AGENDA

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
May 3, 2016, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

1. MEETING CALLED TO ORDER.

2. Announcements.
   A. The San Antonio Water System Board of Trustees will, during the Meeting, close the Meeting and hold an Executive Session pursuant to and in accordance with Chapter 551 of the Texas Open Meetings Act. The Board of Trustees may, at any time during the Meeting, close the Meeting and hold an Executive Session for consultation with its attorneys concerning any of the matters to be considered during the Meeting pursuant to Chapter 551 of the Texas Open Meetings Act.

3. Minutes.
   A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of March 1, 2016.


5. Public Comment.

SAN ANTONIO WATER SYSTEM
HANDICAPPED ACCESSIBILITY STATEMENT
The San Antonio Water System Buildings and Meeting Rooms are accessible to individuals with disabilities. Accessible visitor parking spaces as well as the accessible entrance and ramp are located at the west side main entrance of the SAWS Headquarters Building, Tower I, 2800 U.S. Highway 281 North. Individuals with disabilities in need of auxiliary aids and services, including Deaf interpreters, must request such aids and services forty-eight (48) hours prior to the meeting. For assistance, contact the Board Administrator at 210-233-3690 or 711 (Texas Relay Service for the Deaf).
CONSENT AGENDA ITEMS

Items 6 – 34

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

6. A Resolution accepting recommendations regarding the contracting for certain services, equipment, materials, and supplies, and authorizing the acceptance of bids as follows: (DOUG EVANSON – YVONNE TORRES)

A. Award of New One Time Purchases of Materials, Equipment and Services.

1. Approving a one-time purchase from Grande Truck Center to provide: purchase of one 16,000 GVWR (minimum) regular cab truck with mounted utility body and 1,300 lb. powered liftgate, Bid No. 16-16017, Item A, for a total of $61,875.00.

2. Approving a one-time purchase from Silsbee Ford to provide: purchase of one 19,000 GVWR (minimum) 84” CA, 4x2 regular cab, cab chassis with installed reinforced utility body and a 3,000 lb. corner mounted crane and 1,300 lb. powered liftgate, Bid No. 16-16017, Item B, for a total of $78,613.00.

3. Approving a one-time purchase from Doggett Freightliner of South TX, LLC to provide: purchase of four 66,000 GVWR cab and chassis (single cab) trucks with installed 10 cubic yard, single engine, combination jet/vacuum sewer cleaning machines, Bid No. 16-16013, for a total of $1,511,836.00.

4. Approving a one-time purchase from Holt Texas, Ltd. to provide: eleven tractors, two-wheel drive with ROPS/FOPS canopy, front-mounted bucket and rear mounted extendible backhoe (platform type), Bid No. 16-16025, Item A, for a total of $769,450.00.

5. Approving a one-time purchase from ASCO Equipment to provide: purchase of four tractors, four-wheel drive with ROPS/FOPS canopy, front-mounted bucket and rear mounted extendible backhoe (platform type), Bid No. 16-16025, Item B, for a total of $297,868.00.

6. Approving a one-time purchase from Gillette AC to provide: purchase and installation of DX/Humidification Air Condition System for SAWS Headquarters Data Center, Bid No. 16-16008, for a total of $67,750.00.

7. Approving a one-time purchase from Priority Environmental to provide: removal of asbestos containing material (ACM) of boiler at the Heating and Cooling Plant and third party air monitoring, Bid No. 16-16001, for a total of $63,899.80.

8. Approving a one-time purchase from Warehouse Rack to provide: purchase and installation of new industrial shelving bulk racking and pallet racking for multiple buildings at the West Side Operations Center and North Side Operations Center, Bid No. 16-16006, for a total of $113,242.00.
9. Approving a one-time purchase from Caldwell Country Chevrolet to provide: purchase of thirty-one 6,300 GVWR (minimum) 4x2 wide and short bed extended, club, super cap pickup trucks, Bid No. 16-16038, Item A, for a total of $672,359.00.

10. Approving a one-time purchase from Caldwell Country Chevrolet to provide: purchase of two 6,300 GVWR (minimum) 4x4 wide and short type bed, extended, club super cab pickup trucks, Bid No. 16-16038, Item B, for a total of $50,976.00.

11. Approving a one-time purchase from Silsbee Toyota to provide: purchase of five 5,200 GVWR (minimum) 4x2 wide and short type bed, extended access, super cab pickup trucks, Bid No. 16-16038, Item C, for a total of $107,230.00.

B. Award of New and Renewal Annual Goods & Services Requirement Contract and Maintenance Agreements. Estimated annual purchases are based on unit prices bid. Actual totals and quantities may vary from the estimate.

1. Acceptance of the best value bid of Dahill Office Technology Corporation to provide: multi-functional (fax/scan/printing/copy equipment) and wide format printing equipment, Bid No. 15-5039, for a total of $1,131,692.81.

2. Acceptance of the bid of Teqsys, Inc. to provide: annual contract for Netbackup appliance and maintenance, Bid No. 16-16010, for a total of $63,436.00.

3. Acceptance of the bid of Capitol Aggregates, Inc. to provide: annual contract for concrete aggregates (washed river rocks), Bid No. 16-6024, for a total of $66,205.00.

4. Authorizing the extension of an existing contract of Discount Light Depot dba MCOR Lighting to provide: annual contract for lamps and ballasts to maintain facility lighting, Bid No. 14-0284A, Groups 1 & 3, for a total of $56,029.42.

5. Authorizing the extension of an existing contract of Star Shuttle, Inc. to provide: annual contract for charter bus service, Bid No. 14-4016, for a total of $56,300.00.

6. Authorizing the extension of an existing contract of GC3 Specialty Chemicals to provide: annual contract for treatment of condensate hot water, condenser water and chilled water, Bid No. 13-0189A, for a total of $62,822.41.

7. Authorizing the extension of an existing contract of Austin Armature Works, LP to provide: annual contract for high service pump repair, machining and technical/field support services, Bid No. 15-7033, for a total of $88,063.75.

8. Acceptance of the bid of Commonwealth Computer, Co. to provide: annual contract for Dell desktops, laptops, monitors and printers, Bid No. 16-6023, for a total of $436,383.55.
CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS,
EXTENSIONS AND ADDITIONAL CAPACITY

Water and Sewer Line Improvements

7. A Resolution awarding a professional services contract to Alpha Testing, Inc. in an amount not to exceed $100,000.00 in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract. Total expenditures: $100,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

8. A Resolution awarding a professional services contract to Arias & Associates, Inc. in an amount not to exceed $100,000.00 in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract. Total expenditures: $100,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

9. A Resolution awarding a professional services contract to Drash Consultants, LLC in an amount not to exceed $100,000.00 in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract. Total expenditures: $100,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

10. A Resolution awarding a professional services contract to Fugro Consultants, Inc. in an amount not to exceed $100,000.00 in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract. Total expenditures: $100,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

11. A Resolution awarding a professional services contract to Terracon Consultants, Inc. in an amount not to exceed $100,000.00 in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract. Total expenditures: $100,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

Production, Transmission and Treatment Improvements

12. A Resolution ratifying the actions of the Vice President of Engineering and Construction in approving Change Order No. 30 in an amount not to exceed $647,494.91 to the construction contract with Pepper-Lawson Waterworks, LLC in connection with the Dos Rios Water Recycling Center Re-rating Headworks Improvements and Process Enhancements Phase I Project. Total expenditures: $647,494.91. (GENOVEVA GOMEZ – ASHOK KAJI)

13. A Resolution awarding a construction contract to H2O Steel Contractors, LLC in an amount not to exceed $711,145.00 in connection with the West View Tank Replacement Project. Total expenditures: $711,145.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

14. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $40,000.00 to the professional services contract with Freese and Nichols, Inc. in connection with the Southeast Tank and Pump Station Project. Total expenditures: $40,000.00. (GENOVEVA GOMEZ – ANDREA BEYMER)
15. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $35,000.00 to the professional services contract with River City Engineering in connection with the 2013 Recycle Engineering Design Services Contract. Total expenditures: $35,000.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

16. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $200,000.00 to the professional services contract with LBG-Guyton Corporation in connection with the Water Resources Engineering Consultant Services Contract. Total expenditures: $200,000.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

17. A Resolution approving the expenditure of funds in the amount of $91,350.00 for the adjustment of water and sewer facilities by the City of San Antonio in connection with the 2016 Asphalt Overlay Task Order Contract – Package 5. Total expenditures: $91,350.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

18. A Resolution approving the expenditure of funds in the amount of $935,859.59 for the adjustment and replacement of water and sewer facilities by the City of San Antonio in connection with the Espada Road: IH 410 to Ashley Road Project. Total expenditures: $935,859.59. (GENOVEVA GOMEZ – KATHLEEN PRICE)

19. A Resolution approving an Interlocal Agreement with Bexar County; approving the expenditure of funds in the amount of $137,266.99 for the adjustment of water facilities by Bexar County in connection with the FM 471 Culebra Road (PTF) Project. Total expenditures: $137,266.99. (GENOVEVA GOMEZ – KATHLEEN PRICE)

20. A Resolution approving an Advance Funding Agreement with the Texas Department of Transportation; approving the expenditure of funds in the amount of $38,156.36 for the removal, handling and disposal of abandoned asbestos cement pipe in connection with the Loop 1604: Potranco to FM 471 Project. Total expenditures: $38,156.36. (GENOVEVA GOMEZ – KATHLEEN PRICE)

EASEMENT AND REAL PROPERTY

21. A Resolution approving the acquisition of a permanent sewer line easement and a temporary construction easement from Dague Ranch, LP, a Texas limited partnership, being approximately 0.663 of an acre, for the permanent easement, and 2.096 acres, for the temporary easement, located near the Huebner Road and Summer Knoll Intersection, in the northeast quadrant of Bexar County, Texas, in connection with the Stone Creek Lift Station Elimination – No. 135 Project in a total amount not to exceed $103,351.00. Total expenditures: $103,351.00. (NANCY BELINSKY – BRUCE HABY)

22. A Resolution approving the acquisition of a permanent sewer line easement and a temporary construction easement from Fourth Quarter Properties LXIV, LP, a Georgia limited partnership, being approximately 4.353 acres for the permanent easement, and 0.1979 acres for the temporary construction easement, located along IH-
10, between Camp Bullis Road and Dominion Drive, in the northwest quadrant of Bexar County, Texas, in connection with the W-31 IH-10: Boerne Stage Road to Old Fredericksburg Project in a total amount not to exceed $289,588.00. Total expenditures: $289,588.00. (NANCY BELINSKY – BRUCE HABY)

23. A Resolution approving a settlement and authorizing the expenditure of an additional payment of $105,300.00 to Applewhite 1604 Partners, L.P., a Texas limited partnership, et al, in settlement of litigation between the System and Applewhite 1604 Partners, L.P., in connection with the acquisition of a 13.214 acre permanent waterline easement located on the southwest corner of Loop 1604 and Applewhite Road, in San Antonio, Bexar County, Texas, owned by Applewhite 1604 Partners, L.P., for the Water Resources Integration Program, Project 1, Segment 1; authorizing the System’s counsel to take all necessary steps to conclude the litigation in accordance with this settlement and to take all necessary or advisable action in furtherance of same. Total expenditures: $105,300.00. (NANCY BELINSKY – BRUCE HABY)

WATER RESOURCES ITEMS

24. A Resolution acceptance of a bid for the Lease of Edwards Aquifer Authority Groundwater Rights and approving a Lease Agreement with the holders of Edwards Aquifer Authority Groundwater Rights for a total of 320 acre-feet per annum or Edwards Aquifer Groundwater Rights at an average cost of $43,200.00 per year for the term of five years beginning in 2017 for a total obligation of the Lease Agreements not to exceed $216,000.00. Total expenditures: $216,000.00. (DONOVAN BURTON – DARREN THOMPSON)

MISCELLANEOUS ITEMS

25. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $771,450.00 in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 1. Total expenditures: $771,450.00. (JEFF HABY – TAMSEN MCNARIE)

26. A Resolution awarding a construction contract to Texas Pride Utilities, LLC in an amount not to exceed $740,150.00 in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 2. Total expenditures: $740,150.00. (JEFF HABY – TAMSEN MCNARIE)

27. A Resolution awarding a service contract to Ace Pipe Cleaning, Inc. in an amount not to exceed $533,154.90 through December 31, 2016 and an option for a one-year extension in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 1 Contract. Total expenditures: $533,154.90. (JEFF HABY – TAMSEN MCNARIE)

