.1% for Water Supply. The increases are requested to become effective January 1, 2014. Please see the proposed residential bill impact and associated multi-year rate plan in Attachment C.

The EAA fee which is assessed to cover the operating expenses of the Edwards Aquifer Authority is projected to decrease by \$.10, from \$2.67 to \$2.57. Subject to the approval by the Edwards Aquifer Authority's Board, this decrease would be effective on January 1, 2014.

Affordability Program Update

The proposed rate adjustments would equate to an estimated \$2.58 increase per month resulting in an average residential customer bill of \$52.91. SAWS is proposing to increase the funding for the Affordability Discount Program (ADP) by 15.0% from \$2.2 million to \$2.5 million. The ADP is a discount taken off each monthly bill and it is available for those customers who have income at or below 125% of Federal Poverty guidelines and meet one of the following criteria: are elderly; are disabled; or have children under the age of 18 years.

Qualifying water and sewer customers would recognize a discount ranging from \$5.43 to \$13.63 based on a sliding scale. Also, qualifying customers who have only water or only sewer service with SAWS could recognize a discount ranging from \$3.63 to \$7.11 based on a sliding scale. The program currently has approximately 19,600 customers who receive the ADP. SAWS and the City will continue to work together to increase awareness and participation in the program. Please see Attachment D for a summary of the ADP.

This discount is in addition to the following programs which provide assistance to qualifying customers who need help paying their SAWS bill: Project Agua – Payment Assistance, Senior Citizen Billing Program and Disability Billing program. Project Agua offers an annual one-time assistance with bills. Through August 2013, this program has assisted 1,029 residents. Project Aqua offers a one-time credit of \$115 every 12 months. The Senior Citizen Billing Program grants residential customers 60 years of age and older additional time to pay their bill without incurring penalties. This program has assisted 25,031 through August. The Disability Billing program grants disabled, residential customers receiving Supplemental Security Income (SSI) for a disability an additional ten (10) days to pay their bill without incurring penalties and is on pace to assist approximately 2,400 customers in 2013.

FISCAL IMPACT:

The City receives 2.7% of gross revenues from SAWS. If the new rates become effective January 1, 2014, additional revenue of approximately \$478,000 will be generated for the remainder of the City's FY 2013-2014. On an annual basis, City payment would increase by approximately \$638,000 beginning in FY 2014-2015.

The City's utility expenses would also increase for the remainder of the current fiscal year in the amount of approximately \$154,000. On an annual basis, the City's utility expenses will increase by approximately \$205,000 beginning in FY15.

The net impact to the City will be \$324,000 in FY 2013-2014 and \$433,000 in FY 2014-2015.

CONCLUSION:

Based on the analysis outlined above, Staff's professional recommendation is for approval of the overall 5.1% system wide increase.

Please contact me if you should have any questions or require additional information.

Attachment A

List of CIP Documents

Document 1: 5-Year Summary

Document 2: 2014 CIP Detail

Attachment A

Document 1

SAN ANTONIO WATER SYSTEM CAPITAL IMPROVEMENTS PROGRAM (CIP) PROJECTIONS

Row Labels	Values					
	Sum of 2014	Sum of 2015	Sum of 2016	Sum of 2017	Sum of 2018	Sum of Total 2014-2018
Water Delivery	87,554,343	51,913,803	58,095,638	101,989,454	74,449,761	374,002,999
Corporate - WD	7,473,981	-	6,871,060	3,233,440	-	17,578,481
Governmental	27,892,911	28,870,000	17,322,000	17,322,000	17,322,000	108,728,911
Mains - New	9,001,106	5,441,071	4,102,542	34,738,463	9,845,825	63,129,007
Main Replacements - Water Production	12,900,271	8,704,882	10,947,459	6,704,769	10,232,891	49,490,272
	30,286,074	8,897,850	18,852,577	39,990,782	37,049,045	135,076,328
Wastewater	140,117,472	164,353,446	182,976,050	138,053,144	174,530,113	800,030,225
Corporate - WW	7,458,135	238,203	6,749,085	3,176,040	-	17,621,463
Governmental	15,138,812	28,357,500	15,880,200	15,880,200	15,880,200	91,136,912
Main Replacements - Sewer	87,085,883	112,305,523	90,624,746	79,375,805	80,099,259	449,491,216
Mains - New	13,883,832	113,430	7,985,472	7,486,380	113,430	29,582,544
Collection Facilities	1,724,136	8,309,315	9,388,602	113,430	13,044,450	32,579,933
Treatment	14,826,674	15,029,475	52,347,945	32,021,289	65,392,774	179,618,157
Water Resources	160,690,984	30,279,790	18,289,554	40,022,127	4,135,976	253,418,431
Edwards	10,981,750	11,046,671	11,046,671	11,046,671	-	44,121,763
Recycled Water	3,661,505	7,944,775	2,763,400	11,882,620	2,763,400	29,015,700
Regional Carrizo	-	-	-	-	-	-
Desalination	-	-	-	15,565,942	1,372,576	16,938,518
Integration	143,628,273	261,720	145,400	-	-	144,035,393
ASR	-	2,179,837	4,334,083	-	-	6,513,920
Local Carrizo	-	-	-	-	-	-
LCRA	-	-	-	-	-	-
Expanded Carrizo	1,500,528	8,846,787	-	1,526,894	-	11,874,209
Regional Water Project	-	-	-	-	-	-
Corporate - WR	918,928	-	-	-	-	918,928
Heating & Cooling	2,837,500	2,055,750	752,500	7,325,000	1,311,413	14,282,163
Heating & Cooling	2,837,500	2,055,750	752,500	7,325,000	1,311,413	14,282,163
Grand Total	391,200,299	248,602,789	260,113,742	287,389,725	254,427,263	1,441,733,818

