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CITY CLERK

2016 MAY 25 PM 5: 14

City of San Antonio



AGENDA City Council B Session

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, June 1, 2016

2:00 PM

Municipal Plaza Building

The City Council of San Antonio will convene in the "B" Room of the Municipal Plaza Building at 2:00 P.M. for discussion and possible action on the following:

- 1.** A Briefing by the San Antonio Water System (SAWS) to include but not be limited to the following topics: [Robert R. Puente, President & CEO, SAWS]
 - A. Rate Structure
 - B. Vista Ridge Project
 - C. Customer Service

At any time during the meeting, the City Council may recess into executive session 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).

Adjourn

5:00 P.M. – If the Council has not yet adjourned, the presiding officer shall entertain a motion to continue the council meeting, postpone the remaining items to the next council meeting date, or recess and reconvene the meeting at a specified time on the following day.

5:15 PM (may be heard after this time) - Ceremonial Recognitions

6:00 P.M. (may be heard after this time) - Public Hearing

2. A Public Hearing for the FY 2017 Action Plan and Budget for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD) which include the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME) Program, HEARTH Emergency Solutions Grant (HESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program. [Peter Zanoni, Deputy City Manager; Bridgett White, Interim Director, Planning and Community Development]

6:00 PM (may be heard after this time) - Citizens to be Heard

At any time during the meeting, the City Council may meet in executive session for consultation concerning attorney-client matters under Chapter 551 of the Texas Government Code.

DISABILITY ACCESS STATEMENT

This meeting site is wheelchair accessible. The Accessible Entrance is located at the Trevino Alley Entrance, south side. Accessible Visitor Parking Spaces are located at City Hall, 100 Military Plaza, north side. Auxiliary Aids and Services, including Deaf interpreters, must be requested forty-eight [48] hours prior to the meeting. For assistance, call (210) 207-7268 or 711 Texas Relay Service for the Deaf.

For additional information on any item on this agenda, please visit www.sanantonio.gov or call 207-7080.

CITY COUNCIL MEETING

ROLL CALL - B SESSION

DATE: June 1, 2016

NAME	ROLL CALL	MOTION	SECOND	ABSTAIN	AYE	NAY	ABSENT
Roberto C. Treviño DISTRICT 1	✓						
Alan E. Warrick DISTRICT 2	✓						
Rebecca J. Viagran DISTRICT 3	✓						
Rey Saldaña DISTRICT 4	✓						
Shirley Gonzales DISTRICT 5	✓						
Ray Lopez DISTRICT 6	✓						
Cris Medina DISTRICT 7	✓						
Ron Nirenberg DISTRICT 8	✓						
Joe Krier DISTRICT 9	✓						
Michael R. Gallagher DISTRICT 10	✓						
Ivy R. Taylor MAYOR	✓						

COMMENTS:

Item 1

San Antonio Water System Update

Robert R. Puente

President / Chief Executive Officer

June 1, 2016



San Antonio City Council





June 1, 2016

Customer Service Successes



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San Antonio Water System Update

Customer Service Improvements

Continuous Improvement Focus

2016

Continue to Stabilize the Department

- Locate and Read All Meters
- Replace all Faulty or “Sick” Meters
- Meter Reading Route Optimization
- Review of Existing Processes
- Dedicated Additional Resources