28. A Resolution awarding a service contract to Terra Contracting Services, LLC in an amount not to exceed $431,812.05 through December 31, 2016 and an option for a one-year extension in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 2 Contract. Total expenditures: $431,812.05. (JEFF HABY – TAMSEN MCNARIE)
29. A Resolution ratifying the actions of the Vice President of Production and Treatment in awarding an emergency purchase order to Peerless Equipment, Ltd. in an amount not to exceed $68,292.00 in connection with the emergency repair of Recycle Pumps No. 1 and No. 2 at the Leon Creek Water Recycling Center Recycle Water Pump Station. Total expenditures: $68,292.00. (JEFF HABY – PARVIZ CHAVOL)

30. A Resolution approving the expenditures of funds in an amount not to exceed $134,838.14 to reimburse the City of San Antonio for the emergency repair of a chilled water valve in Market Street near the Central Cooling Plant. Total expenditures: $134,838.14. (JEFF HABY – DANIEL MYERS)

31. A Resolution ratifying the actions of the Vice President of Customer Service in approving Contract Amendment No. 1 in an amount not to exceed $98,724.15 to the services contract with Olameter Corporation in connection with the Meter Reading Services Program. Total expenditures: $98,724.15. (DOUG EVANSON – AGNES BARARD)

32. A Resolution approving Change Order No. 2 in an amount not to exceed $600,067.28 to the service contract with Hach Company in connection with the Wastewater Flow Metering Services Contract. Total expenditures: $600,067.28. (GENOVEVA GOMEZ – SAM MILLS)

33. A Resolution authorizing the expenditure of funds in an amount not to exceed $77,474.76 for the purchase of Aruba Wireless equipment and services through the State of Texas Department of Information Resources contract (DIR-TSO-2701), through reseller Solid IT Networks, in connection with the North and West Service Operations Centers. Total expenditures: $77,474.76. (DOUG EVANSON – MARGARITA HUBBARD)

34. A Resolution authorizing the filing of an Amicus Brief in PUC Docket No. 42862 at the Public Utility Commission of Texas regarding the appeal of the water and sewer rates of the Town of Woodloch; further authorizing the System’s General Counsel to take all necessary action relating to such Amicus Brief. (NANCY BELINSKY)

ITEMS FOR INDIVIDUAL CONSIDERATION

35. A Resolution establishing the SAWS Rate Set Date for determination of the Final Benchmark Rate pursuant to and described in the Water Transmission and Purchase Agreement between the City of San Antonio, Texas, acting by and through the San Antonio Water System Board of Trustees, and Abengoa Vista Ridge, LLC; and addressing other matters related to the foregoing. (ROBERT R. PUENTE)

CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY
Developer Customer Contracts
36. A Resolution approving an Interlocal Agreement with the Alamo Area Council of Governments for the reimbursement of funds for the construction work costs and design fees in connection with the development of water services to Joint Base San Antonio in support of the military; approving an amount up to $125,000.00 payable to the Alamo Area Council of Government for the monitoring, consultation, and accounting review related to the performance of the Agreement. Total expenditures: $125,000.00. (GENOVEVA GOMEZ – SAM MILLS)

37. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below requiring potential oversizing of mains (OVR), and/or are located outside the San Antonio Water System water and/or wastewater Certificate of Convenience and Necessity (CCN). (GENOVEVA GOMEZ – SAM MILLS)

<table>
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<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ/ CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
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<td>Fischer Tract</td>
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<td>CoSA ETJ</td>
<td>Inside</td>
<td>OVR</td>
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<td>Southstar Mission Del Lago Developer, LLC</td>
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<td>1,962</td>
<td>CoSA</td>
<td>Outside</td>
<td>OVR</td>
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<td>2,462</td>
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38. A Resolution approving a new 30-year Utility Service Agreement with the Verano Land Group, LP and Texas A&M University-San Antonio to provide water and/or wastewater service to the specified tract of land requiring the System’s financial participation in the development of infrastructure and impact fee credits; superseding and replacing previous related Utility Service Agreements; acknowledging the satisfaction of obligations in certain other agreements; authorizing the execution of an Amended and Restated Consent Agreement with the City of San Antonio, Texas, Verano Land Group, LP, and the Board of Directors of Reinvestment Zone Number Twenty Eight, San Antonio, Texas; authorizing the execution of an Amendment and Restatement of Assignment of Right to Receive Reimbursements with the Verano Land Group, LP. (GENOVEVA GOMEZ – SAM MILLS)

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<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ/ CZ</th>
<th>Board Reason</th>
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<td>OVR</td>
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<tr>
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**REPLACEMENT AND ADJUSTMENT PROJECTS**

*Water and Sewer Line Improvements*
39. A Resolution awarding a professional services contract to Kimley-Horn and Associates, Inc. in an amount not to exceed $3,021,402.00 in connection with the E-20 Wurzbach: Jones Maltsberger to Nacogdoches Sewer Project. Total expenditures: $3,021,402.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

Governmental Relocations and Replacements

40. A Resolution approving an Interlocal Agreement and Advance Funding Agreement with the Texas Department of Transportation; approving the expenditure of funds in the amount of $3,234,315.00 for the adjustment of water and sewer facilities by the Texas Department of Transportation in connection with the Loop 1604: Potranco to FM 471 Project. Total expenditures: $3,234,315.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

MISCELLANEOUS ITEMS

41. A Resolution awarding a contract to IPC (USA), Inc. in the amount not to exceed $8,290,888.00 for the period of May 3, 2016 through March 31, 2019, with the option for two additional one-year extensions, for the purchase of unleaded gasoline with E-10 and ultra-low sulfur diesel fuel. Total expenditures: $8,290,888.00. (MIKE BRINKMANN – CARLOS MENDOZA)

42. BRIEFING SESSION.

A. Briefing and deliberation regarding the City of San Antonio’s SA Tomorrow Plan

43. Inquiries of the Board of Trustees for future briefings and/or follow-up action.

44. The Regular Session of the May 3, 2016, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Sections 551.071 and 551.074 of the Texas Open Meetings Act.

45. EXECUTIVE SESSION.

A. Consultation with attorneys regarding legal issues related to the Water Transmission and Purchase Agreement between the City of San Antonio, Texas, acting by and through the San Antonio Water System Board of Trustees and Abengoa Vista Ridge, LLC.


D. Deliberation regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer; and consultation with attorneys concerning legal issues regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer.

46. The Regular Session of the Regular Board Meeting of May 3, 2016, is hereby reconvened.

47. A Resolution ratifying the filing of a Motion to Intervene and Comments in PUC Docket No. 45794 at the Public Utility Commission of Texas regarding the petition of Cibolo Valley Partners, LLC to amend, by expedited release, SAWS’ sewer CCN in Comal and Bexar Counties; further authorizing the System’s General Counsel to take all necessary action relating to such Motion to Intervene and Comments.

   (NANCY BELINSKY)

48. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF MAY 3, 2016, IS HEREBY ADJOURNED.
MINUTES

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
March 1, 2016, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

Board Members Present:
Berto Guerra, Jr., Chairman
Ivy R. Taylor, Mayor
Ernesto Arrellano, Jr., Secretary
Louis E. Rowe, Assistant Secretary
Pat Merritt, Trustee
David P. McGee, Trustee

Board Members Absent:
Pat Jasso, Vice Chair

1. MEETING CALLED TO ORDER.

The meeting of the San Antonio Water System Board of Trustees was held on March 1, 2016, and called to order at 9:07 a.m. by Chairman Berto Guerra.

2. Announcements.
   A. The San Antonio Water System Board of Trustees will, during the Meeting, close the Meeting and hold an Executive Session pursuant to and in accordance with Chapter 551 of the Texas Open Meetings Act. The Board of Trustees may, at any time during the Meeting, close the Meeting and hold an Executive Session for consultation with its attorneys concerning any of the matters to be considered during the Meeting pursuant to Chapter 551 of the Texas Open Meetings Act.

3. Minutes.
   A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of January 5, 2016.

   Chairman Guerra asked if there were any corrections to the minutes. Hearing none, he stated the minutes were approved as presented.

None

5. Public Comment.

Alan Montemayor commented on the Vista Ridge Project and the challenge of the rates before the Public Utility Commission. He asked the Board to get out of the Vista Ridge Project, and to shift away from a profit model and towards a conservation model. He asked that the Board look at local water sources such as desalination.

Terry Burns commented on an Express-News article regarding two studies prepared on the impending annexations. He discussed the threat to the Edwards Aquifer by pollutants and to the habitat of endangered species. He stated further annexation without the adoption of intentional policy driven land use plans would not help, and the Vista Ridge project would promote growth beyond the currently projected annexation areas. He expressed his objection to the project and requested an independent study of the project to help protect the aquifer.

David Klar stated he respectfully request that SAWS, DOD, Mayor Taylor, and the San Antonio City Council opt out of the Vista Ridge pipeline. He discussed the financial, environmental and political uncertainties that exist. He commented on refocusing to conservation, rain catchment, low impact development, and expandable desal.

**CONSENT AGENDA ITEMS**

**ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES**

6. A Resolution accepting recommendations regarding the contracting for certain services, equipment, materials, and supplies, and authorizing the acceptance of bids as follows: (DOUG EVANS - YVONNE TORRES)

A. Award of New or One Time Purchases of Materials, Equipment and Services.

1. Approving a one-time purchase from Horton Horticulture, Inc. to provide: purchase of Phase 2 landscaping and irrigation services at the Commerce St. Cooling Plant, Bid No. 16-16007, for a total of $107,189.74.

B. Award of New and Renewal Annual Goods & Services Requirement Contract and Maintenance Agreements. Estimated annual purchases are based on unit prices bid. Actual totals and quantities may vary from the estimate.

1. Acceptance of the sole source bid of Esri, Inc. to provide: annual contract for the maintenance of the Esri Arc Geographic Information System Software, Bid No. 16-1368, for a total of $131,200.00.

2. Authorizing the renewal of an existing contract with Safety Supply, Inc. to provide: annual contract for disposable coveralls, Bid No. 15-6025, for a total of $85,536.00.
3. Acceptance of the best value bid of Greune Environmental Co. to provide: annual contract for hazardous/non-hazardous waste transport and disposal services, Bid No. 15-3012, for a total of $163,287.50.

4. Acceptance of the best value bid of Wachs Valve and Hydrant Services, LLC to provide: annual contract for valve preventive maintenance services, Bid No. 15-9051, for a total of $342,000.00.

CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

7. A Resolution awarding a construction contract to R.L. Jones LP in an amount not to exceed $810,659.60 in connection with the Kallison Ranch Area High School 24-inch Oversized Water Main (12-inch Required) Project; approving a contract between the System, the Northside Independent School District and R.L. Jones LP for the project work; authorizing the expenditures of funds in the amount of $686,085.66 for the System’s proportionate share of the project work payable to R.L. Jones LP, and the expenditure of funds in the amount of $68,608.57 for the System’s proportionate share of the engineering design fees payable to Northside Independent School District. Total expenditures: $754,694.23. (GENOVEVA GOMEZ – SAM MILLS)

8. A Resolution awarding a construction contract to San Antonio Constructors, Ltd. in an amount not to exceed $747,760.00 in connection with the Schneider Tract Subdivision 24-inch CIP Approach Water Main Project (12-inch Required); approving a contract between the System, Pulte Homes of Texas L.P. and San Antonio Constructors, Ltd. for the project work; authorizing the expenditures of funds in the amount of $560,820.00 for the System’s proportionate share of the project work payable to San Antonio Constructors, Ltd.; and expenditures of funds in the amount of $56,082.00 for associated design fees payable to Pulte Homes of Texas, L.P. Total expenditures: $616,902.00. (GENOVEVA GOMEZ – SAM MILLS)

9. A Resolution approving an Interlocal Agreement with the Northside Independent School District; approving the expenditures of funds in an amount not to exceed $914,518.02 for the System’s proportionate share of the project work, and the expenditures of funds in an amount not to exceed $84,151.54 for the System’s proportionate share of the design fees payable to Northside Independent School District in connection with the FM 471 #3 Area Elementary School Offsite Sanitary Sewer Project. Total expenditures: $998,669.56. (GENOVEVA GOMEZ – SAM MILLS)