Attachment A

Document 2

Category	Project Title	Phase	Programmed Amount
Heating & Cooling			
<i>Heating & Cooling Infrastructure</i>			
	Commerce St. Chilled Water Radio Control System Improvements	Design	\$205,000
	Meter Upgrades	Construction	\$687,500
	Chiller 6 and 7 Replacements	Construction	\$1,632,500
	Parking Lot Reconfiguration at the Market St. Heating & Cooling Plant	Construction	\$312,500
		Total	\$2,837,500
TOTAL HEATING & COOLING			\$2,837,500

Wastewater	Project Title	Phase	Programmed Amount
<i>Collection Facilities</i>	Lift Station Elimination of LS 199 & LS 200	Construction	\$1,701,450
	McAllister Park Odor Control Station Relocation	Design	\$22,686
		Total	\$1,724,136
<i>Corporate</i>	ERSS Report Development	Acquisition	\$446,460
	General Legal Expenses - WW	Acquisition	\$353,334
	Service Center Facility Project Plan - WW Share	Construction	\$6,658,341
		Total	\$7,458,135
<i>Governmental Sewer</i>	Governmental Sewer Projects	Construction	\$15,138,812
		Total	\$15,138,812
<i>Main Replacement - Sewer</i>	Annual Survey Sewer 2014	Design	\$113,430
	C-13 Broadway Corridor Phase 2: Josephine St. to S. Alamo St.	Construction	\$9,641,550
	C-33 Olmos Basin Project Phase 3	Construction	\$13,611,600
	Construction Mgt. Services	Construction	\$794,010
	Data Mgt. for Sewer System Improvements	Acquisition	\$567,150
	Main Replacements - Sewer - SAWS Crews	Construction	\$5,558,070
	San Antonio River Outfall Pipeline Rehabilitation Phase 2	Construction	\$11,796,720
	Sewer Lateral 2014	Construction	\$4,111,838
	Small and Large Diameter Sewer Main Replacements	Construction	\$29,888,805
	Unspecified Services Engineering Contract Sewer	Design	\$4,537,200
	W-6: Western Watershed Sewer Relief Line - Project 3	Construction	\$6,465,510
		Total	\$87,085,883
<i>Mains - New</i>	Cibolo Creek Sewershed Flow Diversion Project	Construction	\$8,098,902
	Sewer Main Oversizing 2014	Construction	\$567,150
	W-31 IH-10: Boerne Stage to Old Fredericksburg	Acqu./Design	\$5,217,780
		Total	\$13,883,832
<i>Treatment</i>	Dos Rios Non-Potable Water System Upgrades	Construction	\$850,725
	Dos Rios WRC Biosolids Minimization and Dewatering System Improvements	Design	\$2,835,750
	Dos Rios WRC Electrical System Improvements - Phase 1	Design	\$1,247,730
	Leon Creek WRC Rehabilitation and Process Improvements	Construction	\$6,352,080
	Salado Creek Headworks Improvements	Construction	\$3,540,389
		Total	\$14,826,674
TOTAL WASTEWATER			\$140,117,472

Water Delivery	Project Title	Phase	Programmed Amount
<i>Corporate WD</i>	ERSS Report Development	Acquisition	\$454,529
	General Legal Expenses - WD	Acquisition	\$240,776
	Service Center Facility Project Plan - WD Share	Construction	\$6,778,676
		Total	\$7,473,981
<i>Governmental Water</i>	Government Water Contracts	Construction	\$27,892,911
		Total	\$27,892,911
<i>Main Replacement - Water</i>	Annual Survey Water 2014	Design	\$115,480
	Construction Management Services - Water Delivery	Construction	\$346,440
	Meter Replacements	Construction	\$3,996,763

