



ADDENDUM 2\*  
RELEASE DATE: April 5, 2016

SOLICITATION NO: M-15-015-GC

REQUEST FOR LEASE BIDS  
ORIGINALLY RELEASED: January 4, 2016

**Regarding Additional Water Supplies in the Form of the Lease of Transferable Edwards  
Aquifer Authority Groundwater Withdrawal Rights**

=====

**Rolling Deadlines: February 5, 2016 at 2:00 PM CT**

**With lease bids being opened on a bi-weekly basis thereafter  
until December 23, 2016, at 2:00 PM. Please reference  
Addendum 1.**

**I. Project Information**

a. Scope

The San Antonio Water System (SAWS) is soliciting Lease Bids for a 2 or 5 year lease by SAWS of permitted transferable groundwater withdrawal rights from and out of Edwards Aquifer Authority (EAA) Initial Regular Permits and Regular Permits ("EAA groundwater rights"). Types of EAA groundwater rights that are transferable include those for industrial or municipal use, as well as that portion of irrigation permits designated as "unrestricted irrigation groundwater" by the EAA. SAWS will not accept groundwater rights from the portion of irrigation permits designated as "base irrigation groundwater." **SAWS will not consider Lease Bids of less than 20-acre feet. In addition, the term of the proposed 5 year lease by SAWS must begin in either 2016 or 2017. The term of the proposed 2 year Lease Bids must begin in 2017.**

b. Information and Instructions to Bidders:

1) SAWS reserves the right to reject any or all Lease Bids, to waive any minor irregularities or technicalities, and to accept Lease Bids based on the bid lease rates, evaluated from lowest to highest. Additionally, SAWS reserves the right to reject a bid where there are title or permit issues regarding the EAA groundwater rights that, in SAWS' determination, may affect the bidder's ability to lease. Incomplete Lease Bids may not be considered.

Regarding EAA groundwater rights under Lease to Third Parties: EAA groundwater rights under lease or sublease to any party other than SAWS will not be considered unless the lease or sublease expires on or before December 31, 2016.

2) All Lease Bids submitted shall be considered valid and irrevocable for a period of not less than sixty (60) days from the date they are opened by SAWS, or if notified by SAWS as to acceptance or rejection of a Lease Bid, whichever is first. A sample Lease Agreement and EAA Permit Holder letter may be viewed on SAWS' website at the following link: on [http://www.saws.org/business\\_center/ContractSol/](http://www.saws.org/business_center/ContractSol/).

Bidders should submit Lease Bids on Exhibit 1 attached to this solicitation. If the offer is accepted and, as necessary, approved by the SAWS Board, SAWS will prepare the Lease Agreement in substantially the form found on the above link, for execution by the Bidder. Bidder must return an executed Lease Agreement to SAWS no later than ten (10) business days from the date mailed by SAWS. If the executed Lease Agreement is not returned to SAWS within ten (10) business days, the Bidder will be deemed as "non-responsive" and may be eliminated as a Bidder.

Non-selected Bidders may resubmit Lease Bids anytime during the open period of this solicitation.

- 3) SAWS will accept Lease Bids from January 4, 2016 through the remainder December 23, 2016, with the first bid opening being held on February 5, 2016. Bids will be opened thereafter per the Bid Opening Schedule found on page 3 of this solicitation.
- 4) Lease payments will be made as described in the Lease Agreement.

## II. Questions and Clarifications

### a. Questions

Respondents may submit questions concerning this Lease Bid, in writing, including via e-mail. The Contact Person for this project is:

Steven Bereyso  
San Antonio Water System  
2800 U.S. Hwy 281 North  
San Antonio, TX 78212  
Email: [steven.bereyso@saws.org](mailto:steven.bereyso@saws.org)

### b. Submittal Clarification

SAWS reserves the right to request clarification to assist in evaluating the Bidder's response, when the Lease Bid response is unclear with respect to pricing, quantity or other factors. The information provided is not intended to change the Lease Bid response in any fashion.

## III. Submitting a Response

Bidder must submit the following documentation as part of their bid. Any Bidder that does not meet the following criteria may be deemed "non-responsive" and may be eliminated:

- Complete and sign the attached form (Exhibit 1- Revised 4/5/16) indicating the EAA permit number(s) of the EAA groundwater rights offered for Lease Bid, the amount of acre-feet (AF) per annum offered, the term of the offered lease (being either 2-years or 5-years, with 5-year Lease Bids beginning either January 1, 2016 or January 1, 2017 and 2-year Lease Bids beginning January 1, 2017), and the lease rate of the offered EAA groundwater rights.
  - Submit copies of all contracts and agreements affecting the EAA groundwater rights, including without limitation leases, options to buy, rights of first refusal, and all amendments, modifications and supplements thereto.
1. Submission of Bids – One (1) original Lease Bid must be submitted either in person, via mail or overnight service (Fed Ex, etc), to the following address:

San Antonio Water System  
Attn: Contract Administration  
Customer Center Building  
2800 U.S. Hwy 281 North, Suite 171  
San Antonio, Texas 78212

Upon request, and at SAWS' election, SAWS will pick up the sealed Lease Bid at bidder's requested location.