Water and Sewer Line Improvements

10. A Resolution ratifying the actions of the Vice President of Engineering and Construction in awarding a construction contract to Spiess Construction Co., Inc. in an amount not to exceed $652,590.00 in connection with the Emergency 42-inch Sanitary Sewer Replacement – 200 Block Castillo Avenue Project. Total expenditures: $652,590.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)
11. A Resolution approving Recapitulation Change Order No. 25 in the decreased amount of $347,289.89 to be credited to the construction contract with S.J. Louis Construction of Texas, Ltd. in connection with the Olmos Basin Central Watershed Sewer Relief Line (C-3) Project; authorizing the return of funds in the amount of $347,289.89 and the construction contingency balance of $372,981.94 for a total amount of $720,271.83. Total decreased amount: $720,271.83. (GENOVEVA GOMEZ – KATHLEEN PRICE)

Production, Transmission and Treatment Improvements

12. A Resolution awarding a professional services contract to MWH Americas, Inc. in an amount not to exceed $391,863.00 in connection with the Turtle Creek No. 3 Pump Station Project. Total expenditures: $391,863.00. (GENOVEVA GOMEZ – ASHOK KAJI)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

13. A Resolution approving an Interlocal Agreement with Bexar County; approving the expenditure of funds in the amount of $153,820.55 for the replacement of water facilities by Bexar County in connection with the Von Ormy Street Drainage Project. Total expenditures: $153,820.55. (GENOVEVA GOMEZ – KATHLEEN PRICE)

14. A Resolution approving an Interlocal Agreement with the City of Castle Hills; approving the expenditure of funds in the amount of $2,053,711.32 for the replacement of water and sewer facilities by the City of Castle Hills in connection with the City of Castle Hills 2004 – 2015 Street Maintenance Project. Total expenditures: $2,053,711.32. (GENOVEVA GOMEZ – KATHLEEN PRICE)

MISCELLANEOUS PROJECTS

15. A Resolution awarding a construction contract to RCO Construction, LLC in the amount not to exceed $866,279.00 in connection with the Chilled Water Plant Improvements Project. Total expenditures: $866,279.00. (GENOVEVA GOMEZ – JULIE VALADEZ)

EASEMENT AND REAL PROPERTY

16. A Resolution accepting an offer in the amount of $950,000.00 for the sale of approximately 319.455 acres “Franklin Farm” located at the east and south sides of County Road 400, northwest of U.S. Highway 83 in Uvalde County, Texas and approving a Purchase Agreement with J. Allen Carnes; affirming a six percent (6%) commission to be paid to Can and Company at closing and authorizing payment of closing costs up to $5,000.00 at closing. Total amount received: $950,000.00. (NANCY BELINSKY – BRUCE HABY)

WATER RESOURCES ITEMS

17. A Resolution awarding a construction contract to Weisinger Incorporated in the amount not to exceed $809,250.00 in connection with the Saturn Well Drilling Project in Gonzales County. Total expenditures: $809,250.00. (DONOVAN BURTON – DARREN THOMPSON)
MISCELLANEOUS ITEMS

18. A Resolution awarding a construction contract to D. Guerra Construction, LLC in an amount not to exceed $974,010.00 in connection with the 2016 Annual Sanitary Sewer Main Point Repair, Manhole Adjustments and Laterals Contract – Package 1. Total expenditures: $974,010.00. (STEVE CLOUSE – JEFF HABY)

19. A Resolution awarding a construction contract to Austin Constructors, LLC in an amount not to exceed $969,820.00 in connection with the 2016 Annual Sanitary Sewer Main Point Repair, Manhole Adjustments and Laterals Contract – Package 2. Total expenditures: $969,820.00. (STEVE CLOUSE – JEFF HABY)

20. A Resolution approving a professional services contract with ATS Communications, Inc. in an amount not to exceed $60,000.00 for a period from March 1, 2016 through March 1, 2017 to provide federal legislative consulting services. Total expenditures: $60,000.00. (DONOVAN BURTON)


Chairman Guerra asked if there were any items in the Consent Agenda that should be pulled for individual discussion or consideration.

Mr. Rowe made a motion to approve the Consent Agenda Items, Nos. 6 – 21. Mr. McGee seconded the motion.

Consent Agenda Items, Nos. 6 – 21, were unanimously approved. Verbal voting.

ITEMS FOR INDIVIDUAL CONSIDERATION

CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY
Developer Customer Contracts

22. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below requiring potential oversizing of mains (OVR), and/or are located outside the San Antonio Water System water and/or wastewater Certificate of Convenience and Necessity (CCN). (GENOVEVA GOMEZ – SAM MILLS)

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA/CoSA ETJ/Outside</th>
<th>EARZ/CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
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<tr>
<td>1</td>
<td>Iron Horse Town Homes</td>
<td>Mathom LTD.</td>
<td>4.99</td>
<td>12</td>
<td>6</td>
<td>CoSA ETJ</td>
<td>EARZ</td>
<td>CCN</td>
<td>In</td>
<td>Out</td>
</tr>
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<td></td>
<td>Verbal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Totals 4.99 12 6
Sam Mills presented Item 22, the approval of a Utility Service Agreement (USA) for the Iron Horse Town Homes tract. The developer was requesting 12 water equivalent dwelling units (EDUs) and six wastewater EDUs. The tract was within the City of San Antonio's extraterritorial jurisdiction and SAWS water CCN, but required Board approval because it was located outside the sewer CCN. There was no oversizing requirements for this tract. The tract was subject to pay the $2,100.00 per Equivalent Dwelling Unit Special Impact Fee by Agreement that the Board approved last year for tracts that would use infrastructure for the Iron Horse Lift Station. This particular tract was not within any other sewer CCN, and would use the existing SAWS sewer mains. It was also located over the Edwards Aquifer recharge zone.

He reviewed maps that showed the location of the tract, and discussed the infrastructure needed to connect to an existing 12-inch water main and existing sewer infrastructure. Staff recommended approval of the USA for the tract because the tract was adjacent to existing infrastructure and the sewer CCN, and it was a fairly small tract. Staff recommended approval of the USA for the Iron Horse Town Homes tract.

Mr. Arrellano made a motion to approve Item 22. Mr. Rowe seconded the motion.

After no further discussion, Item 22 was unanimously approved. Electronic voting.

**Water and Sewer Line Improvements**

23. A Resolution awarding a construction contract to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. in the amount of $4,707,697.00 in connection with the 2015 Pipe Burst Sanitary Sewer Construction Package X. Total expenditures: $4,707,697.00. (GENOVEVA GOMEZ - KATHLEEN PRICE)

Mr. Puente recognized Kathleen Price's appointment to Director of Pipelines. He stated GG Gomez, the new Vice President of Engineering, was putting her team together, and Ms. Price was one of the new promotions. Chairman Guerra congratulated Ms. Price on her new position.

Ms. Price presented Item 23, the award of a construction contract for the 2015 Pipe Burst Sanitary Sewer Construction Package X. This contract was part of the EPA Consent Decree, which needed to be completed by 2023. The project work would replace some of the most deteriorated pipes in the system, and would incorporate efficient technology. It also provided a cost savings over conventional open cut construction, used existing easements, and minimized impacts to the community during construction.

The contract would be used for smaller projects and issued on a work order basis. These smaller projects were grouped together and work orders were issued at various sites. Pipes to be replaced were small diameter, 8-inch to 15-inch, and pipe burst was the type of construction to be used. She reviewed an example of a pipe to be replaced with the pipe burst method.

Seven bids were received, and Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. was the lowest bidder at $4.7 million. They were a local/MBE-Hispanic firm, and their bid came in 3.6 percent lower than the engineer's estimate. Staff recommended the award of a
construction contract to Pronto Sandblasting & Coating & Oil-Field Services Co., Inc. for the amount of $4,707,697.00.

Ms. Merritt made a motion to approve Item 23. Mr. Arrellano seconded the motion.

Mr. Rowe inquired about SAWS experience with Pronto. Ms. Price replied it had been good.

After no further discussion, Item 23 was unanimously approved. Electronic voting.

**MISCELLANEOUS ITEMS**

24. A Resolution amending the annual budget for the San Antonio Water System for the Fiscal Year ending December 31, 2016; authorizing the approved annual budget for the Fiscal Year ending December 31, 2016 be submitted to the City Council for review and consultation; and briefing and consultation with the BexarMet Integration Advisory Committee regarding the integration of the District Special Project.

(DOUG EVANSON – MARY BAILEY)

Mary Bailey presented Item 24, an amendment to the annual budget for the San Antonio Water System. During the last few Board Meetings, staff had given several presentations regarding the BexarMet integration. There had been many accomplishments associated with the integration. One of the most significant one was the resolution to BexarMet’s water supply shortages that were not sufficient to meet customer demands during critical times. The BexarMet employees were integrated into the SAWS organization, and some of their significant contracts were renegotiated for major savings. Numerous badly needed infrastructure upgrades were completed, and financial stability was brought into the organization referred to as the District Special Project (DSP). All of the accomplishments were done without any changes in the DSP customer rates.

During last month's Board meeting, Phyllis Garcia reviewed the results of a bond transaction that took place in February to refund the DSP debt. Since a hundred percent of the DSP debt had been refunded to SAWS debt, the DSP no longer exists as an entity, and the assets and liabilities of customers were transferred to SAWS. While this dissolution effectively took place in February, for financial reporting purposes and to account for the consolidated entity began on January 1 of this year. As a result, she asked the Board to approve an amended 2016 Budget for SAWS in order to incorporate the DSP budget into the SAWS budget. The amended budget was simply a combination of the two stand-alone budgets that the Board approved back in October 2015. The customers located in the former BexarMet would continue to pay DSP rates until January 1, 2017. At that point, all SAWS customers would be on the same rate schedule. Once that occurred, the third and final step of the full integration of BexarMet with SAWS would have been completed.

Ms. Bailey introduced Steve Gonzalez, Chairman of the BexarMet Integration Advisory Committee (BMIAC) to come up and say a few words regarding the integration.

Mr. Gonzalez expressed his appreciation for Ms. Bailey and the rest of the staff for providing the BMIAC with the relevant information needed. The BMIAC met in January, and discussed several issues including rate adjustments, rate structure, Vista Ridge, and other SAWS projects. They discussed SAWS relationships with the suburban cities, and the dissolution of the former BexarMet. On behalf of the former BexarMet water customers that...
were represented, he stated he appreciated what SAWS had done in turning around a water system that would have had enormous challenges had it stayed in place. No big city should face a lack of water and systematic water infrastructures failures, yet BexarMet was well on its way towards jeopardizing our water service. Thankfully, SAWS came in at just the right time, and the BMIAC looked forward to the final step of rate parity. He commented on the representation on the SAWS Board. Some of the members believed that another position should be added to the SAWS Board to provide specific representation for the suburban cities, but many people were unfamiliar with the fact that SAWS Trustees represented the entire service area regardless of cities limit. He recommended more outreach to the areas outside of the city limits. He reported things were going great within the former BexarMet system, and he applauded the Board’s continued leadership.

Ms. Bailey stated that staff recommended the approval of the Amended Budget for 2016.

Mr. Rowe made a motion to approve Item 24. Ms. Merritt seconded the motion.

After no further discussion, Item 24 was unanimously approved. Electronic voting.

25. BRIEFING SESSION.

A. Briefing and deliberation regarding the Vista Ridge Project

Pedro Almagro gave a briefing regarding the Vista Ridge Project. He stated the financial situation with Abengoa was progressing. Abengoa was working with the creditors and the viability plan was under negotiation. He hoped to be able to provide the Board certainty in the next couple of weeks, and Abengoa’s process would be complete by the end of March. Continued work on the project was underway including the study of an 80 percent investor. There were five different options that would be narrowed down to just two. He stated Abengoa Vista Ridge was closely working with staff to provide information about the proposals and would provide information for the one that was selected as the best solution for the project.

Chairman Guerra thanked Mr. Almagro for continuing to come every month to give an update. He stated that whoever should take over the project had to meet all the covenants that were agreed to with Abengoa Vista Ridge, including the use of concrete or steel pipe instead of fiberglass pipe. He also thanked Carlos Cosin for being there to keep the Board abreast of the situation and for the work to keep the project viable.