Attachment A

Document 2

Category	Project Title	Phase	Programmed Amount
	Open Cut Water Contract	Construction	\$1,732,200
	Replace 12" Water Main on Pleasanton Road at Medina River	Construction	\$288,700
	Unspecified Services Engineering Contract Water	Design	\$1,154,800
	Valves, Services and Meters	Construction	\$5,265,888
		Total	\$12,900,271
<i>Mains - New</i>	Micron 48-inch Water Main Extension to Anderson Tank	Acquisition	\$173,220
	Port San Antonio and Lackland AFB Water Main Improvements	Construction	\$4,362,274
	PortSA 16-inch Water Main	Construction	\$2,156,012
	Water Main Oversizing 2014	Construction	\$2,309,600
		Total	\$9,001,106
<i>Production</i>	Artesia Wells Phase 1	Design Phase 1	\$92,384
	Borgfeld Storage Tank and Pump Station Improvements	Acquisition	\$238,178
	Broadband Access Points & Programmable Logic Controllers Replacement - Phase 1	Construction	\$6,276,338
	Evans Pump Station Improvements	Construction	\$2,771,520
	Southeast Tank and Pump Station Improvements - SAWS Portion	Construction	\$4,480,624
	University Pump Station Improvements	Construction	\$5,312,080
	Water Production Facilities Disinfection System Upgrades Phase 1	Construction	\$10,393,200
	WECO Disinfection System - SAWS Portion	Construction	\$721,750
		Total	\$30,286,074
TOTAL WATER DELIVERY			\$87,554,342
Water Supply	Project Title	Phase	Programmed Amount
<i>Corporate WR</i>	General Legal Expenses - WR	Acquisition	\$918,928
		Total	\$918,928
<i>Edwards Aquifer</i>	Edwards Aquifer Acquisitions Groundwater Rights Purchase	Acquisition	\$10,981,750
		Total	\$10,981,750
<i>Recycled Water</i>	36-inch Recycled Water Main Adjustment at Military Dr. and Loop 410	Construction	\$1,519,870
	Brooks Recycled Water Pump Station Upgrade	Construction	\$759,935
	Recycled Water Customer Lines	Construction	\$1,381,700
		Total	\$3,661,505
<i>Water Resources</i>	Expanded Carrizo Design Phase 1	Design Phase 1	\$1,500,528
	Integration: Water Transmission Line and Pump Stations Phase 1	Construction	\$143,628,273
		Total	\$145,128,801
TOTAL WATER SUPPLY			\$160,690,984
DSP	Project Title	Phase	Programmed Amount
<i>Main Replacement - Water</i>	DSP Governmental Water Projects	Construction	\$6,080,224
	Engineering Design Services	Design	\$165,000
	Meter Replacements - DSP	Construction	\$1,320,000
	Open Cut Water Contract	Construction	\$550,000
	Valves, Services, and Meters	Construction	\$825,000
		Total	\$8,940,224
<i>Mains - New</i>	Potranco Road To Grosenbacher Road Water Main Extension	Construction	\$2,200,000
	Water Main Oversizing 2014	Construction	\$550,000
		Total	\$2,750,000
<i>Production</i>	DSP Clayton Tank Replacement	Design	\$412,500
	Replace New World Ground Storage Tank	Construction	\$2,763,200
	Southeast Tank and Pump Station Improvements - DSP portion	Construction	\$4,268,000
	Stone Oak Booster Pump Station and Main	Construction	\$1,980,000
	WECO Disinfection System - DSP Portion	Construction	\$687,500
		Total	\$10,111,200
TOTAL DSP			\$21,801,424
Heating & Cooling			\$2,837,500
Wastewater			\$140,117,472
Water Delivery			\$87,554,342
Water Supply			\$160,690,984
DSP			\$21,801,424
TOTAL			\$413,001,722

Attachment B

Document 1: Total Existing Senior Lien, Junior Lien, and Subordinate Lien Debt Service

Document 2: Total Existing and Proposed Senior Lien, Junior Lien, and Subordinate Lien Debt Service

