



February 9, 2017

Messrs. Leo Gomez and Norman Dugas, Chairmen
Utility Task Force Committee
c/o North San Antonio Chamber of Commerce
12930 Country Parkway
San Antonio, Texas 78217

Re: SAWS Practice Regarding Developer Signatures on Utility Service Agreements

Dear Messrs. Gomez and Dugas:

This letter is in response to a request by members of the Real Estate Council of San Antonio (RECSA) during the regular Bi-Monthly San Antonio Water System (SAWS)/RECSA Collaboration Meeting on January 11, 2017. Specifically, some members inquired why SAWS has included the following notice with draft and final Utility Service Agreements (USAs) sent to the Developer or Developer's representative:

"Here is the current draft for USA-_____. Please review the draft and let us know if the Developer is in agreement and we can prepare the finals for signature and notarization. Please be aware that should the USA surpass a period of 6 months without a revision or approval, the USA will be subject to revision to address any changes in local infrastructure or in SAWS master development plan. Please let us know if you have any questions."

As with most, if not all business agreements, the agreements are not valid until agreement is executed by the applicable parties. Hence, USAs are not valid until executed by both the Developer and SAWS. Until the USA is executed by both parties, either SAWS or the Developer may propose changes to the USA. Once executed, the USA is valid for up to 15 years in accordance to Section 5.8 of SAWS Utility Service Regulations (USR).

USAs typically take one to three months to process from time of receipt to execution by both the Developer and SAWS. In a six month time period, SAWS typically processes 60 or more USAs. In a year that number may exceed 120. The recent notice to the development community asked developers to respond to draft or final USAs within six months. Significant changes can occur within this longer time period that may have to be addressed.

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In six months, changes can be made to the local infrastructure or in SAWS master plan that may require revisions to the USA document. Such revisions may result from newly executed USAs for properties adjacent to or near the tract. If such changes are necessary, a new draft will be generated and is subject to review and approval by the developer or their representative.

This notice does not constitute a policy change. It simply solidifies our current practice which is well known to engineers who routinely engage SAWS on behalf of their clients to secure USAs.

If you have additional questions or concerns, please feel free to contact me at 210-233-3742 or smills@saws.org.

Sincerely,



Sam Mills, P.E.
Director, Development

cc: Mayor Ivy Taylor
Robert R. Puente, President / Chief Executive Officer
Genoveva G. Gomez, P.E., Vice President, Engineering