B. Briefing and deliberation regarding the Federal Agenda – SA to DC

Donovan Burton gave a briefing regarding the Federal Agenda and the SA to DC trip. He discussed the recent trip to Washington D.C. with the community led by the Chambers on different agendas. SAWS led the Water Committee that included the San Antonio River Authority, the Edwards Aquifer Authority, and other private companies. This was a good opportunity for the people in D.C. to connect with the San Antonio community. Mayor Taylor led the event and was joined by Trustees Rowe and Arrellano to speak to some of the top leadership, which included Paul Ryan, Kevin McCarthy, Steve Scalise and Cathy McMorris Rodgers.

He reviewed the water agenda to support projects in the Water Resources Development Act and to support funding of infrastructure financial tools. In addition, the regulatory and
rulemaking process was monitored at the federal and state government, and the included the Waters of the United States, the municipal bond tax exemption, and the chemical security legislation. As far as SAWS specific agenda, the study of the Mitchell Lake Drainage and Dam Project was authorized, and the project would go directly to the funding process that could be a multi-year process. This project would address issues due to storm events and potentially any unauthorized discharge. Another project on the agenda was the Brackish Groundwater Desalination Project. It was important to make sure the congressmen and the agencies understood that SAWS had secured the water future for the military bases.

He discussed the next steps for the federal agenda that included pursuing appropriations and/or directive language for the funding of the Mitchell Lake study, developing other projects, continuing discussions with the military, monitoring legislation and rules affecting SAWS, and developing relationships with other entities.

Mr. Burton introduced members of the federal lobby team, Alexander Silbey with ATS Communications, Inc., and Walter Serna with Serna & Serna Attorneys at Law.

Mr. Silbey stated he appreciated the opportunity, and discussed some of his experience on Capital Hill as a paid staffer and in House leadership.

Mr. Serna stated he was born and raised in San Antonio, but developed a niche of doing government work in Washington, in the state, and locally. He discussed his experience working with the City for the last ten years, the $135 million funding for the courthouse, and with the local delegation in Washington.

Chairman Guerra thanked Mr. Silbey and Mr. Serna for their work on SAWS behalf in Washington and here locally.

Mr. Rowe thanked Mr. Silbey and Mr. Serna for their work. He also recognized Mr. Burton and Mr. Peche for their work to prepare him on the issues and their efforts to make the trip a success.

Mr. Arrellano echoed Mr. Rowe’s comments about staff and the federal lobby team. He commented on the authorization that was secured during the visit for the Mitchell Lake study. He thanked staff and the federal lobby team for their work.

Chairman Guerra agreed with Mr. Burton’s comment that when it came to San Antonio, Republicans and Democrats worked together. He had always admired how people in San Antonio worked together for the benefit of our city. He thanked Mr. Burton, Mr. Silbey and Mr. Serna for their service.

C. Briefing and deliberation regarding Financial Metrics and Comparisons to other Water and Sewer Utilities

Doug Evanson gave a briefing regarding the Financial Metrics and Comparisons to other Water and Sewer Utilities. He reviewed the size and scope of SAWS water and wastewater operations. He discussed the comparison challenges encountered during the analysis that included the availability of data, consistency of data, scale of operations, climate patterns and fiscal year-ends. Cities were reviewed to find the most appropriate comparators. Many of the other water
and wastewater providers functioned as an actual city department, unlike SAWS. So oftentimes, there was some judgment involved in determining costs allocations to the water and wastewater utility.

He reviewed the data compiled for Texas cities in comparison to SAWS that included Austin, Corpus Christi, Dallas, El Paso, Fort Worth and Houston. The data included population, customer connections, total assets, miles of water and sewer mains, operating revenues, employees, water produced and sewer treated. The information was pulled from all the respective comprehensive annual financial reports. He pointed out that six of the seven cities listed for Texas were of the 20 largest cities in the country in terms of population.

He also reviewed the data compiled for other national comparative cities that included Charlotte, Las Vegas, Los Angeles, Nashville, Oakland, Phoenix and San Diego. He discussed a couple of points regarding the miles of main in Oakland’s collection system and the combined water and power employee data for Los Angeles.

He discussed the ratios and bill comparisons to both the Texas and national cities. The categories included customer to employee ratio, miles of main per employee, operating and maintenance (O&M) per customer connection, O&M per million gallons produced/treated, debt per connection, and monthly bill for residential and commercial class customers. For the customer connection to employee ratio, SAWS exceeded the average of all other cities. It also represented the highest in Texas and fourth highest overall. The miles of main per employee largely mirrored another measure of productivity, and again, SAWS was slightly above average. The next ratio was a look at O&M expenses divided by total number of customer connections. This ratio was actually different whereby the lower the ratio the better in this particular case. El Paso had the lowest O&M costs per connection of $354 per connection. El Paso was followed by Nashville at $447 per connection, and then closely by SAWS at $465 per connection. SAWS O&M costs per customer connection were significantly below the average of $674 per connection per year. The next metric was the total O&M costs per the total gallons of water produced and wastewater treated. Dallas was a large wholesaler of untreated water to other municipalities within the Dallas region, which contributed to the very high volume of water produced. It appeared that Nashville may have had some significant wholesale operations, particularly on the wastewater side. SAWS was slightly better than average, but he pointed out that the metric was impacted by the comparison of 2015 versus 2014. SAWS produced less water in 2015 than in 2014 because it was a much wetter year, and most O&M costs were fixed in nature.

Another metric was total debt per customer connection. This was shared with the rating agencies on a regular basis and monitored in the monthly financial statements. SAWS ratio was somewhere in the middle of the pack, but was significantly less than the average of all 14 cities detailed. For the average residential bill for a customer with a 5/8 inch meter, using about 7,100 gallons of water and about 5,700 gallons of wastewater, SAWS was the fourth lowest. El Paso and Phoenix maintained the lowest rates, with SAWS significantly less than the average of more than $73. Both El Paso and Phoenix were among the top five lowest rates in the country. For the commercial bill, commercial customers varied widely, but a two-inch meter with 100,000 gallons of sewer was used. SAWS tracked similarly in the ranking as with the residential customers.

Ms. Merritt asked how El Paso was able to keep such low rates. Mr. Evanson replied that...
were a couple of benefits. One was probably very little irrigation used so very little peaking associated with water produced. Another was the location of the desal facility and disposal sites at a federal military base so there were some built-in costs with respect to that. Another was the City of El Paso or the Water and Wastewater Department of El Paso had accumulated a number of parcels of land in the past. El Paso had been disposing of some those parcels to help keep their rates as low as possible. El Paso had recently passed some rate increases, and would catch up sometime in the future.

Mr. McGee thanked Mr. Evanson and his staff for the comparisons to SAWS peer group. He appreciated the level of transparency that this provided the Board and the public to be able to see what an outstanding job SAWS was doing and the areas where improvements could be made. He noted that SAWS had some of the highest miles of water service, the highest numbers of connection per employee of all the water entities, and SAWS was one of most efficient with one of the lowest costs of all of the peer groups.

Mayor Taylor commented on getting this information out to the citizens as well. She asked if SAWS bond rating was compared to the other cities. Mr. Evanson responded that was not one of the metrics, but was something they could get for the Board. SAWS was one of the highest ranked with a Senior Debt Credit Rating of AA+. There may be one or two that were AAA, but were very few and far between.

Mr. Puente stated we would get this information out to the ratepayers. He also commented that the presentation came about because Trustee McGee had asked these questions and how SAWS compared to other cities. He encouraged the Board to let him know if there were other things the Board wanted to know more about.

26. President/Chief Executive Officer's Report.

   A. Bragg v Edwards Aquifer Authority

   Mr. Puente recognized Carlos Rubenstein, former chairman of the Texas Water Development Board and a commissioner of the Texas Commission on Environmental Quality. He was now with Poseidon Water and watching the progress on the Vista Ridge Project. Chairman Guerra thanked Mr. Rubenstein for the help he had given SAWS under his previous roles, especially how he used SAWS as an example as a well-run utility.

   Mr. Puente reported to the Board on the Bragg versus EAA lawsuit that had been in litigation for 18 years. It had gone up and down the appellate system during that time period. Finally there was a resolution, to some extent, at the trial court level where a Medina County jury awarded $2.5 million to the Braggs. The Braggs were pecan farmers, and the lawsuit had to do with the amount of water the Braggs were allocated by the EAA. The $2.5 million judgment with about 1.9 interest would total $4.4 million. This was a concern for SAWS because SAWS ratepayers paid 70 to 75 percent of the EAA budget through the fees that the EAA charged. EAA had not decided yet whether to appeal the case or not. He would continue to follow the case. There were some choices that the EAA had so it was very important to follow and ultimately report on what the EAA choose to do.

27. Inquiries of the Board of Trustees for future briefings and/or follow-up action.

None
At this point in the meeting, an Executive Session was held. The time was 10:23 a.m.

28. The Regular Session of the March 1, 2016, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Sections 551.071 and 551.074 of the Texas Open Meetings Act.

29. EXECUTIVE SESSION.
   A. Consultation with attorneys regarding Bragg v Edwards Aquifer Authority et al; Cause No. 06-11-18170-CV in the 38th Judicial District Court of Medina County, Texas and GG Ranch, Limited; et al v. Edwards Aquifer Authority; et al; Case No. 15-50505 in the United States Court of Appeals for the Fifth Circuit.
   B. Consultation with attorneys regarding Cause No. D-1-GN-15-005774, in District Court of Travis County, Texas, 201st Judicial District, styled, Metropolitan Water Company, L.P. vs. Blue Water Systems, LP, et al., and other legal issues regarding the Water Transmission and Purchase Agreement between the City of San Antonio, Texas, acting by and through the San Antonio Water System Board of Trustees and Abengoa Vista Ridge, LLC.
   C. Deliberation regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer; and consultation with attorneys concerning legal issues regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer.

30. The Regular Session of the Regular Board Meeting of March 1, 2016, is hereby reconvened.

The meeting reconvened at 12:22 p.m. The chairman stated that no decisions were made in Executive Session.

31. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF MARCH 1, 2016, IS HEREBY ADJOURNED.

The San Antonio Water System Board of Trustees Meeting of March 1, 2016, adjourned at 12:23 p.m.

_________________________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________________________________
Ernesto Arrellano, Jr., Secretary
The attached resolution accepts bids and awards contracts for services, equipment and supplies as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>This Board Meeting</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Contracts (SMWB)</td>
<td>Estimated Amount (SMWB)</td>
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<tr>
<td>A. Award of New One Time Purchases of Materials, Equipment or Services</td>
<td>11</td>
<td>3,795,098.80</td>
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<tr>
<td>(December 2014)</td>
<td></td>
<td>2,127,333.80</td>
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<td>B. Award of New and Renewal of Annual Goods &amp; Services Requirements Contracts and Maintenance Agreements (December 2014)</td>
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SMWB Purchasing Contracts (percentage)

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<td>57.89%</td>
<td>52.63%</td>
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<td>48.26%</td>
<td>51.87%</td>
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Approved: Robert R. Puente
President/Chief Executive Officer

Reviewed: Marisol V. Robles
SMWB Program Manager
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING BIDS AND AWARDING CONTRACTS FOR THE PROCUREMENT OF CERTAIN SERVICES, EQUIPMENT, MATERIALS AND SUPPLIES; AUTHORIZING EXPENDITURES TO PROCURE THE SAID SERVICES, EQUIPMENT, MATERIALS AND SUPPLIES; AUTHORIZING THE DIRECTOR OF THE PURCHASING DIVISION, OR HER DESIGNEE, TO EXECUTE DOCUMENTS RELATED THERETO; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Director of the Purchasing Division of the San Antonio Water System (the “System”) has recommended certain bids be accepted, that certain contracts be awarded, and that certain other actions be taken to procure services, equipment, materials and supplies which are necessary for the operation of the System, and

WHEREAS, the said recommendations are fully set out in "Attachment I" which is attached hereto and made a part hereof, and said recommendations have been approved by the System’s President/Chief Executive Officer; and

WHEREAS, the appropriate bidding procedures regarding the procurement of goods and services have been adhered to in the compiling of the attached recommendations, as reflected in administrative records supporting this resolution; and

WHEREAS, funds are available in the System’s budget to pay for the required services, equipment, materials and supplies; and

WHEREAS, the Board of Trustees of the San Antonio Water System desires (i) to accept the bids and award the contracts as recommended, (ii) to authorize from available funds of the System the expenditures necessary to carry out the recommended procurements, and (iii) to authorize the Director of the Purchasing Division or her designee to execute all contracts and other documents necessary to carry out the recommended procurements; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bids are accepted and the contracts are awarded for procurement of the services, equipment, materials and supplies listed in Attachment I, as recommended by the Director of the Purchasing Division.