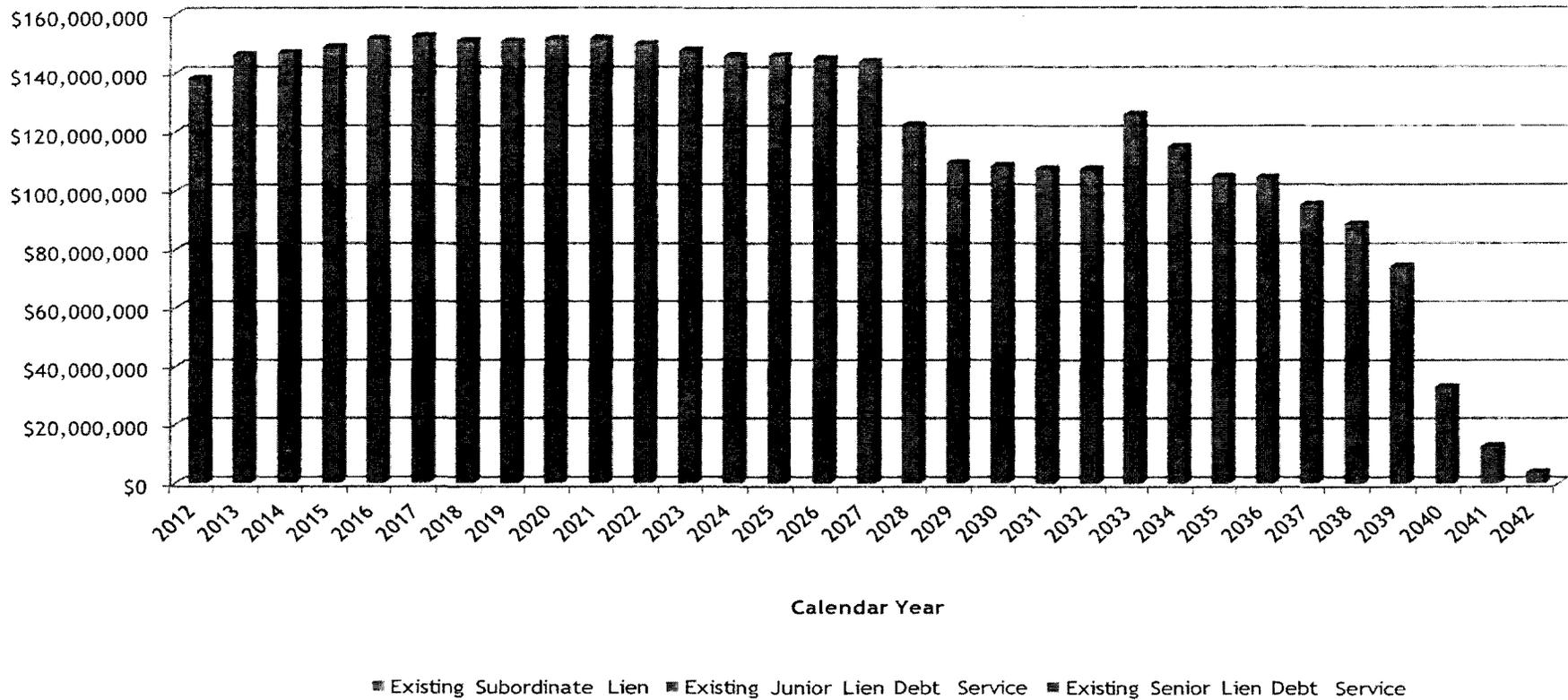
Document 3: Days Cash on Hand

Document 4: Debt Coverage Ratio - Senior

Document 5: Debt Coverage Ratio – All Bonded Debt

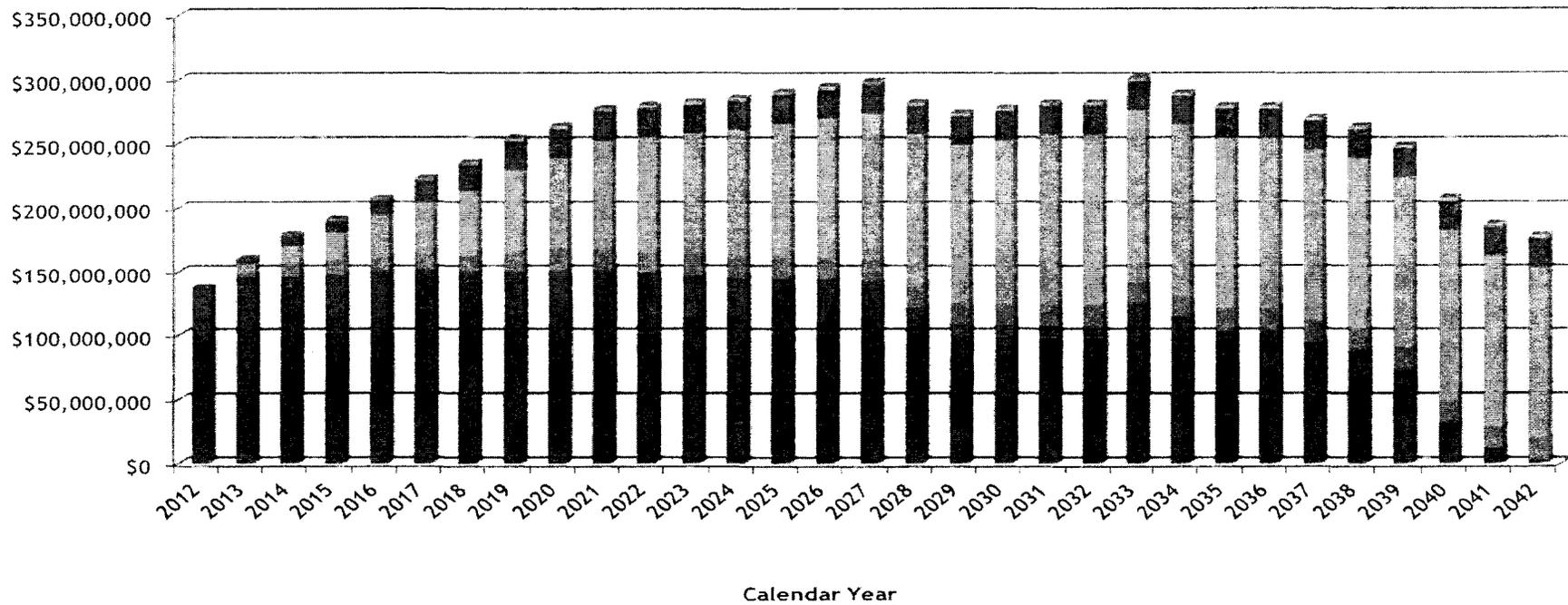
Document 6: Percentage Cash Financing of CIP