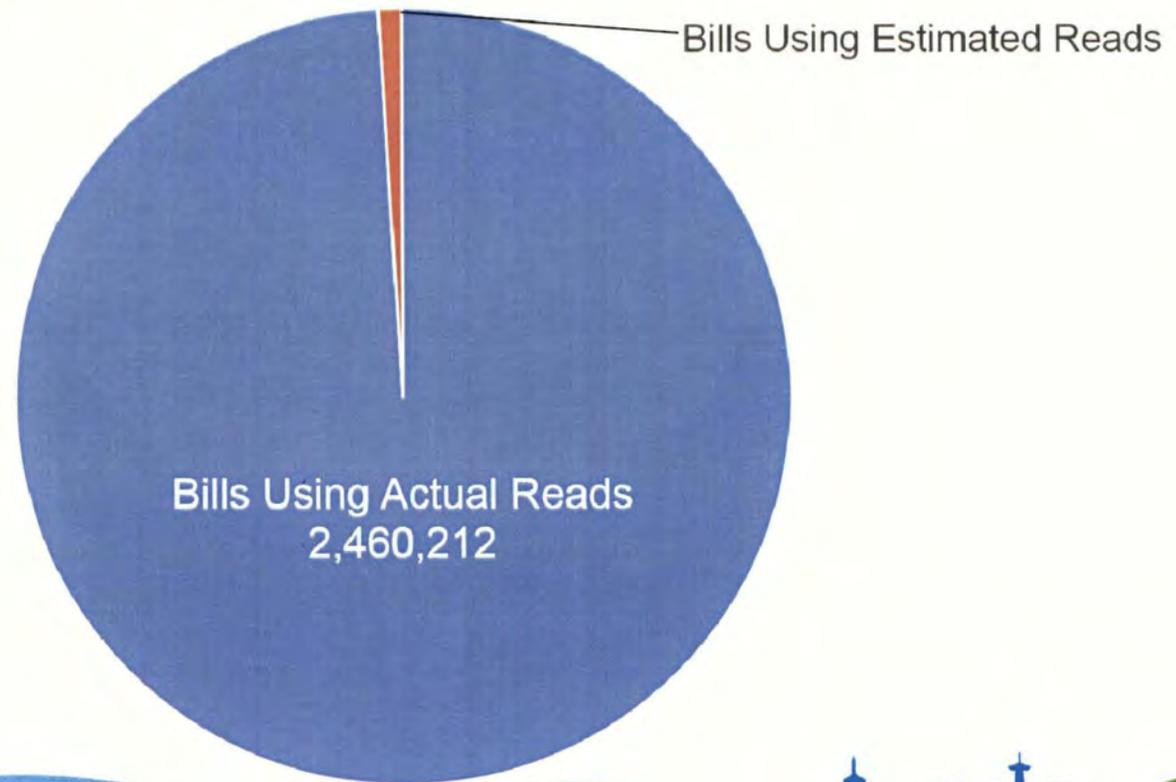
2017 and Beyond

Continuous Process Improvements

Evaluation & Implementation of Technological Aids

Reading More than 99% of All Meters Monthly

2016 Year to Date Meter Reading Performance



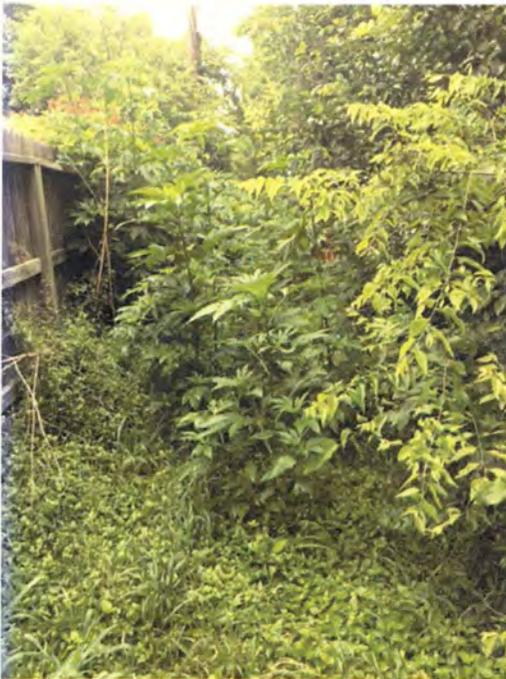
Meter Reading Challenges

Reasons for Meter Estimations



Meter Reading Challenges

Meter Access in Alleys





June 1, 2016

Water Rate Structure Changes



San Antonio Water System Update



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Water Rate Structure

Approved Changes

- Residential Lifeline Supply Block (~3,000 gallons)
 - Reduction in rate
 - Reduction on fixed charges
- Encourage conservation/Send price signal sooner
 - Increase number of rate blocks from 4 to 8
- Eliminate seasonal rates
 - Reinforce efficient use 365 days a year