2. That the expenditure of the necessary funds from the appropriate budget fund of the System for the procurement of the said services, equipment, materials and supplies is hereby authorized.
3. That the Director of the Purchasing Division, or her designee, is hereby authorized to notify bidders of the acceptance of bids, to execute contracts and other documents, and to carry out all other actions necessary to procure the said services, equipment, materials and supplies.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 3rd day of May, 2016

__________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________
Ernesto Arrellano, Jr., Secretary
**Award of New One Time Purchases of Materials, Equipment or Services**

A. The following items will establish price and delivery for the one time purchase of Materials, Equipment and Services. These items are included in the current budget. Payment will be made from the applicable fund.

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<tr>
<th>Vendor</th>
<th>Description</th>
<th>ITEM NO(s.)</th>
<th>ESTIMATED TOTAL PURCHASES</th>
<th>REMARKS</th>
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<tbody>
<tr>
<td>1. Grande Truck Center (SBE)</td>
<td>One (1) each 16,000 GVWR (minimum) regular cab truck with mounted utility body and 1,300 lb. powered liftgate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bid No. 16-16017</td>
<td>A</td>
<td>$ 61,875.00</td>
<td>This unit is part of the vehicle equipment replacement program and will be assigned to System location.</td>
</tr>
<tr>
<td>2. Silsbee Ford (SBE)</td>
<td>One (1) each 19,000 GVWR (minimum) 84&quot; CA, 4x2 regular cab, cab chassis with installed reinforced utility body and a 3,000 lb. corner mounted crane and 1,300 lb. powered liftgate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bid No. 16-16017</td>
<td>B</td>
<td>$ 78,613.00</td>
<td>(Same as above)</td>
</tr>
<tr>
<td>3. Doggett Freightliner of South TX, LLC (SBE)</td>
<td>Four (4) each 66,000 GVWR Cab and Chassis (single cab) trucks with installed 10 cubic yard, single engine, combination jet/vacuum sewer cleaning machines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bid No. 16-16013</td>
<td>All</td>
<td>$ 1,511,836.00</td>
<td>These units are part of the vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
<tr>
<td>4. Holt Texas, Ltd.</td>
<td>Eleven (11) each Tractor, two-wheel drive with RCPS/FOPS canopy, front-mounted bucket and rear mounted extendible backhoe, (platform type)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bid No. 16-16025</td>
<td>A</td>
<td>$ 769,450.00</td>
<td>These units are part of the vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
<tr>
<td>5. ASCO Equipment (SBE)</td>
<td>Four (4) each Tractor, four-wheel drive with ROPS/FOPS canopy, front-mounted bucket and rear mounted extendible backhoe, (platform type)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bid No. 16-16025</td>
<td>B</td>
<td>$ 297,868.00</td>
<td>(Same as above)</td>
</tr>
</tbody>
</table>

*Indicates vendor is an SMWB, unless otherwise noted vendor is non minority.*

Board Date: May 3, 2016
Award of New One Time Purchases of Materials, Equipment or Services

A. The following items will establish price and delivery for the one time purchase of Materials, Equipment and Services. These items are included in the current budget. Payment will be made from the applicable fund.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>ESTIMATED TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gillette AC</td>
<td>Purchase and Installation of DX/Humidification Air Conditioning System for</td>
<td>All</td>
<td>$ 67,750.00</td>
<td>This is a one time purchase and installation of a DX/Humidification Air Conditioning System for SAWS Headquarters Data Center. This is a turnkey installation and must include roofing, plumbing, line set, refrigerant, crane, etc.</td>
</tr>
<tr>
<td>1 Priority Environmental</td>
<td>Removal of Asbestos containing material (ACM) of boiler at the Heating and</td>
<td>All</td>
<td>$ 63,899.80</td>
<td>This is a one time purchase on the removal of asbestos containing material (ACM) services and equipment demolition for the Heating and Cooling Plant.</td>
</tr>
<tr>
<td>(SBE)</td>
<td>Cooling Plant and third party air monitoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse Rack</td>
<td>One time purchase and installation of new industrial shelving bulk racking</td>
<td>All</td>
<td>$ 113,242.00</td>
<td>This is a one time purchase, delivery and installation of new standard industrial shelving, bulk racking and pallet racking for multiple buildings at the new West Side Operations Center and North Side Operations Center.</td>
</tr>
<tr>
<td>(SBE)</td>
<td>and pallet racking for multiple buildings at the new West Side Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Center and North Side Operations Center</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DIRECTOR Comments
Invitation for bids (IFB) were emailed directly to fifteen vendors, twenty nine vendors were notified through SAWS website and thirteen vendors downloaded the IFB from our website. We only received one bid response from Warehouse Rack Co. Purchasing contacted each of the vendors that were direct emailed the bid to inquire why they did not bid. Responses included; they don't do installation, would not be competitive shipping to Texas, or they do not participate in competitive bidding processes. Pricing received was lower than initial estimates and includes installation. Recommend award.

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Board Date: May 3, 2016
### Award of New One Time Purchases of Materials, Equipment or Services

The following items will establish price and delivery for the one time purchase of Materials, Equipment and Services. These items are included in the current budget. Payment will be made from the applicable fund.

<table>
<thead>
<tr>
<th>ITEM NO(S).</th>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Caldwell Country Chevrolet</td>
<td>Thirty one (31) each 6,300 GVWR (minimum) 4x2 wide and short bed extended, club, super cab pickup trucks Bid No. 16-16038</td>
<td>These units are part of the vehicle equipment replacement program and will be assigned to System locations.</td>
</tr>
<tr>
<td>B</td>
<td>Caldwell Country Chevrolet</td>
<td>Two (2) each 6,300 GVWR (minimum) 4x4 wide and short type bed, extended, super cab pickup trucks Bid No. 16-16038</td>
<td>(Same as above)</td>
</tr>
<tr>
<td>C</td>
<td>Silsbee Toyota (SBE)</td>
<td>Five (5) each 5,200 GVWR (minimum) 4x2 wide and short type bed, extended access, super cab pickup trucks Bid No. 16-16038</td>
<td>(Same as above)</td>
</tr>
</tbody>
</table>

**ESTIMATED TOTAL PURCHASES**

<table>
<thead>
<tr>
<th>ITEM NO(S).</th>
<th>VENDOR</th>
<th>DESCRIPTION</th>
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</tr>
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<tbody>
<tr>
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<td>Caldwell Country Chevrolet</td>
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</tr>
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<td>B</td>
<td>Caldwell Country Chevrolet</td>
<td>Two (2) each 6,300 GVWR (minimum) 4x4 wide and short type bed, extended, super cab pickup trucks Bid No. 16-16038</td>
<td>(Same as above)</td>
</tr>
<tr>
<td>C</td>
<td>Silsbee Toyota (SBE)</td>
<td>Five (5) each 5,200 GVWR (minimum) 4x2 wide and short type bed, extended access, super cab pickup trucks Bid No. 16-16038</td>
<td>(Same as above)</td>
</tr>
</tbody>
</table>

**ESTIMATED TOTAL PURCHASES**

- **A**: $672,359.00
- **B**: $50,976.00
- **C**: $107,230.00
- **Total**: $3,950,588.80

**Board Date**: May 3, 2016

*Indicates vendor is an SMWB unless otherwise noted vendor is non minority.*
### Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

B. The following items will establish estimated quantities, unit price and delivery for the Service and Supply Contracts and their extensions. These items are included in the current budget. Payment will be made from the applicable fund. Estimated annual purchase is based on unit price bid; actual total and quantities, may vary from the estimate.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dahill Office Technology Corporation</td>
<td>Best Value Bid for Multi-Functional (Fax/Scan/Printing/Copy Equipment) and Wide Format Printing Equipment Bid No. 15-5039</td>
<td>All</td>
<td>$1,131,692.81</td>
<td>This is a new contract. This contract will be utilized to provide for the supply of office multi-functional fax/scan/print/copy equipment and wide format printers (plotters), with associated services and supplies for each. This contract will be effective Date of Award (May 3, 2016) through February 29, 2019. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of two (2) one-year options to extend as provided for and approved for in future years budgets.</td>
</tr>
<tr>
<td>2. Teqsys, Inc. (WBE)</td>
<td>Annual Contract for Netbackup Appliance and Maintenance Bid No. 16-16010</td>
<td>All</td>
<td>$63,436.00</td>
<td>This is a new contract. This contract will be utilized for the delivery of two Symantec Netbackup Storage Shelf and three years of maintenance. This contract will add additional disk drive space to these appliances, so that IS can continue to meet the data demands of SAWS in the future. This contract will be effective Date of Award (May 3, 2016) through May 2, 2017. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of two (2) one-year options to extend as provided for and approved for in future years budgets.</td>
</tr>
<tr>
<td>3. Capitol Aggregates, Inc.</td>
<td>Annual Contract for Concrete Aggregates (Washed River Rocks) Bid No. 16-6024</td>
<td>All</td>
<td>$66,205.00</td>
<td>This is a new contract. This contract will be utilized for the purchase of Concrete Aggregates (Bulk Material) for in-house concrete work to various Operations Centers as required by SAWS. This contract will be effective Date of Award (May 3, 2016) through May 31, 2017. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of three (3) one-year options to extend as provided for and approved for in future years budgets.</td>
</tr>
</tbody>
</table>

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Board Date: May 3, 2016
Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

B. The following items will establish estimated quantities, unit price and delivery for the Service and Supply Contracts and their extensions. These items are included in the current budget. Payment will be made from the applicable fund. Estimated annual purchase is based on unit price bid; actual total and quantities, may vary from the estimate.

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<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Light Depot dba MCOR Lighting</td>
<td>Annual Contract for Lamps</td>
<td>Groups 1 &amp; 3</td>
<td>$56,029.42</td>
</tr>
</tbody>
</table>

SAWS uses Volumetric Concrete Mixers in D&C. Historically we have used 3/4” washed limestone, however, the product has sharp edges that get caught on the conveyor belts causing damage. As a result, the specification has been changed to Washed River Rock which has a round, smooth surface, and can also be used for pebble finish driveways and sidewalks when the need arises. SAWS only received one bid from Capitol Aggregates. Upon investigating why it was determined they are the only available source in San Antonio for the volume we purchase. There are other sources in Austin, however, they did not bid because prices are not competitive due to shipping costs. Recommend award.

This is an extension of an existing contract. This contract will be utilized for the purchase of lamps and ballasts to maintain lighting in System facilities. Base bid, first and second year extension total $56,029.42. Discount Light Depot dba MCOR Lighting has performed well during the contract period. This contract extension will be effective July 1, 2016 through June 30, 2017. If determined that an extension is favorable to System, price and service considered, the award includes the availability of one (1) additional one-year options to extend as provided for and approved in future year’s budgets.

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Board Date: May 3, 2016
**Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements**

B. The following items will establish estimated quantities, unit price and delivery for the Service and Supply Contracts and their extensions. These items are included in the current budget. Payment will be made from the applicable fund. Estimated annual purchase is based on unit price bid; actual total and quantities, may vary from the estimate.