Total Existing Senior Lien, Junior Lien, and Subordinate Lien Debt Service



SAWS Existing & Proposed Senior Lien, Junior Lien, and Subordinate Lien Debt Service

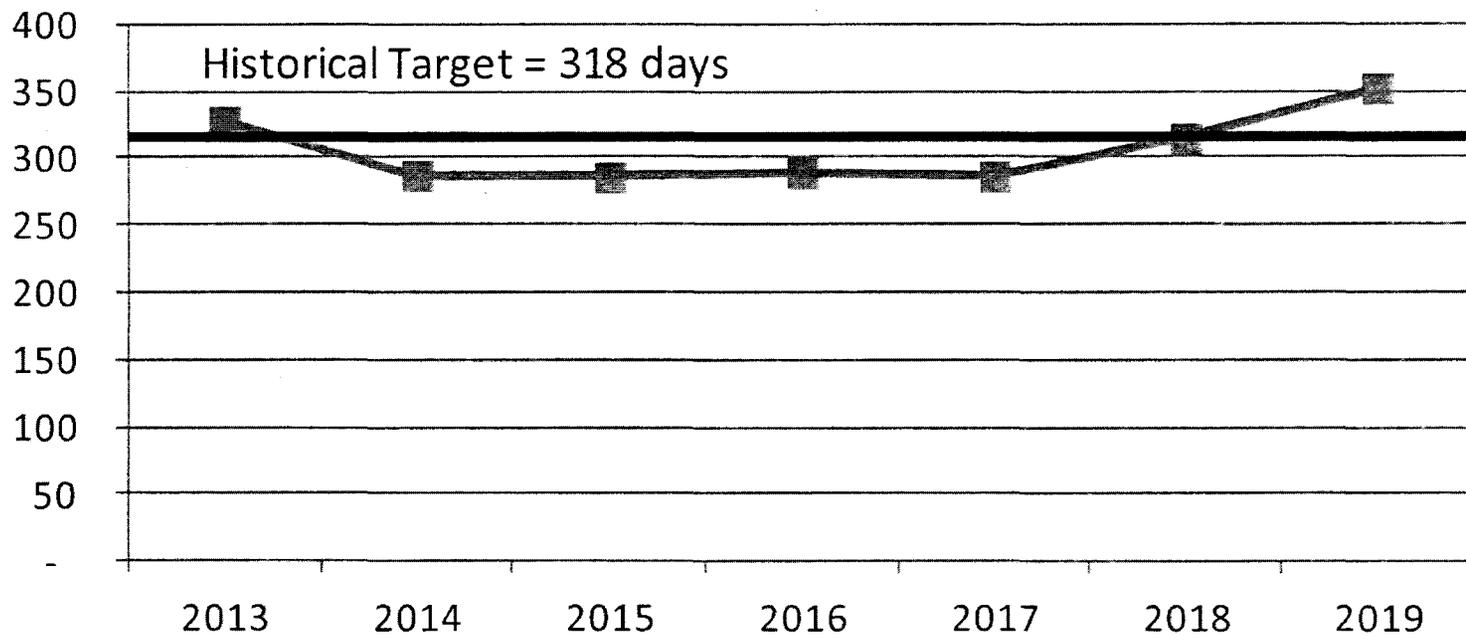
Assumes Debt Issues through 2031



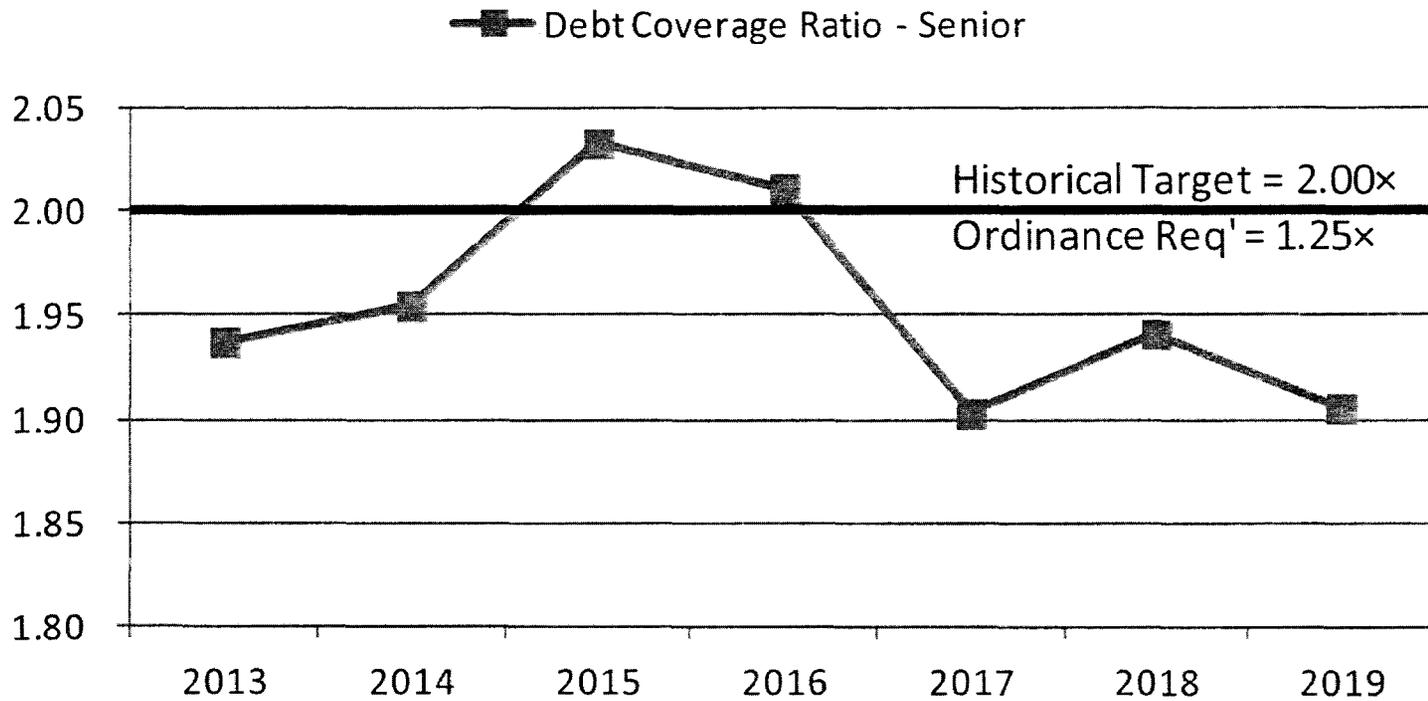
- Existing Senior Lien Debt Service
- Existing Junior Lien Debt Service