Residential Water Rate Comparison

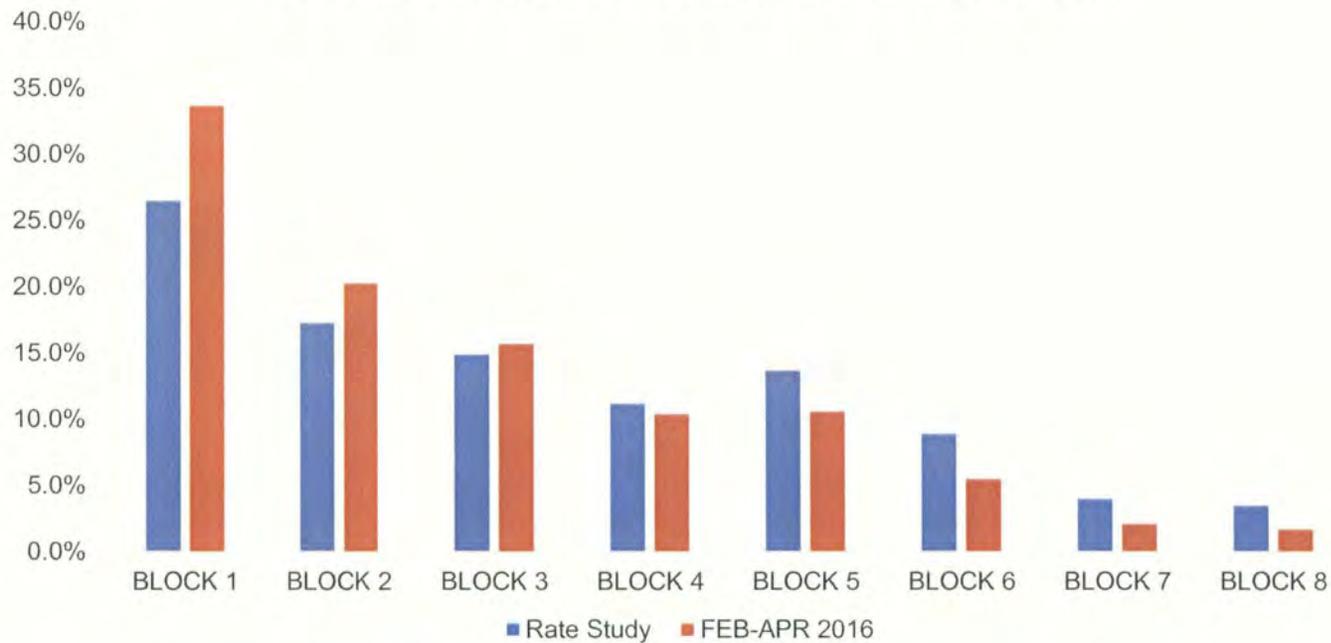
Restructured Rates Provide Lifeline Supply Rate With Earlier Price Signals



Residential Water Usage

YTD 70% of customers have used less than 6,000 gallons/month

Percent of Customers Ending in Each Rate Block



Vista Ridge Project

Leadership Change of Vista Ridge



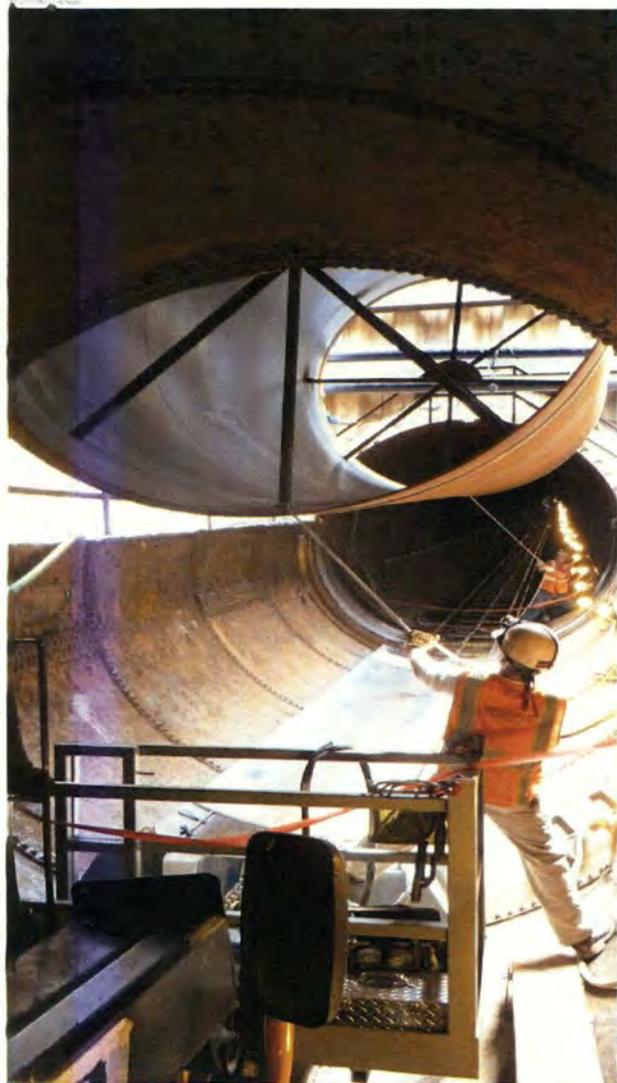
ADVANCING WATER



Vista Ridge Leadership Change

Garney to Move Project Forward

- 80% Equity / 100% of Decision Making
 - Abengoa Retains silent 20% Equity Share
 - Becomes Passive Equity Investment
- Garney may bring on Operating Service Provider
 - Part of Equity sale or solely by contract
 - Subject to SAWS Consent
 - 18 months prior to Commercial Operations