<table>
<thead>
<tr>
<th>B. VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Star Shuttle, Inc.</td>
<td>Annual Contract for Charter Bus Service Bid No. 14-4016</td>
<td>All</td>
<td>$ 56,300.00</td>
<td>This is an extension of an existing contract. This contract will be utilized for charter bus service for various events. Base bid, first and second year extension total $56,300.00. Star Shuttle, Inc. has performed well during the contract period. This contract extension will be effective June 1, 2016 through May 31, 2017. If determined that an extension is favorable to System, price and service considered, the award includes the availability of one (1) additional one-year options to extend as provided for and approved in future year's budgets.</td>
</tr>
<tr>
<td>6. GC3 Specialty Chemicals (WBE)</td>
<td>Annual Contract for Water Treatment Services Bid No. 13-0189A</td>
<td>All</td>
<td>$ 62,822.41</td>
<td>This is an extension of an existing contract. This contract will be utilized by System employees to treat condensate hot water, condenser water and chilled water. Base bid, first, second and third year extension total $62,822.41. GC3 Specialty Chemicals has performed well during the contract period. This contract extension will be effective July 1, 2016 through June 30, 2017.</td>
</tr>
</tbody>
</table>

*Indicates vendor is an SMWB unless otherwise noted vendor is non minority.*

Board Date: May 3, 2016
Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

B. The following items will establish estimated quantities, unit price and delivery for the Service and Supply Contracts and their extensions. These items are included in the current budget. Payment will be made from the applicable fund. Estimated annual purchase is based on unit price bid; actual total and quantities, may vary from the estimate.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Austin Armature Works, LP (SBE)</td>
<td>Annual Contract for High Service Pump Repair, Machining and Technical/Field Support Services Bid No. 15-7033</td>
<td>All</td>
<td>$88,063.75</td>
<td>Additional funds requested: $88,063.75 This is a current annual contract and additional funds are being requested and the contract period is being modified. This contract is utilized by the Production and Treatment Group for the repair, machine shop and field support services for potable and reuse water High Service Pumps. This item was previously Board awarded on 7/7/15 for an amount of $352,255 for the base period and it approved three additional one-year extension periods as provided for and approved in future year’s budgets. The System had the need to repair two of our largest recycle pumps due to unanticipated failures, thus this Board item seeks to increase the dollars of the base period and extension years by $88,063.75 (25%) each for a revised total of $440,318.75. This item also modifies the extension period from June 1, 2016 through May 31, 2017 to May 3, 2016 through May 2, 2017 to allow for additional repairs that are currently needed prior to the high pumping season.</td>
</tr>
<tr>
<td>8. Commonwealth Computer, Co. (MBE)</td>
<td>Annual Contract for Dell Desktops, Laptops, Monitors and Printers Bid No. 16-6023</td>
<td>All</td>
<td>$436,383.55</td>
<td>This is a new contract. This contract will be utilized for the supply of various Dell hardware, including Laptops, Desktops and Monitors to deploy as part of the SAWS Technology Refresh Program. This contract will be effective Date of Award (May 3, 2016) through May 2, 2017. If determined that an extension is favorable to System, price and service considered, the award includes the availability of four (4) additional one-year options to extend as provided for and approved in future year’s budgets.</td>
</tr>
</tbody>
</table>

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Board Date: May 3, 2016
## SAN ANTONIO WATER SYSTEM
### P. O. BOX 2449
### SAN ANTONIO, TEXAS 78298-2449
### TABULATION OF BIDS

**PROPOSAL**

**Purchase of Various Types of Trucks with Installed Reinforced Utility Body and Liftgates**

**DATE**
3:00 p.m., March 1, 2016

### TABULATION OF BIDS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1 ea. 16,000 GVWR (minimum) regular cab truck with mounted utility body and 1,300 lb. powered liftgate, complete, per specifications</td>
<td>MAKE/MODEL: 2016 Ford F450</td>
<td>61,875.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 ea. 19,000 GVWR (minimum) 84” CA, 4x2 regular cab, cab-chassis with installed reinforced utility body, and a 3,000 lb. corner mounted crane and 1,300 lb powered liftgate complete, per specifications</td>
<td>MAKE/MODEL: 2016 Ford F550</td>
<td>80,699.00</td>
</tr>
<tr>
<td>B</td>
<td>State Make and Model</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Terms</td>
<td>Net</td>
<td>30 days</td>
</tr>
<tr>
<td></td>
<td>Delivery Days</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### *LOW BIDDER*

**BID INVITATIONS WERE E-MAILED TO AND/OR PICKED UP BY:**

- Bluebonnet Motors
- Caldwell Country Ford
- Cavender Chevrolet
- Dodge Superstore
- Grande Truck Center
- Jordan Ford
- North Park Toyota
- Red McCombs Dodge
- Red McCombs Toyota/Ford
- Silsbee Ford
- Tom Benson
- Toyota of Boerne

**Demandstar**

**SAWS Website**
## SAN ANTONIO WATER SYSTEM

P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

### PROPOSAL FOR:

Time & Date: 3:00 p.m., March 14, 2016

### TABULATION OF BIDS

**Description and Approximate Quantity**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description and Approximate Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>66,000 GVWR cab chassis, (single cab) with installed 10 cubic yard, single engine, jet/vacuum sewer cleaning machine, complete, per specifications</td>
</tr>
</tbody>
</table>

**Manufacturer and Model**

<table>
<thead>
<tr>
<th>Mfr.</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freightliner</td>
<td>2017 Freightliner 2010-18</td>
</tr>
<tr>
<td>Wester States</td>
<td>Option Kenworth T800 2100 Plus</td>
</tr>
<tr>
<td>Kenworth</td>
<td>Vactor 2100 Plus</td>
</tr>
<tr>
<td>Weller</td>
<td>Vactor 2100 Plus</td>
</tr>
</tbody>
</table>

**Terms**

- Net 30 days
- Net 30 days
- Net 30 days

**Delivery**

- 150-240 days
- 210-260 days
- 210-260 days

*LOW BIDDER*

**Bid Invitations E-mailed to and/or picked up by:**

- Doggett Freightliner of South TX
- Freightliner of SA
- French- Ellison Truck Center
- Grande Truck Center
- Rush Truck Center of SA
- Santex Truck Center

- Demandstar
- SAWS Website
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449  

**TABULATION OF BIDS**

**Proposal**  
Purchase of Tractors, 2x4 and 4x4 with ROPS/FOPS Canopy, Front-Mounted Bucket and Rear Mounted Extendible Backhoe (Platform Type)

**Time & Date:**  
3:00 p.m., March 22, 2016

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL PRICE</th>
<th>MANUFACTURER AND MODEL</th>
<th>MFR. MODEL</th>
<th>NET DAYS</th>
<th>NET DAYS</th>
<th>NET DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Tractor, two-wheel drive with ROPS/FOPS canopy, front-mounted bucket and rear mounted extendible backhoe, (platform type) complete, per s specifications</td>
<td>UNIT: $69,950.00</td>
<td>TOTAL: $769,450.00</td>
<td>Caterpillar 420F2</td>
<td>2 WD</td>
<td>30 days</td>
<td>30 days</td>
<td>30 days</td>
</tr>
<tr>
<td></td>
<td>Manufacturer and Model</td>
<td>Caterpillar 420F2</td>
<td>Case 2WD</td>
<td>580SN Extendahoe</td>
<td>El Ward VIT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Tractor, four-wheel drive with ROPS/FOPS canopy, front-mounted bucket and rear mounted extendible backhoe, (platform type) complete, per s specifications</td>
<td>UNIT: $75,800.76</td>
<td>TOTAL: $297,868.00</td>
<td>John Deere 310SL</td>
<td>4x4</td>
<td>30 days</td>
<td>30 days</td>
<td>30 days</td>
</tr>
<tr>
<td></td>
<td>Manufacturer and Model</td>
<td>Caterpillar 420F2</td>
<td>Case 4 WD</td>
<td>Extendahoe</td>
<td>El Ward VIT</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Terms**

Delivery: 125 days  
30-90 days  
45-60 days

**LOW BIDDER**

BID INVITATIONS E-MAILED TO AND/OR PICKED UP BY:

- ASCO Equipment Services
- H&V Equipment Services
- Holt Texas
- JCB of South TX
- RDO Equipment
- Romeo Equipment
- USA Teq.com
- Waukesha Pearce Industries

**Demandstar**  
Demandstar

**SAWS Website**  
SAWS Website
SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

TABULATION OF BIDS

Purchase and Installation of DX/Humidification Air Conditioning System for our Headquarters Data Center in Tower 1, 3rd Floor

3:00 p.m., February 23, 2016

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE TOTAL</th>
<th>UNIT PRICE TOTAL</th>
<th>UNIT PRICE TOTAL</th>
<th>UNIT PRICE TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ea.</td>
<td>Air Cooled Air Conditioning Unit-Down flow Mfg: Liebert System Part No. DS070ADA0E11182B or approved equal</td>
<td>29,625.00</td>
<td>33,176.50</td>
<td>28,000.00</td>
<td>38,697.07</td>
</tr>
<tr>
<td>1 ea.</td>
<td>Air Cooled Micro Channel Condenser Unit Mfg: Liebert System Part No. TCDV415-A or approved equal</td>
<td>29,625.00</td>
<td>14,218.50</td>
<td>28,874.09</td>
<td>16,584.46</td>
</tr>
<tr>
<td>1 LS</td>
<td>Installation of all AC Units</td>
<td>8,500.00</td>
<td>23,080.00</td>
<td>18,145.53</td>
<td>21,735.47</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>67,750.00</td>
<td>70,475.00</td>
<td>75,019.53</td>
<td>77,017.00</td>
</tr>
</tbody>
</table>

WARRANTY PERIOD FOR Air Cooled Air Conditioning Unit-Down flow
- 5 year Comp
- 5 year Parts
- 1 year
- 1 year
- 1 year

WARRANTY PERIOD FOR Air Cooled Micro Channel Condenser Unit
- 5 year Parts
- 1 year
- 1 year
- 1 year

Terms
- 2% Net 10 days 30 days 10 days
- 10 days

Delivery
- 56 days 30 days 45 days 60 days 60 days

*LOW BID

BID INVITATIONS E-MAILED TO AND/OR PICKED UP BY:

AC Technical Services
Accu-Aire Mechanical LLC
Air Stream General Construction Co
Amistad Air
Arrow Mechanical
Brandt Co.
Bud Griffin & Associates
Gillette Air Conditioning Co.
Holts Mechanical
K-Air Corporation
TD Industries
Tezel & Cotter

Demandstar
SAWS Website
TABULATION OF BIDS

PROPOSAL FOR: Removal of Asbestos Containing Material (ACM) of Boiler at Heating and Cooling Plant and Third Party Air Monitoring

TIME & DATE: 3:00 p.m., February 24, 2016

| ITEM NO. | DESCRIPTION AND APPROXIMATE QUANTITY | UNIT @ | PRICE | TOTAL |
|----------|--------------------------------------|--------|-------|-------|--------|
|          | Approx. Qty: 130 square feet          |        |       |       |        |
|          | Asbestos Containing Building Material: Partially Dismantled Boiler | UNIT PRICE | 84.23 | 9,251.00 |
|          | Asbestos Content: 3% Chrysotile, Location: Main Bldg. | TOTAL | 10,949.90 | 1,202,630.00 |
|          | Approx. Qty: 130 square feet          |        |       |       |        |
|          | Asbestos Containing Building Material: Intact Boiler | UNIT PRICE | 84.23 | 13,878.00 |
|          | Asbestos Content: 3% Chrysotile, Location: Main Bldg. | TOTAL | 10,949.90 | 1,804,140.00 |
|          | Approx. Qty: Unknown Lump Sum         |        |       |       |        |
|          | Asbestos Containing Building Material: Assumed |       |       |       |        |
|          | Asbestos Content: Assumed, Location: Covered Debris Pile | TOTAL | 8,300.00 | 9,270.00 |
|          | 2 ea. Disposal Steam Boilers 1 & 2 at the Central Heating & Cooling Plant |       |       |       |        |
|          | TOTAL | 63,899.80 | 3,066,510.00 |     |        |

Terms

| Net | 30 days | 1% | 10 days | Net | 30 days |

Delivery

*LOW BID

**ERROR ON PRICING SHEET, VENDOR PUT EXTENDED PRICE AS UNIT PRICE

BID INVITATIONS E-MAILED TO AND/OR PICKED UP BY:

1 Priority Environmental Services
AEHS, Inc.
Alamo1
Ashley Salvage
Bay Metal
CMC
Frontline1
Gruene Environmental
Hunter Demolition

Longhorn Recycling
M Contracting
Monterrey Iron
Ramon Demolition
Robles1
SW TX Environmental
SWS Environmental
Whittaker Lane

Demandstar
SAWS Website
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449  
**TABULATION OF BIDS**

