

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



**FINAL  
Meeting Minutes  
City Council B Session**

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

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Wednesday, October 21, 2015

2:00 PM

Municipal Plaza Building

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The City Council of San Antonio convened in the "B" Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call with the following Councilmembers present:

**PRESENT:** 10 - Mayor Taylor, Treviño, Warrick, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, and Gallagher

**ABSENT:** 1 - Krier

Mayor Taylor announced that Councilmember Nirenberg was attending the meeting via Videoconference. Mrs. Vacek announced that Councilmember Krier was in Washington, D.C. on City Business.

1. A Briefing by City staff on its professional recommendation to the City Council on the proposed modifications to the water and sewer rate structure including changes to the residential, general, irrigation, and wholesale class rates and proposed rate adjustments. [Ben Gorzell, Chief Financial Officer]

Ben Gorzell presented a Power Point regarding the San Antonio Water Systems (SAWS) Proposed Rate Structure and Adjustments. He stated that SAWS had conducted a Cost of Service Study five years ago and the Rate Design Recommendations for Water and

Wastewater. He provided a Residential Rate Comparison between Existing Blocks and the proposed Rate Design and highlighted the customers per block for the Whole System and Affordability Customers. He outlined the Affordability Scale and the amount of discount that eligible customers would receive.

Mr. Gorzell explained the SAWS 2016 Flow of Funds totaling \$594.6 Million. He provided an overview of the Operating and Maintenance Budget totaling \$307.1 Million. He highlighted the Positions that would be added in 2016 within Customer Service, Water Leak Repair, Field Services Representatives, Consent Decree Support, and Technology Enhancement Support. He provided an overview of the Compensation and Benefits of SAWS Employees that include a 3.6% Performance Pay Pool, Healthcare, and Pension Benefits. He spoke of the 2016 Capital Budget totaling \$235.6 Million and noted how it would be allocated for Waste Delivery, Wastewater, Water Resources, and Chilled Water.

Mr. Gorzell presented information on the Sanitary Sewer Overflow Reduction Program noting that SAWS would invest \$250 Million in Operating Costs and \$840 Million in Capital Costs from 2013 through 2023. He provided an overview of the Current Water Supplies and reported that the Brackish Desal Project would provide additional water by 2017. He highlighted Water Conservation Efforts that would continue to be focused on in the long-term. He provided a timeline for the Vista Ridge Project which would provide an additional 50,000 acre-feet of water by 2020. He reported the 2016 through 2020 Rate Adjustments and the Monthly Bill Impact by Consumption. He mentioned the Rate Plan Assumptions and stated that they expected the actual rate requirements to be less than projected in the Rate Plan. He noted that the Rate Model was appropriately conservative and consistent with the high Bond Rating. He stated that staff recommended the following: 1) Approve the Proposed Rate Structure; 2) Approve a 7.5% Increase for 2016; 3) Approve the Rate Plan for 2017-2020; 4) Provide outreach and additional assistance to Affordability Customers in blocks 4 through 8; 5) Monitor the Affordability Program in relation to future rate increases; 6) Improve Customer Service Business Processes; and 7) Focus on Water Loss.

Mayor Taylor thanked staff for the presentation and asked of the process before future rate increases are approved. Mr. Gorzell replied that SAWS would be required to provide information to the City Council prior to the next rate increase in 2017 as information and assumptions could change. Mayor Taylor asked of the due diligence of City Staff in regard to the Vista Ridge Project. Mr. Gorzell explained the process followed by staff last year noting that they attended the negotiation sessions and that Public Utilities Staff conducted a review in coordination with the City Attorney's Office. He noted that they had reviewed the contract documents and how the deal was being structured. Mayor Taylor asked about the point at which SAWS would incur risk on the Vista Ridge Project. Mr. Gorzell stated

that it was the responsibility of Abengoa Vista Ridge to get the project to Financial Close. He noted that if they could not do that; SAWS could terminate the deal. He stated that if SAWS terminated the deal during the development phase, SAWS would be responsible for reimbursement of development costs thus far. He added that SAWS was only responsible for paying for water received.