2. Responses submitted via facsimile or email will not be considered.
3. Lease Bids must be clearly marked on the outside with the solicitation name and number of this solicitation, as well as the targeted Bid Opening Date.
4. **Response Format** - Parties submitting a Lease Bid in response to this Request for Lease Bids should submit a package with the following documents in the following order:
  1. Exhibit 1 – A signed Lease Bid for Lease of EAA Groundwater Rights
  2. Copies of any leases or other documents affecting EAA groundwater rights offered for Lease Bids as described in Section I(c)(3) above

**IV. Reservation of Rights**

SAWS reserves the right to:

1. Issue a subsequent Lease Bid process;
2. Cancel the entire Lease Bid process;
3. Remedy technical errors in the Lease Bid process;
4. Waive informalities and irregularities;
5. Accept multiple Lease Bids at each bid opening;
6. Request additional information or clarification.
7. Reject any or all Lease Bids submitted.

**All responses and their contents will become the property of SAWS.**

**V. Bid Opening Schedule:** See Addendum 1.

**VI. Information Meeting Schedule:**

SAWS will hold four (4) informational meetings on the days and times provided in the chart below.

<u>Uvalde</u> January 13, 2016 11:00 a.m. – 1:00 p.m. Texas A&M Agrilife Research & Extension Center 1619 Garner Field Rd., 78801	<u>Hondo</u> January 15, 2016 11:00 a.m. – 1:00 p.m. Community Center 1014 18 <sup>th</sup> St., 78861
<u>Castroville</u> January 20, 2016 11:00 a.m. – 1:00 p.m. Louis Braden Keller Community Center 610 Madrid St., 78009	<u>San Antonio</u> January 22, 2016 11:00 a.m. – 1:00 p.m. SAWS Headquarters, Tower II, Room 145 2800 US Hwy 281 North, 78212

**SOLICITATION NO: M-15-015-GC**

**EXHIBIT 1**

*Revised 4/5/16*

**Bid for Lease of EAA Groundwater Rights**

Prepare and sign this page. It is a required document.

Use the chart below to submit a Bid Lease for a 2 year lease beginning on January 1, 2017:

<b>Permit Number</b>	<b>Acre-feet per annum offered</b>	<b>Price Per acre-foot (PPA)</b>	<b>Total Lease Cost</b>
Ex: P000-000 (UV00000)	100	\$130.00	(AF * PPA) * Term = Cost (100 * 130.00) * 5 = \$65,000.00

Use the chart below to submit a Bid Lease for a 5 year lease:

<b>Permit Number</b>	<b>Acre-feet per annum offered</b>	<b>Indicate if Lease begins in 2016 or 2017</b>	<b>Price Per acre-foot (PPA)</b>	<b>Total Lease Cost</b>
Ex: P000-000 (UV00000)	100	5, 2016	\$130.00	(AF * PPA) * Term = Cost (100 * 130.00) * 5 = \$65,000.00

Please sign using signature block below:

<b>Print Name</b>	<b>Signature</b>	<b>Telephone Number(s)</b>	<b>Address</b>	<b>Date</b>

Use additional copies of this page if additional signature blocks are necessary.

**Summary of Addendum 2 Changes\*  
Effective April 5, 2016**

Former Wording	Updated Wording
<p><b>Page 1, Rolling Deadline: With lease bids being opened on a bi-weekly basis thereafter until December 23, 2016 at 2:00 PM Please reference Section V., Bid Opening Schedule, found on page 3.</b></p>	<p><b>Page 1, Rolling Deadline: With lease bids being opened on a bi-weekly basis thereafter until December 23, 2016 at 2:00 p.m. Please reference Addendum 1.</b></p>
<p><b>Page 1, I. Project Information (a) Scope (last sentence) - SAWS will not consider Lease Bids of less than 20-acre feet. In addition, the term of the proposed lease must begin in either 2016 or 2017.</b></p>	<p><b>Page 1, I. Project Information (a) Scope (last sentence) - SAWS will not consider Lease Bids of less than 20-acre feet. In addition, the term of the proposed 5 year lease by SAWS must begin in either 2016 or 2017. The term of the proposed 2 year Lease Bids must begin in 2017.</b></p>
<p><b>Page 2, III. Submitting a Response (first bullet point) - Complete and sign the attached form (Exhibit 1) indicating the EAA permit number(s) of the EAA groundwater rights offered for Lease Bid, the amount of acre-feet (AF) per annum offered, the term of the offered lease (being either 2-years or 5-years, beginning either January 1, 2016 or January 1, 2017), and the lease rate of the offered EAA groundwater rights.</b></p>	<p><b>Page 2, III. Submitting a Response (first bullet point) - Complete and sign the attached form (Exhibit 1 –Revised 4/5/16)) indicating the EAA permit number(s) of the EAA groundwater rights offered for Lease Bid, the amount of acre-feet (AF) per annum offered, the term of the offered lease (being either 2-years or 5-years, with 5-year Lease Bids beginning either January 1, 2016 or January 1, 2017 and 2-year Lease Bids beginning January 1, 2017), and the lease rate of the offered EAA groundwater rights.</b></p>
<p><b>Page 3, V. Bid Opening Schedule – All dates were listed.</b></p>	<p><b>Page 3, V. Bid Opening Schedule – See Addendum No. 1 Dated March 21, 2016 for bid opening dates and conference room locations.</b></p>
<p><b>Page 4, Exhibit 1 – Previously had one chart to enter all permit and lease information.</b></p>	<p><b>Page 4, Exhibit 1 – Has been modified to have one chart for 2 year leases beginning on January 1, 2017 and a separate chart for 5 year leases beginning in 2016 or in 2017.</b></p>