Vista Ridge Leadership Change

Changes Approved by SAWS

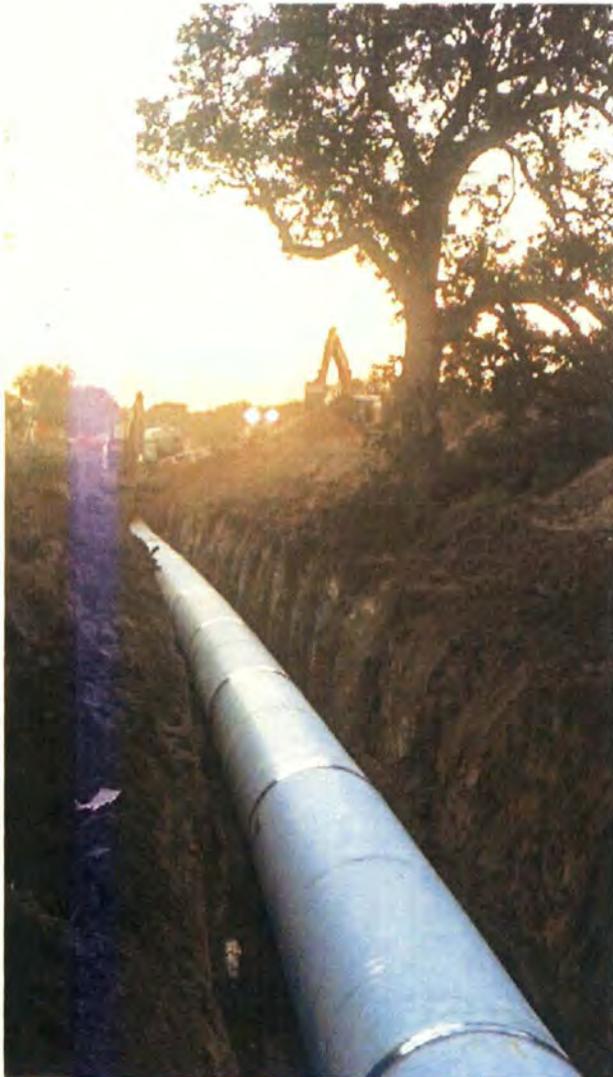
- Higher Quality Project Commitment by Garney
 - Pipe type, Well standards, Tanks, etc.
- Met Water vs. Blue Water legal claims non-suited
- Easements 100' to 85'
- Rights of Way by June 2017



Vista Ridge Leadership Change

Financial Deal Points

- Abengoa to discharge Intercompany loans
- Garney to pay unpaid contractors
- Short and Long-term financing agreements
- Resolving existing Bridge Loan
- No change to SAWS customers' fixed cost



Significant Cost Reduction of \$529 Million

Date/Contractual	Determined Rate	Capital & Raw Groundwater Unit Price	Annual Cost for 50,000 AF
Maximum	6.04%	\$1,959	\$97,950,000
Contract	5.54%	\$1,852	\$92,600,000
7/22/2015	4.97%	\$1,760	\$88,000,000
3/7/2016	4.59%	\$1,702	\$85,100,000
5/17/2016	3.92%	\$1,606	\$80,300,000

Significant Savings Realized

- \$17.65 M Annually from Maximum
- \$12.30 M Annually from Contract

30 Year Fixed Price for Water & Infrastructure

Take Advantage of Historically Low Interest Rates

- New **Fixed Price** (Capital & Raw Groundwater Unit Price)

\$529 Million lower cost

18% Reduction

Vista Ridge Moving Forward

Lowered Risk Profile

- Contract continues to protect San Antonio
- Confident of Garney's ability to lead project
- Project Risks reduced under Garney
 - Improvements for SAWS
- Higher Quality project at much lower Price
- Water for our future

San Antonio Water System Update

Robert R. Puente

President / Chief Executive Officer

June 1, 2016



San Antonio City Council