Mayor Taylor asked of the rating of Abengoa's Debt. Mr. Doug Evanson of SAWS stated that it was something they continued to monitor and that their credit rating was the same as when they entered into the contract. Mayor Taylor asked of Abengoa's separate entities. Mr. Evanson explained that SAWS had entered into a contract with Abengoa Vista Ridge and that even if the parent company, Abengoa SA, had a financial default; they could not attach themselves to the assets that exist within Abengoa Vista Ridge. He stated that the only tie to the parent company was with respect to the \$2 Million Guarantee they issued on behalf of Abengoa Vista Ridge which would be reimbursed to SAWS if they did not reach Financial Close. Mayor Taylor thanked everyone for the information and stated that she looked forward to the additional outreach to customers in need of assistance.

Councilmember Gallagher asked what the Category entitled "Other" regarding Operating and Maintenance consisted of. Mr. Gorzell replied that it was a catch all that could include items such as Office Supplies, Travel, Training, or other line items totaling less than \$1 Million. Councilmember Gallagher asked if the additional Meter Reader Positions were included in the new positions added at SAWS for 2016. Mr. Gorzell stated that they were not included in the "2016 Positions Added." Councilmember Gallagher asked of the SAWS Performance Pay. Mr. Gorzell stated that there was a 3.6% Performance Pay Pool of the salaries of everyone in the organization and it was distributed based on an employee's annual evaluation.

Councilmember Gallagher asked of the delay in the Brackish Desal and Expanded Regional Carrizo Water Supply Projects. Mr. Gorzell stated that due to the Vista Ridge Project; there was not a need to implement Phases II and III of the projects at this time. Councilmember Gallagher asked of the Rate Adjustments being approved by the City Council. Mr. Gorzell replied that they would approve a Rate Increase of 7.5% for 2016 and a Rate Cap of 7.9% for 2017. He stated that SAWS would be responsible for justifying the 7.9% prior to the increase being implemented. He noted that they were requesting a Rate Cap for the Water Supply Fee in 2018, 2019, and 2020. Councilmember Gallagher expressed concern that they did not have enough information to make decisions on 2018 through 2020. He stated that he was pleased with the conservative Rate Model presented and congratulated everyone on their work.

Councilmember Viagran asked of the Water Loss reported by SAWS annually. Mr. Puente

replied that Water Loss was also called Non-Revenue Water and consisted of water that was used and not paid for. He stated that an example was the use of fire hydrants by Firefighters which was not metered, water used by SAWS at their facilities, as well as water leaks. Councilmember Viagran asked when the Attorney General would have to receive confirmation that the rates cover the debt. Mr. Gorzell replied that at Financial Close, SAWS would have to demonstrate to the Attorney General's Office that they have the operational support to cover the liability. Councilmember Viagran asked of the funding for the Affordability Program. Mr. Gorzell stated that \$2.7 Million was allocated for the Affordability Program in 2016. Councilmember Viagran thanked staff for the presentation and stated that she looked forward to improved customer service and business processes.

Councilmember Warrick asked of the Affordability Customers in Block 8. Mr. Gorzell stated that SAWS was working with the six Affordability Customers in that block to find out why they were using so much water. Mr. Puente added that they were working with these customers to see if they had leaks and ensure that they were fixed. Councilmember Warrick asked of the timeline and goal for Water Loss Reduction. Mr. Puente stated that Water Loss was an ongoing issue and there was no set timeline. However, he noted that they were working to reduce the amount of Water Loss and were working with a Consultant on same.

Councilmember Nirenberg asked when Financial Close would occur. Mr. Gorzell replied that they projected it would occur during the second quarter of 2016 but could change as the project progresses. Councilmember Nirenberg asked of the Conservation Goal of 16,500 acre-feet of water saved by 2020. Mr. Puente stated that the goal was included in the 2012 Water Management Plan and based on the Water Conservation Programs operated by SAWS.

Councilmember Treviño asked of the Abengoa Vista Ridge Corporate Structure being shielded from its parent company. Mr. Evanson explained that SAWS had entered into a contract with Abengoa Vista Ridge and that the parent company was unable to access the Special Purpose Entity. He further explained that they had an Equity Contribution Agreement and that Abengoa Vista Ridge was a stand alone entity. Councilmember Treviño requested to have an opinion in writing regarding the ties of the parent company to Abengoa Vista Ridge.