**PROPOSAL**  
One Time Purchase and Installation of New Industrial Shelving  
Bulk Racking and Pallet Racking

**TIME & DATE:**  
3:00 p.m., March 28, 2016

<table>
<thead>
<tr>
<th>GROUP 1 FLEET</th>
<th>DESCRIPTION</th>
<th>MATERIAL</th>
<th>TOTAL</th>
<th>INSTALL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Steel Rack Bulk Open w/4 Adj Steel Shelves, SH-1A</td>
<td>286.00</td>
<td>4,290.00</td>
<td>40.00</td>
<td>4,890.00</td>
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<tr>
<td>15 ea.</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Steel Rack Bulk Open w/4 Adj Steel Shelves, SH-1A</td>
<td>366.00</td>
<td>3,660.00</td>
<td>54.00</td>
<td>4,200.00</td>
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<tr>
<td>15 ea.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Steel Rack Bulk Open w/6 Adj Steel Shelves, SH-1B</td>
<td>359.00</td>
<td>5,026.00</td>
<td>54.00</td>
<td>5,782.00</td>
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<tr>
<td>10 ea.</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Steel Rack Bulk Open w/6 Adj Steel Shelves, SH-1B</td>
<td>359.00</td>
<td>2,154.00</td>
<td>54.00</td>
<td>3,240.00</td>
</tr>
<tr>
<td>14 ea.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Steel Rack Bulk Open w/6 Adj Steel Shelves, SH-1H</td>
<td>2,128.00</td>
<td>10,640.00</td>
<td>100.00</td>
<td>11,140.00</td>
</tr>
<tr>
<td>6 ea.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Steel Rack Bulk Open w/6 Adj Steel Shelves, SH-1H</td>
<td>2,128.00</td>
<td>10,640.00</td>
<td>100.00</td>
<td>11,140.00</td>
</tr>
<tr>
<td>5 ea.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 Closed Steel Shelves with 10 Drawers Below, SH-1F</td>
<td>106.00</td>
<td>-636.00</td>
<td>0.00</td>
<td>-636.00</td>
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<tr>
<td>6 ea.</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Steel Rack Bulk Open w/6 Adj Wire Shelves, SH-1H-ALT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The table continues with similar entries for other items.
### SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**  
SAN ANTONIO, TEXAS 78298-2449  

**TABULATION OF BIDS**

**PROPOSAL**  
One Time Purchase and Installation of New Industrial Shelving  
Bulk Racking and Pallet Racking

**FOR:**

**TIME & DATE:**  
3:00 p.m., March 28, 2016

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>MATERIAL</th>
<th>TOTAL</th>
<th>INSTALL</th>
<th>MATERIAL</th>
<th>TOTAL</th>
<th>INSTALL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>Steel Rack Bulk Open w/6 Adj Wire Shelves, SH-IH-ALT</td>
<td>6 ea.</td>
<td>106.00</td>
<td>-636.00</td>
<td>0.00</td>
<td>0.00</td>
<td>-636.00</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL GROUP 1 FLEET**

<table>
<thead>
<tr>
<th>GROUP 2 SUPPLY</th>
<th>MATERIAL</th>
<th>TOTAL</th>
<th>INSTALL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>11,180.00</td>
<td>9,158.00</td>
<td>19.00</td>
<td>9,177.00</td>
</tr>
<tr>
<td>2.</td>
<td>9,880.00</td>
<td>722.00</td>
<td>19.00</td>
<td>741.00</td>
</tr>
<tr>
<td>3.</td>
<td>1,300.00</td>
<td>95.00</td>
<td>19.00</td>
<td>104.00</td>
</tr>
<tr>
<td>4.</td>
<td>1,300.00</td>
<td>95.00</td>
<td>19.00</td>
<td>104.00</td>
</tr>
<tr>
<td>5.</td>
<td>2,970.00</td>
<td>41.00</td>
<td>41.00</td>
<td>82.00</td>
</tr>
<tr>
<td>6.</td>
<td>3,140.00</td>
<td>41.00</td>
<td>41.00</td>
<td>82.00</td>
</tr>
<tr>
<td>7.</td>
<td>3,960.00</td>
<td>28.00</td>
<td>28.00</td>
<td>56.00</td>
</tr>
<tr>
<td>8.</td>
<td>4,758.00</td>
<td>28.00</td>
<td>28.00</td>
<td>56.00</td>
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</table>

**TOTAL GROUP 2 SUPPLY**

<table>
<thead>
<tr>
<th>GROUP 3 D&amp;C</th>
<th>MATERIAL</th>
<th>TOTAL</th>
<th>INSTALL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>891.00</td>
<td>891.00</td>
<td>24.00</td>
<td>915.00</td>
</tr>
</tbody>
</table>

**TOTAL**

| TOTAL | 67,544.00 | 75.00 | 675.00 | 216.00 | 891.00 |
## SAN ANTONIO WATER SYSTEM

P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449

**TABULATION OF BIDS**

**PROPOSAL FOR:** One Time Purchase and Installation of New Industrial Shelving  
Bulk Racking and Pallet Racking

**DATE:** 3:00 p.m., March 28, 2016

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>MATERIAL</th>
<th>INSTALL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>5 ea. Extra heavy duty shelving w/4 shelves wood deck</td>
<td>75.00</td>
<td>24.00</td>
<td>99.00</td>
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<tr>
<td>3.</td>
<td>2 ea. Rack Bulk shelving, SH-3B</td>
<td>157.00</td>
<td>41.00</td>
<td>198.00</td>
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<tr>
<td>4.</td>
<td>2 ea. Rack Bulk shelving, SH-3B</td>
<td>157.00</td>
<td>41.00</td>
<td>198.00</td>
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<tr>
<td>5.</td>
<td>5 ea. Rack Bulk shelving SH-3B</td>
<td>157.00</td>
<td>205.00</td>
<td>362.00</td>
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<tr>
<td>6.</td>
<td>5 ea. Rack Bulk shelving, SH-3B</td>
<td>241.00</td>
<td>57.00</td>
<td>298.00</td>
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<tr>
<td>7.</td>
<td>3 ea. Closed Industrial Steel shelving, SH-3A</td>
<td>241.00</td>
<td>780.00</td>
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</tr>
<tr>
<td>8.</td>
<td>3 ea. Closed Industrial Steel shelving, SH-3A</td>
<td>241.00</td>
<td>780.00</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>19 ea. Closed Industrial Steel shelving, SH-3A</td>
<td>241.00</td>
<td>4,940.00</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>19 ea. Closed Industrial Steel shelving, SH-3A</td>
<td>241.00</td>
<td>4,940.00</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>6 ea. Closed Industrial Steel shelving, SH-3A</td>
<td>241.00</td>
<td>1,560.00</td>
<td></td>
</tr>
</tbody>
</table>
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  
TABULATION OF BIDS

**PROPOSAL**  
One Time Purchase and Installation of New Industrial Shelving  
Bulk Racking and Pallet Racking

**TIME & DATE:**  
3:00 p.m., March 28, 2016

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>MATERIAL</th>
<th>TOTAL</th>
<th>INSTALL</th>
<th>TOTAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>6 ea. Closed Industrial Steel shelving, SH-3A</td>
<td>241.00</td>
<td>1,446.00</td>
<td>19.00</td>
<td>114.00</td>
<td>1,560.00</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL GROUP 3 D&amp;C</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18,718.00</td>
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<tr>
<td></td>
<td><strong>TOTAL GROUPS 1-3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>113,242.00</strong></td>
</tr>
</tbody>
</table>

**Terms**  
Net  
30 days

*LOW BIDDER*

BID INVITATIONS WERE E-MAILED TO AND/OR PICKED UP BY:

- 1i Group  
- Alaron Supply  
- Grainger  
- Industrial Shelving Systems  
- Material Handling Solutions  
- Precision Warehouse Design  
- Professional Filing Systems, Inc.  
- San Antonio Industrial Supply  
- Shelving Ideas  
- Southern Acquisitions  
- Southwest Solutions Group  
- Uline  
- Warehouse Rack  
- Western Park Storage Systems  
- WW Cannon  

Demandstar  
SAWS Website
## SAN ANTONIO WATER SYSTEM
### Purchase of Various Types of Light Duty Pickup Trucks

**TABULATION OF BIDS**

<table>
<thead>
<tr>
<th>Make and Model</th>
<th>Manufacturer Make and Model</th>
<th>BID</th>
<th>Delivery Date</th>
<th>Website</th>
<th>Tabs</th>
<th>Leasing</th>
<th>Tabs</th>
<th>Leasing</th>
<th>Tabs</th>
<th>Leasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chevrolet Silverado</td>
<td>Jim Bass Ford</td>
<td>Caldwell Cty</td>
<td>Mar 05, 2016</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
</tr>
<tr>
<td>Chevrolet Silverado</td>
<td>Jordan Ford</td>
<td>Caldwell Cty</td>
<td>Mar 05, 2016</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
</tr>
<tr>
<td>Chevrolet Silverado</td>
<td>Caldwell County Ford</td>
<td>Caldwell Cty</td>
<td>Mar 05, 2016</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
</tr>
<tr>
<td>Chevrolet Silverado</td>
<td>North Park Toyota</td>
<td>San Antonio, TX</td>
<td>Mar 05, 2016</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
</tr>
<tr>
<td>Chevrolet Silverado</td>
<td>Northside Toyota</td>
<td>San Antonio, TX</td>
<td>Mar 05, 2016</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
</tr>
<tr>
<td>Chevrolet Silverado</td>
<td>Hilltop Ford</td>
<td>San Antonio, TX</td>
<td>Mar 05, 2016</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
</tr>
<tr>
<td>Chevrolet Silverado</td>
<td>West Side Ford</td>
<td>San Antonio, TX</td>
<td>Mar 05, 2016</td>
<td></td>
<td>60-120days</td>
<td></td>
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<td></td>
<td>60-120days</td>
<td></td>
</tr>
<tr>
<td>Chevrolet Silverado</td>
<td>Metro Ford</td>
<td>San Antonio, TX</td>
<td>Mar 05, 2016</td>
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<td>60-120days</td>
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<td>60-120days</td>
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<td>60-120days</td>
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<tr>
<td>Chevrolet Silverado</td>
<td>Olympic Ford</td>
<td>San Antonio, TX</td>
<td>Mar 05, 2016</td>
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<td>60-120days</td>
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<td>60-120days</td>
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<td>60-120days</td>
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</tr>
<tr>
<td>Chevrolet Silverado</td>
<td>Toyota of San Antonio</td>
<td>San Antonio, TX</td>
<td>Mar 05, 2016</td>
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<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
<td>60-120days</td>
<td></td>
</tr>
</tbody>
</table>

*LOW BIDDER

BID INVITATIONS WERE MAILED TO AND OR PICKED UP BY:

- Eastside Chrysler Dodge
- Caldwell County Ford
- Five Star Ford
- Live Oak Ford
- Hilltop Ford
- Olympic Ford
- Olympic Chrysler Jeep Dodge
- Eastside Ford
- Northside Toyota
- Hilltop Ford
- West Side Ford
- Metro Ford
- Toyota of San Antonio
- Live Oak Ford

*Tabulation Date:

- Mar 05, 2016
- Mar 06, 2016
- Mar 07, 2016
- Mar 08, 2016
- Mar 09, 2016
- Mar 10, 2016
- Mar 11, 2016
- Mar 12, 2016
- Mar 13, 2016
- Mar 14, 2016
- Mar 15, 2016
- Mar 16, 2016
- Mar 17, 2016
- Mar 18, 2016
- Mar 19, 2016
- Mar 20, 2016
- Mar 21, 2016
- Mar 22, 2016
- Mar 23, 2016
- Mar 24, 2016
- Mar 25, 2016
- Mar 26, 2016
- Mar 27, 2016
- Mar 28, 2016
- Mar 29, 2016
- Mar 30, 2016
- Mar 31, 2016

*Website:

- SANS Website
**BEST VALUE BID**

For
MULTI-FUNCTIONAL (FAX/SCAN/PRINTING/COPY EQUIPMENT), AND
WIDE FORMAT PRINTING EQUIPMENT

**SAWS Bid # 15-5039**

**SUPPLEMENTARY COMMENTS:**

The Print Shop and Computer Operations Staff recommends that the contract be awarded to **Dahill Office Technology Corporation**, as the bidder who will provide the goods or services at the best value for the Water System based on the selection criteria set forth below. Price and other factors have been considered. In determining the “best value,” the Evaluation Criteria listed below have been considered and weighted as shown.

A) **Evaluation Committee:** All properly submitted bids were reviewed by an Evaluation Committee.

B) **Weighted Evaluation Criteria:** The following weighted criteria were considered to determine which bid offers the “best value” to the San Antonio Water System.

