

WATER ADVISORY BOARD MINUTE RECORD

The City of San Angelo

Tuesday, June 20, 2016

OPEN SESSION

BE IT REMEMBERED the Water Advisory Board convened in a meeting at 1:30 P.M., Monday, June 20, 2016, in the San Angelo McNease Convention Center, 501 Rio Concho Drive, San Angelo, Texas. Board members present were Mike Boyd, Ben Wiese, Chuck Brown, Jonathan Jennings, Steve Floyd, and Roland Peña. Non-voting members present were Bill Riley. Staff members present were Allison Strube, Tymn Combest, Ricky Dickson, Ann Pierce, Daniel Valenzuela, Michael Dane, Theresa James, and Bryan Kendrick. Whereupon, the following business was transacted:

1. Call to Order

Mr. Boyd, Chairman of the Board, called the meeting to order at 1:30 P.M. Mr. Boyd gave the opportunity for anyone present to come forward for public comment; there was none.

2. Regular Agenda

a. Consider approving the May 10, 2016 Water Advisory Board regular meeting minutes

The minutes from the May 10, 2016 City of San Angelo Water Advisory Board meeting were presented. Motion to approve the minutes was made by Mr. Brown and seconded by Mr. Peña. The motion carried unanimously.

b. Discussion and possible action on potential water supply options including expansion of the Hickory Aquifer Groundwater Project to maximum capacity (Presentation by Water Utilities Director Bill Riley)

Potential water supply options were discussed including the Red Arroyo project, the Hickory Aquifer groundwater supply expansion, water reclamation, and Water Reclamation and Water Treatment Plant improvements. Mr. Riley stated that he felt we needed to look at all of the options as a package and develop a plan that included cost data in order to understand the debt service impact on the City's rates. Mr. Brown stated that we should recommend to Council that we expand the Hickory to its full potential. Mr. Boyd offered the opportunity for public comment. Several citizens shared their views on the various options. Mr. Boyd requested that we provide current cost and time of completion and what drilling cost would be for capital expenditure. Mr. Brown made a motion to present and recommend full expansion and development of the Hickory Aquifer to Council. Mr. Wiese seconded the motion. Motion carried unanimously.

c. Discussion and possible action on withdrawing Texas Water Development Board SWIFT funding application for the direct potable reuse project from consideration of 2016 funding (Presentation by Water Utilities Director Bill Riley)

Councilmember Grindstaff requested this item be discussed. The City submitted an application for SWIFT funding from the Texas Water Development Board for the DPR project in the amount of \$150 million. Since at this time it appears that the DPR project will not move forward the

question was asked if the City should withdraw the application. Mr. Boyd recommended and made a motion that the City withdraw the application at this particular time. Mr. Brown seconded the motion. Motion carried unanimously.

d. Discussion and possible action on the calculation and utilization of available water sources to meet current and future demands (Presentation by Water Utilities Director Bill Riley)

Mr. Riley discussed how we calculate available water supply and how we utilize the Hickory and the surface water supplies. A motion was made by Mr. Brown to recommend to Council that our water supply calculation be based on surface water availability along with the 1.5 MGD coming from the Hickory. The motion was seconded by Judge Floyd. Motion carried unanimously.

e. Presentation and possible action regarding the City's Water Conservation Plan (Presentation by Water Utilities Assistant Director Allison Strube)

Mrs. Strube discussed the current drought level plan along with possible and needed ordinance changes for more flexibility in order to be proactive in changing the drought level stage. Currently, the ordinance states that "Council shall implement each stage by resolution. Such resolution shall be published one time in the local newspaper." What would be proposed is more flexibility in movement between conservation levels, whether it be the Mayor or City Manager to have the authority to implement or retract the next level. Also, a change that needs to be implemented quickly would be how the verbiage is in the conservation plan and to state how many months of water supply we have coupled with the minimum from the Hickory. Motion was made by Mr. Peña to change the ordinance to reflect accurately how many months of supply we have to include the minimum (1.5 MGD) from the Hickory. Motion was seconded by Mr. Wiese. The motion carried unanimously.

f. Consideration of and possible action on a computer water modeling study to determine:

1. The current need for and feasibility of a new sewer treatment plant taking into consideration our other water sources and the required or desired annual water taken from each source;
2. The net gain or loss of water supply to the City if there is a cessation of the current trading of sewer water for fresh water, from Twin Buttes Reservoir under the current Agreement for Use of Reclaimed Water. The numbers and assumptions utilized in the water modeling should be agreed upon in advance by all parties and the past water use should be calculated using the reports and records of the City of San Angelo and the Tom Green County Water Control and Improvement District. (Presentation by H.R. Wardlaw III)

No action was taken on this item.

g. Discussion of the financial ability of the City and its citizens to reasonably afford and actually pay back 170-187 million dollars under a new Texas Water Development Board loan, taking into consideration the Water Department's current cash flow and the total per capita debt (City, county and SAISD) of San Angelo citizens. (Presentation by H.R. Wardlaw III)

No action was taken on this item.

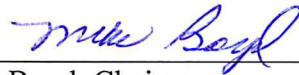
h. Announcements and Consider Future Agenda Items

Mr. Boyd asked that we work up some type of capital expense on our current facility versus whatever we think a new plant would cost 5 years from now (i.e., for the Red Arroyo, DPR, IPR, etc.) and to maintain the current plant what our normal (not O&M) capital expense would be within that 10 year timeframe. We also need to discuss infrastructure needs and what those total dollars are and where we have issues. Based on the rates we did in January what type of funds will that generate. The next meeting date is scheduled for Wednesday, August 10, 2016 at 10:00.

3. Adjournment

The meeting adjourned at 3:36 p.m.

THE CITY OF SAN ANGELO
WATER ADVISORY BOARD



Mike Boyd, Chairman

ATTEST:



Bill Riley, Secretary