Councilmember Nirenberg asked of the savings that could be achieved by keeping irrigation practices as they are today and conserving water from the Aquifer Storage and Recovery (ASR) Project. Mr. Puente stated that they had not looked at the idea in great detail but would provide additional information to the City Council once they had the opportunity to review.

Councilmember Lopez asked of the Replacement Cycle for Meters and how it affected Water Loss. Mr. Puente stated that they had replaced 100,000 meters and had to replace a total of 500,000. He noted that the meters slowed down once they reached 15 years of age which drove up Water Loss. Mr. Gorzell added that they had made a lot of progress over the last few years with the Meter Replacement Program.

Councilmember Medina referenced the Water Loss for 2012, 2013 and 2014 and asked if they need to monitor same for 2015. He stated that there was a great appetite for Conservation and requested that a Town Hall Meeting be held in District 7 to discuss opportunities regarding same. Mr. Puente noted that the SAWS Board had recently approve the largest Commercial Rebate on the Water Conservation Program and added that the payback on Conservation was great. Councilmember Medina stated that he was hopeful that the Rate Requirements would come in lower than projected.

Councilmember Saldaña referenced the current Water Supplies and asked of the investment in the ASR. Mr. Puente replied that the City Council of 2001 had approved a Five Year Water Supply Rate Increase that paid for the ASR which was paying great dividends today. He mentioned that water from the Vista Ridge Project that was not used or sold could be stored in the ASR for future use.

Mayor Taylor asked of the key dates regarding the Rate Structure and Adjustments Process. Mr. Gorzell stated that they would brief the City Council on the Water Policy Study during the City Council Meeting on November 12, 2015. He noted that a Public Hearing on the Water Policy Study would be held that evening at 6:00 pm. He added that a second Public Hearing would be held on Water Policy Study on November 18, 2015 at 6:00 pm. He stated that the City Council would consider the Proposed Rate Structure and Increases at the City Council Meeting on November 19, 2015. Mayor Taylor thanked everyone for the presentation.

2. A Briefing on the Pre-K 4 SA Year Two Independent Evaluation by Edvance Research. [Peter Zaroni, Deputy City Manager; Kathleen Bruck, CEO, Pre-K 4 SA; Lauren Decker, Senior Researcher, Edvance Research]

Kathy Bruck presented an overview of the Pre-K 4 SA Program and stated that the Program was mandated to be independently evaluated. She stated that they had selected Edvance Research and that Rutgers University was a collaborative partner on the Independent Evaluation Project. She reported that the scope of the evaluation included an analysis of student achievement in six developmental skill areas. She noted that they would also

perform an analysis of the 2013-2014 Class compared to students that did not attend Pre-K 4 SA. She indicated that the information would be provided in a separate report since the information had just recently been provided by the Texas Education Agency. She introduced Dr. Don Barfield, President of Edvance and Dr. Lauren Decker, Senior Researcher for Edvance.

Ms. Lauren Decker spoke of the Comprehensive Evaluation performed and highlighted three findings: 1) Kindergarten Readiness; 2) Family Engagement; and 3) Professional Development. She stated that in the area of Kindergarten Readiness; Pre-K 4 SA Staff utilized the Teaching Strategies Gold Assessment conducted in the Fall, Winter, and Spring. She noted that there were six outcomes included as part of that assessment: 1) Cognitive; 2) Literacy; 3) Mathematics; 4) Oral Language; 5) Physical; and 6) Social-Emotional. Ms. Bruck provided examples of the skills involved within each of the outcomes. Ms. Decker reported that Pre-K 4 SA Students surpassed the National Average on the Cognitive Outcome when tested in the Spring. She stated that they also surpassed the National Average on the Literacy and Mathematics Outcomes when tested in the Winter and Spring. Within the Oral Language, Physical, and Social-Emotional Outcomes; she reported that Pre-K 4 SA Students were significantly behind when they started the school year but ended the school year on par with the National Average.