- Existing Subordinate Lien
- Total Notes Payable CIP Debt Service
- Proposed Water Delivery Debt Service
- Proposed Water Supply Debt Service
- Proposed CW&S Debt Service
- Proposed Wastewater Debt Service

Days Cash on Hand

—■— Days Cash on Hand

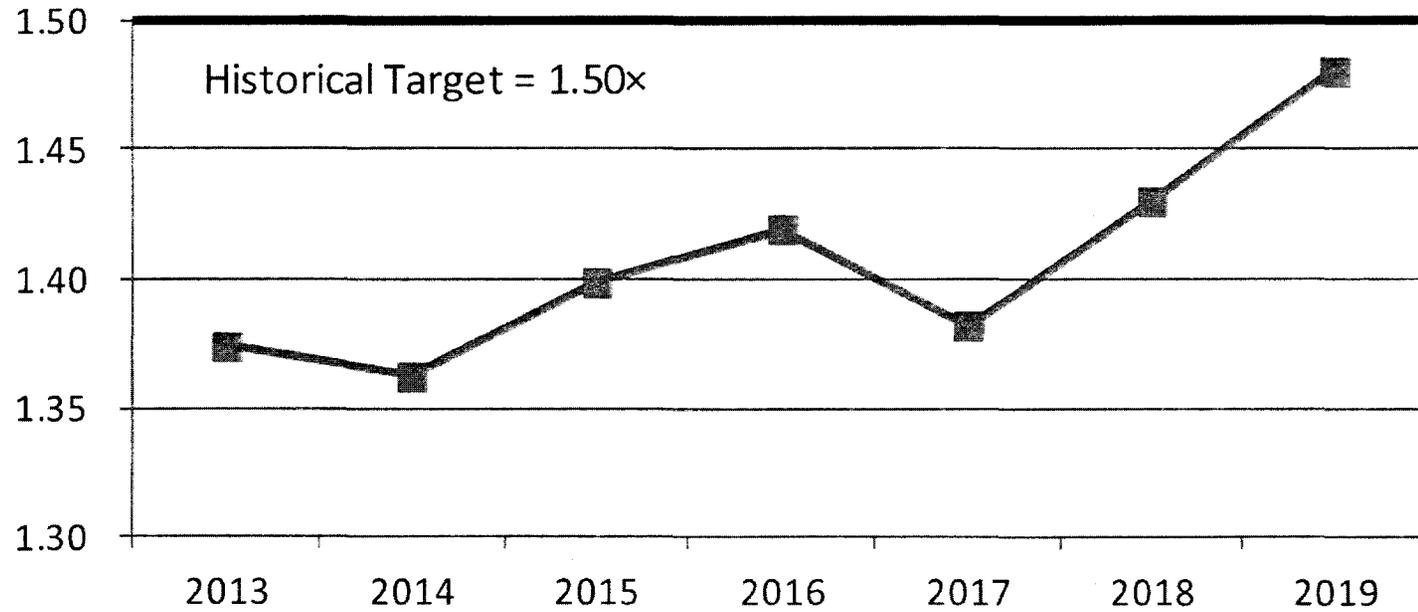


Financial Ratios (Sources & Uses)