Ms. Decker reported that Family Engagement was significant in the Pre-K 4 SA Program, noting that of 1,500 students; 4,700 Unique Adults participated in at least one or more activity over the year. She highlighted the Pre-K 4 SA Professional Development Activities that included 35 Saturday and Summer Academies. She stated that 55% of participants returned within the school year to attend more Professional Development Activities.

Ms. Decker summarized the results noting that initial gaps identified at the beginning of the year were eliminated or reduced by the end of the year. Additionally, there were significant family engagements throughout the year. Lastly, the community returned for multiple professional development efforts throughout the year.

Mayor Taylor thanked everyone for the report and stated that she was pleased that they were making progress. She referenced Pre-K Results in Tennessee which showed that students who participated had initial gains but over the years; the advantage disappeared. She asked of planning for Long-Term Gains for Pre-K 4 SA. Ms. Bruck replied that they were disappointed and concerned with the Tennessee Results. However, they had looked further into the study and noted that the schools had choices of the curriculum they could use and that there was a great variation in classroom structures. She stated that Pre-K 4 SA utilized a strong research-based program model and had communicated the expectations of the instructional program from inception of the program. She noted that the strong Family

Engagement Component was included in the program to help with the transition to Kindergarten. Mrs. Sculley added that the parent participation was key to a student's success and that next steps included working with the P16 Council to better coordinate curriculum with the school districts. Mayor Taylor asked how they could make connections with Childcare Centers that do not have a strong educational focus. Ms. Bruck replied that they were looking at Childcare Centers as a group to award grants to and working with Childcare Centers on their curriculum and professional development. She stated that they would evaluate proposals for a Grant Process in January and negotiate with potential awardees to improve their quality for the Texas Rising Star Designation. Mayor Taylor asked the City Council to ensure that community organizations were aware of the grant opportunities, specifically in the East, West, and South Sides where there were less National Association for the Education of Young Children (NAEYC) Accredited and Texas Rising Star Designations.

Councilmember Saldaña stated that he was pleased with the quality of the Teachers and the results of Pre-K 4 SA thus far. He asked of the organizations that had asked to visit Pre-K 4 SA. Ms. Bruck replied that they were not supposed to release the details yet but that New America, a National Think Tank Group, had visited three cities including San Antonio to study Pre-K 4 SA and the Dual Language Programs in Harlandale and Northside ISD. She stated that they concluded that San Antonio has figured out successful ways of working with Dual Language Learners and their Families. She mentioned that Pre-K 4 SA had met with numerous entities to share information including Milwaukee, Minnesota, Sonoma County, Dallas, Fort Worth, Albuquerque, and others. Councilmember Saldaña stated that he was excited that so many entities were interested in the uniqueness of San Antonio and how the model could be used throughout the country. Councilmember Saldaña thanked everyone for their work on Pre-K 4 SA.

Councilmember Warrick asked how the evaluation compared to a NAEYC Certification. Ms. Bruck responded that NAEYC was more detailed and required that a portfolio of the program and each teacher be submitted. She stated that they were beginning the self study process and would be applying for NAEYC Certification next year. Councilmember Warrick asked how the Pre-K 4 SA Students that are now in First Grade were performing. Ms. Bruck replied that they had just received their data from Kindergarten and would be providing a report to the City Council next month. She stated that if a First Grade Assessment was conducted; they would receive the data at the end of this year. Councilmember Warrick asked of the continued disparity in the Physical Outcome. Ms. Bruck stated that it was difficult to determine but that they focused greatly on Math, Literacy, and Oral Skills. Councilmember Warrick asked if more teachers utilized the Professional Development Opportunities this year. Ms. Bruck confirmed more school districts participating in the Professional Development offered.

Councilmember Warrick asked of a comparison to Head Start. Ms. Bruck stated that Head Start had a lengthy evaluation that was different than Pre-K 4 SA and was required by the Federal Government. Mrs. Sculley added that they would provide that information to the City Council. Councilmember Warrick asked if they were looking to increase the number of Pre-K 4 SA Facilities due to Annexation. Mrs. Sculley stated that they were not looking to increase the number of facilities at this time and that the Voters had approved the tax to fund Pre-K 4 SA for eight years. She noted that it was something they could look at in the future.

Councilmember Lopez thanked everyone for their great work on Pre-K 4 SA thus far and stated that the program was working as planned. He noted that the program was very important to the community and was pleased that others in the country were looking at Pre-K 4 SA as a resource.

Councilmember Viagran spoke of the connection among Pre-K 4 SA, Voices for Children, and Early Childcare Centers. She asked of opportunities to improve best practices within the local school districts. Ms. Bruck replied that they were reaching out to Principals to collaborate with Pre-K 4 SA and stated that they were working with Harlandale, Edgewood, and Southside but would continue reaching out to others. Councilmember Viagran asked if there were results for each individual Pre-K 4 SA Center. Ms. Decker stated that they had not broken up the data that way but would be able to provide that information. She noted that the primary questions received for Pre-K 4 SA were for the overall program. Councilmember Viagran asked of the goals for recruiting students for Pre-K 4 SA. Ms. Bruck stated that they had received over 4,000 applications and that all of the centers were full. She noted that there was a waiting list and that if a student withdrew; they utilized the waiting list to fill the slot.

Councilmember Gallagher thanked everyone for the information and stated that the funding for Pre-K 4 SA would have to be renewed again in 2020. He expressed support for Long-Term Evaluation of the program that would have to be provided in order for voters to approve renewal. Councilmember Nirenberg commended the Pre-K 4 SA Teachers that were very enthusiastic and all of the staff that helped make the program a success.

Mayor Taylor thanked everyone for the presentation and stated that she was pleased with the great work of the Pre K 4 SA Program.

### **EXECUTIVE SESSION**

Mayor Taylor recessed the meeting into Executive Session at 5:05 pm to discuss the following:

- A. 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).
- B. 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).
- C. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Discuss legal issues relating to a lawsuit styled Esmeralda Trevino v. City of San Antonio, Texas pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- E. Discuss legal issues related to a lawsuit styled Rogers Shavano Ranch, Ltd, et al v. City of San Antonio, 131st Judicial District Court Cause No. 2006-CI-14306, Fourth Court of Appeals Nos. 04-11-00871 and 04-11-00872, pursuant to Texas Government Code Section 551.071 (consultation with attorney).

### **RECONVENED**

Mayor Taylor reconvened the meeting at 6:00 pm and announced that no action was taken in Executive Session.

### **CITIZENS TO BE HEARD**

Mayor Taylor called upon the citizens registered to speak under Citizens to be Heard.

Danny Petri addressed the City Council and expressed concern with the improper zoning of the Planned Parenthood Facility located at 2140 Babcock Road. He asked the City Council to do the right thing for the residents of Dreamhill Estates.

Mike Knuffke also expressed concern with the incorrect zoning of the Planned Parenthood Facility located at 2140 Babcock Road and the Independent Third Party hired to review same. He noted that the State of Texas had stopped funding Planned Parenthood.

Patrick Von Dohlen expressed concerns with the Unified Development Code Amendments and the improper zoning of the Planned Parenthood Facility located at 2140 Babcock Road. He referenced a letter from Rodney C. Olivier, Chair of the Building-Related and Fire Code Appeals Advisory Board recommending that the City Council review the base zoning issue of the facility or send it to the Board of Adjustments.

Nazirite Ruben Flores Perez commended Councilmember Gallagher on the Grand Opening of the New Multi-Service Center located in District 10. He expressed concern with the celebration of Halloween.

Faris Hodge, Jr. submitted written testimony referencing a \$4.7 Million Grant to end Veteran Homelessness. He submitted various newspaper articles regarding the apartments near the Missions, Uber returning to San Antonio, and Challenging Healthcare Costs. He wrote that VIA was providing better service without a fare increase.

**ADJOURNMENT**

There being no further discussion, Mayor Taylor adjourned the meeting at 6:32 pm.

APPROVED



IVY R. TAYLOR  
MAYOR

ATTEST:



LETICIA M. VACEK, TRMC/CMC/MMC  
CITY CLERK