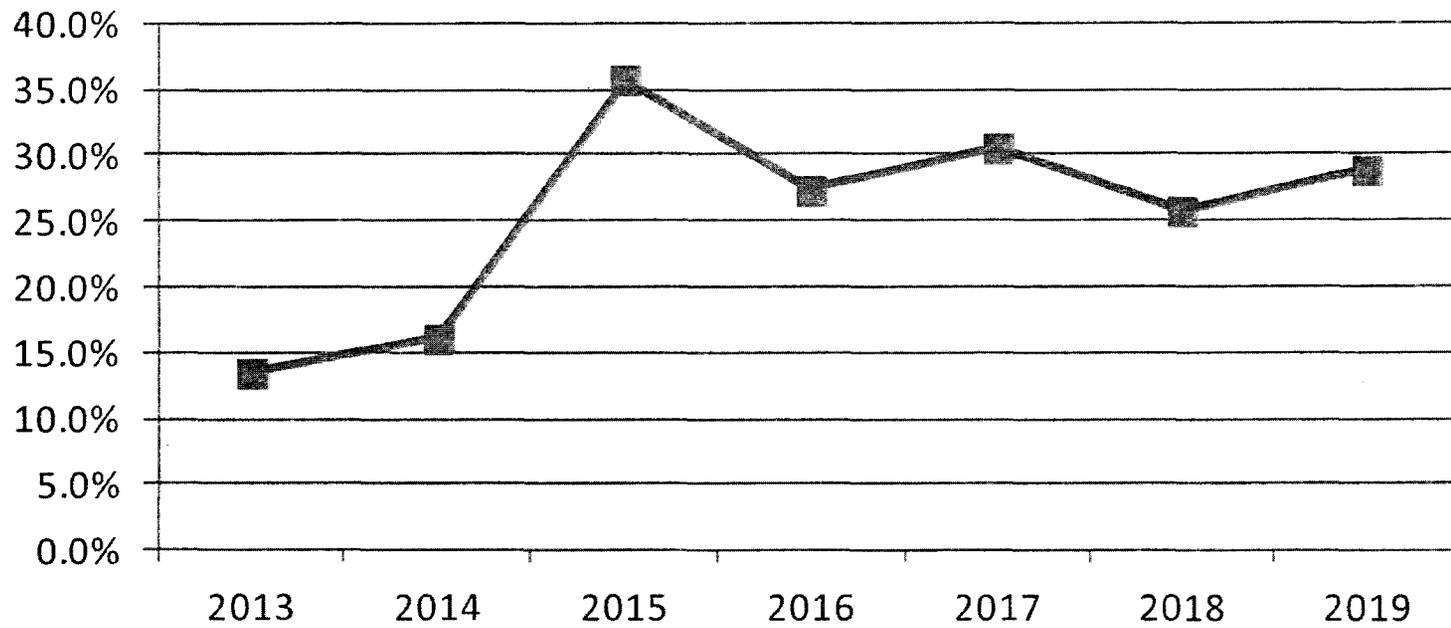
Financial Ratios (Sources & Uses)

■ Debt Coverage Ratio - All Bonded Debt & TECP



% Cash Financing of CIP

■ % Cash Financing of CIP



Attachment C

Projected Average Monthly Residential Bill

	Proposed			Projected		
	2013	2014	2015	2016	2017	2018
Water Supply	9.29	10.51	11.16	11.63	12.46	12.70
Water Delivery	15.29	15.66	16.09	16.92	17.55	18.53
Wastewater	25.75	26.74	28.46	31.14	31.14	33.53
Total SAWS	\$50.33	\$52.91	\$55.71	\$59.69	\$61.15	\$64.76
Increase \$		\$2.58	\$2.80	\$3.98	\$1.46	\$3.61
Increase %		5.1%	5.3%	7.1%	2.4%	5.9%
EAA Fee	2.67	2.57	2.97	2.97	2.97	2.97
TCEQ Fee	0.22	0.22	0.22	0.22	0.22	0.22
Total with Fees	\$53.22	\$55.70	\$58.90	\$62.88	\$64.34	\$67.98
Increase % with Fees		4.7%	5.7%	6.8%	2.3%	5.6%

Assumes water usage = 7,788 gallons & wastewater usage = 6,178 gallons, ICL, Standard rates
 Rate impact of Regional Water Supply Project has been excluded from this analysis.

Attachment D

Water and Sewer

	<u>Income at or below 50% Poverty</u>	<u>Income at or below 75% Poverty</u>	<u>Income at or below 100% Poverty</u>	<u>Income at or below 125% Poverty</u>
2013 Discount	\$ 12.97	\$ 9.07	\$ 6.49	\$ 5.17
2014 Increase	\$ 0.66	\$ 0.46	\$ 0.33	\$ 0.26
2014 Discount	<u>\$ 13.63</u>	<u>\$ 9.53</u>	<u>\$ 6.82</u>	<u>\$ 5.43</u>

Water Only

	<u>Income at or below 50% Poverty</u>	<u>Income at or below 75% Poverty</u>	<u>Income at or below 100% Poverty</u>	<u>Income at or below 125% Poverty</u>
2013 Discount	\$ 6.68	\$ 4.67	\$ 3.61	\$ 3.50
2014 Increase	\$ 0.43	\$ 0.30	\$ 0.23	\$ 0.23
2014 Discount	<u>\$ 7.11</u>	<u>\$ 4.97</u>	<u>\$ 3.84</u>	<u>\$ 3.73</u>

Sewer Only

	<u>Income at or below 50% Poverty</u>	<u>Income at or below 75% Poverty</u>	<u>Income at or below 100% Poverty</u>	<u>Income at or below 125% Poverty</u>
2013 Discount	\$ 6.29	\$ 4.40	\$ 3.61	\$ 3.50
2014 Increase	\$ 0.24	\$ 0.17	\$ 0.14	\$ 0.13
2014 Discount	<u>\$ 6.53</u>	<u>\$ 4.57</u>	<u>\$ 3.75</u>	<u>\$ 3.63</u>

ATTACHMENT I

AMENDMENTS TO CHAPTER 34, ARTICLE II OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article II, Water Service and Rates, Section 34-121, Establishment of Rate Schedules is hereby amended by deleting the language that is stricken and adding the language that is bracketed [added] as set forth herein.

Article II. Water Service and Rates

Section 34-121. Establishment of Rates and Schedules

The schedule of water service rates and charges contained in Schedule A relating to residential water customers, the schedule of water service rates and charges contained in Schedule B relating to general water customers, the schedule of water service rates and charges in Schedule C relating to wholesale water customers, and the schedule of water service rates and charges in Schedule D for irrigation water rates, as amended, attached hereto, shall be effective for all consumption on or about ~~January 1, 2012~~ [January 1, 2014] and shall be the lawful rates for water service to be charged by the System.

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article II, Water Service and Rates, Section 34-122, Rate Schedules is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

Section 34-122. Rate Schedules

Rate Schedules A, B, C and D relating to residential, general and wholesale, and irrigation customers are hereby amended and shall hereinafter read as attached hereto and incorporated herein.

AMENDMENTS TO CHAPTER 34, ARTICLE III OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article III, Sewer Service and Rates, Section 34-226, Establishment of Rates and Schedules, is hereby amended by deleting the language that is stricken and adding the language that is bracketed [added] as set forth herein.

Article III, Sewer Service and Rates

Rate Schedules A, B, and C relating to wastewater residential, general, and wholesale customers are hereby amended and shall hereinafter read as attached hereto and incorporated herein.

Section 34.226. Establishment of Rates and Schedules, Rates Schedules and Affordability Discount Analysis

The schedule of sewer service rates and charges contained in Schedule A for residential sewer service customers, the schedule of sewer service rates and charges contained in Schedule B for general sewer service customers, and the sewer service rates and charges contained in Schedule C for wholesale sewer service customers, as amended attached hereto, shall be effective for all consumption on or about ~~March 1, 2013~~ [January 1, 2014], and shall be the lawful rates for sewer service to be charged by the System.

Rate Schedules A, B and C relating to sewer service for residential, general and wholesale customers are hereby amended and shall hereinafter read as attached hereto and incorporated herein.

**AMENDMENTS TO CHAPTER 34, ARTICLE VIII OF THE SAN ANTONIO CITY
CODE**

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article VIII, Recycled Water Service and Rates is hereby amended by deleting the language that is stricken and adding the language that is bracketed [added] as set forth herein.

Article VIII, Recycled Water Service and Rates

Section 34-1301. Establishment of Rates.

The rates and charges for recycled water service which will be applied to all recycled water consumption beginning on or about ~~January 1, 2012~~ [January 1, 2014] are set out in Schedule F to this Chapter and shall be the lawful rates for recycled water service to be charged by the System.

**AMENDMENTS TO CHAPTER 34, ARTICLE IX OF THE SAN ANTONIO CITY
CODE**

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article IX, Water Supply Fee is hereby amended by deleting the language that is stricken and adding the language that is bracketed [added] as set forth herein.

Article IX, Water Supply Fee

Section 34-1345. Water Supply Fee Schedule

The Water Supply Fee which will be applied to all consumption beginning on or about ~~March 1, 2013~~ [January 1, 2014] is set out in Schedule E to this Chapter. Such water supply fee schedule shall remain in effect as set out in Schedule E until the System's Board of Trustees and Council of the City of San Antonio determine that an additional adjustment is necessary to most effectively meet the water supply development needs of system customers.