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Bidder’s Pricing</td>
<td>30</td>
</tr>
<tr>
<td>B. Technical Approach</td>
<td>25</td>
</tr>
<tr>
<td>C. Prior Experience/References</td>
<td>20</td>
</tr>
<tr>
<td>D. Small, Minority and Woman Business Program Compliance</td>
<td>10</td>
</tr>
<tr>
<td>E. Environmental policy and recycling</td>
<td>10</td>
</tr>
<tr>
<td>F. Financial/ Operational Stability</td>
<td>5</td>
</tr>
<tr>
<td>G. Bid Responsiveness</td>
<td>P/F</td>
</tr>
</tbody>
</table>

**TOTAL** 100

**SAWS received bids from the following companies:**

<table>
<thead>
<tr>
<th>No</th>
<th>Bidders Name</th>
<th>Bid Amount</th>
<th>Best Value Score</th>
<th>Local/ SMWB</th>
</tr>
</thead>
</table>
| 1  | * Dahill Office Technology Corporation | **Base Period:** $679,015.69  
 Extension 1: **$226,338.56**  
 Extension 2: **$226,338.56**  
 Total: $1,131,692.81 | 339.25 | Local/ Non-SMWB |
| 2  | Canon                      | **Base Period:** $810,788.60  
 Extension 1: **$270,262.87**  
 Extension 2: **$270,262.87**  
 Total: $1,351,314.34 | 333.35 | Local/ Non-SMWB |
**Bidder offering the best value**

**Base Period is for a period of 3-years.**

Additionally, the overall SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>SBE</th>
<th>0.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBE - African American</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>MBE - Asian</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>MBE - Hispanic</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>MBE - Other</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>WBE - Minority</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>WBE - Non-Minority</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>SMWB Total</td>
<td>0.00%</td>
<td></td>
</tr>
</tbody>
</table>

**PERIOD OF AWARD**

Award of contract shall begin upon the effective date of award, and terminates on 02 May 19. Contract may be renewed under the same terms and conditions for two (2) additional one (1) year periods. In determining the best value, the Print Shop and Computer Operations staff considered relevant criteria specifically listed in the request for bid. The Staff has determined that Dahill Office Technology will provide services at the best value to SAWS.
# SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

## TABULATION OF BIDS

### Annual Contract for Netbackup Appliance and Maintenance

**Time & Date:**
3:00 p.m., February 26, 2016

**Item No.**

<table>
<thead>
<tr>
<th>No.</th>
<th>Description and Approximate Quantity</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Netbackup Appliance 52X0 Appliance, Upgrade 36TB Dual Controller Storage Shelf Gov, Part No. 21268338-M3</td>
<td>23,198.00</td>
<td>46,396.00</td>
</tr>
<tr>
<td>2.</td>
<td>Essential 36 Months Initial for Netbackup Appliance 52X0 Appliance, Upgrade 36TB Dual Controller Storage Shelf Gov, Part No. 21268338-M3-22 (Base Year: 01 Mar 16 - 28 Feb 17)</td>
<td>8,520.00</td>
<td>17,040.00</td>
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<tr>
<td>3.</td>
<td>Essential 36 Months Initial for Netbackup Appliance 52X0 Appliance, Upgrade 36TB Dual Controller Storage Shelf Gov, Part No. 21268338-M3-22 (Extension 1: 01 Mar 17 - 28 Feb 18)</td>
<td>2,890.93</td>
<td>5,781.86</td>
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<tr>
<td>4.</td>
<td>Essential 36 Months Initial for Netbackup Appliance 52X0 Appliance, Upgrade 36TB Dual Controller Storage Shelf Gov, Part No. 21268338-M3-22 (Extension 2: 01 Mar 18 - 19 Mar 19)</td>
<td>2,890.93</td>
<td>5,781.86</td>
</tr>
</tbody>
</table>

**TOTAL**

| TOTAL | 63,436.00 | 66,692.88 | 69,074.00 | 69,668.34 |

**Terms**

<table>
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<tr>
<th>Delivery Days</th>
<th>Net 30 days</th>
<th>Net 30 days</th>
<th>Net 30 days</th>
<th>Net 30 days</th>
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<tbody>
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<td>10 days</td>
<td>21 days</td>
<td>2-3 days</td>
<td>2 days</td>
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</table>

*LOW BIDDER

**BIDS WERE E-MAILED TO AND/OR PICKED UP BY:**

- Agilet Solutions Ltd.
- Be Intuitive
- Carahsoft
- Cbi Hhome
- CDW-G
- Computer Solutions
- DLT
- Freeitdata
- Insight
- Lumenate.com
- Mythics
- Petrosys Solutions Inc.
- Presidio
- SHI Government Solutions
- Sirius Computer Solutions
- Storage Assessments
- Taborda Solutions
- Teqsys Inc.
- Zonez
- SAWSC Website
## SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

### PROPOSAL

**FOR:**

Concrete Aggregates (Washed River Rock)

**TIME & DATE:**

(Date of Award through May 31, 2017)

3:00 p.m., March 29, 2016

### ITEM NO. DESCRIPTION AND APPROXIMATE QUANTITY

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<tr>
<th>GROUP 1</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>PRICE PER TON</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong></td>
<td>Load Bulk Bins at SAWS Location; Vendor Delivery</td>
<td>21.99</td>
<td>32,985.00</td>
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<td>1,500 TN Washed River Rock (3/4&quot;)</td>
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<td>32,985.00</td>
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<td><strong>2.</strong></td>
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<td>23,390.00</td>
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<td><strong>3.</strong></td>
<td>Load Bulk Bins at SAWS Location; Vendor Delivery</td>
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<td>Medio Creek WRC (2241 Hunt Lane), SAWS #45528</td>
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</table>

**TOTAL (GROUP 1)**

**EXTENSION 1**

**EXTENSION 2**

**EXTENSION 3**

Terms

Net 30 days

### *LOW BIDDER*

**BID INVITATIONS E-MAILED TO AND/OR PICKED UP BY:**

- Alamo Cement Co.
- Capitol Aggregates
- Cemex
- Keller Material, Ltd.
- Martin Marietta
- Statewide Materials Transport
- Texstar Enterprises, Inc.
- Vulcan Construction Materials, LP

Demandstar

SAWS Website
## TABULATION OF BIDS

### GROUP BALLASTS

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Mfr./Model</th>
<th>List Mfr./Model</th>
<th>Price</th>
<th>Total for Group 1</th>
<th>Total for Group 2</th>
<th>MFR/MODEL</th>
<th>HCO</th>
<th>No.</th>
<th>List Mfr./Model</th>
<th>Price</th>
<th>Total for Group 1</th>
<th>Total for Group 2</th>
<th>MFR/MODEL</th>
<th>HCO</th>
<th>No.</th>
<th>List Mfr./Model</th>
<th>Price</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>BALLAST JLMP 120V R2S40TP, Item: Rapid Start R2s40 TP or Sola E-620 F-246-TP, Lawson No. 9356</td>
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<td>BALLAST MAX V ULTRA T-8, GE 49767 or Sola E-259 U-259 SC, Lawson No. 26462</td>
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<td>260.60</td>
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<td>BALLAST ULTRA T-8 120 to 277 volts, Item: GE-259-Max-Vultra</td>
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<td>BALLAST TYPE ELECTRONIC 120 volts - 377 volts/500/60Hz STARTING METHOD - PROGRAMMED START, PHILIPS SMART MATX ECF-1252-61-LD</td>
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<td>5</td>
<td>BALLAST ULTRA MAX T-8/120-277 voltsdc, Item: GE-332 max-Lultra</td>
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<td>6</td>
<td>BALLAST ULTRA MAX T-8/120-277 volts dc low light, GE 232 max-Lultra</td>
<td>GE/Philips</td>
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<td>12.44</td>
<td>328.30</td>
<td>12.10</td>
<td>323.00</td>
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<td>7</td>
<td>BALLAST ULTRA MAX T-8/120-277 volts dc low light, GE 232 max-Lultra</td>
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<td>9.44</td>
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<td>8</td>
<td>CONTINUOUS ELE BALLAST (2)64/100% compliant 4 120-377 volts S-66k-dE KT3T20 120-277 volt, PHILIPS F32T8/255</td>
<td>GE/Philips</td>
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<td>BALLAST ULTRA T-8 120 to 277 volts 50-60Hz, item: GE-6-320-L-1D</td>
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### TOTAL FOR GROUP 1

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<tr>
<th>Price List Catalog Number</th>
<th>Discount Off Price List (%)</th>
<th>Multiplier for Discount</th>
<th>Line Item Price</th>
<th>Multiplier for Line Item</th>
<th>Line Item Price</th>
<th>Total for Group 1</th>
<th>Total for Group 2</th>
<th>MFR/MODEL</th>
<th>HCO</th>
<th>No.</th>
<th>List Mfr./Model</th>
<th>Price</th>
<th>Total for Group 1</th>
<th>Total for Group 2</th>
<th>MFR/MODEL</th>
<th>HCO</th>
<th>No.</th>
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</table>

### GROUP BALLASTS

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<th>Item No.</th>
<th>Description</th>
<th>Mfr./Model</th>
<th>List Mfr./Model</th>
<th>Price</th>
<th>Total for Group 1</th>
<th>Total for Group 2</th>
<th>MFR/MODEL</th>
<th>HCO</th>
<th>No.</th>
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<th>Total for Group 2</th>
<th>MFR/MODEL</th>
<th>HCO</th>
<th>No.</th>
<th>List Mfr./Model</th>
<th>Price</th>
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</thead>
<tbody>
<tr>
<td>11</td>
<td>BALLAST-1 LED 1 ca 75W/7.26A 1-0/49V Dimming 1R-3-26 PD 28-23 volt, Phillips Advance LED INTA/24V/350 W/O</td>
<td>Phillips/Advance</td>
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<th>Total for Group 2</th>
<th>MFR/MODEL</th>
<th>HCO</th>
<th>No.</th>
<th>List Mfr./Model</th>
<th>Price</th>
<th>Total for Group 1</th>
<th>Total for Group 2</th>
<th>MFR/MODEL</th>
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### SAN ANTONIO WATER SYSTEM
#### P.O. BOX 2449
#### SAN ANTONIO, TEXAS 78208-2449
#### TABULATION OF BIDS

<table>
<thead>
<tr>
<th>GROUP</th>
<th>LAMPS</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>UNIT PRICE</th>
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<th>UNIT PRICE</th>
<th>TOTAL</th>
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</thead>
<tbody>
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<td>5.45</td>
<td>0.45</td>
<td>5.45</td>
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**Note:** The unit prices and total costs are calculated based on the number of units specified in the table. The data reflects the cost breakdown for different groups, models, and quantities.
### Lamps

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<th>Model</th>
<th>MFR/Model</th>
<th>UNIT PRICE</th>
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<th>UNIT PRICE</th>
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<tr>
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### Halogen Light

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<tr>
<th>Model</th>
<th>MFR/Model</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
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### fluorescent light

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<th>TOTAL</th>
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<tr>
<td>41.</td>
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<td>42.</td>
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<td>48.</td>
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## Expenses

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<th>Description</th>
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<td>Power</td>
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<tr>
<td>Lighting</td>
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<tr>
<td>Maintenance</td>
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<tr>
<td>Total</td>
<td>$6,000.00</td>
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</table>
**SAN ANTONIO WATER SYSTEM**  
**P. O. BOX 2449**  
**SAN ANTONIO, TEXAS 78298-2449**  
**TABULATION OF BIDS**

**Annual Contract for Lamps**

**SAN ANTONIO WATER SYSTEM**  
**P.O. BOX 2449**  
**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**  
(DATE OF AWARD THROUGH JUNE 30, 2015)

3:00 p.m., July 30, 2014

**DESCRIPTION**  
**AT APPROXIMATE QUANTITY**

<table>
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<tr>
<th>DESCRIPTION</th>
<th>UNIT PRICE TOTAL</th>
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</tr>
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<td>4.20</td>
<td>2.87</td>
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**EXTENSION 1**

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<thead>
<tr>
<th>TERMS</th>
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<tbody>
<tr>
<td>Net 30 days</td>
<td>623.00</td>
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**EXTENSION 2**

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**DELIVERY DAYS**

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<tr>
<th>NET 30 DAYS</th>
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<tbody>
<tr>
<td>4 days</td>
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<tr>
<td>5 days</td>
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<tr>
<td>7 days</td>
</tr>
<tr>
<td>1 day</td>
</tr>
<tr>
<td>5 days</td>
</tr>
<tr>
<td>7-14 days</td>
</tr>
</tbody>
</table>

**LOW BIDDER**

*14-0284A*

**BID INVITATIONS WERE E-MAILED TO AND/OR PICKED UP BY**

- Bay Tech Supply
- Dealers Electrical Supply
- Discount Light Depot dba MCOR Lighting
- Elliot Electric
- Facility Solutions Group
- Granger
- Graybar
- Lubbock Electric Supply
- Mid Coast Electric Supply
- PDME
- Summit
- Viso Lighting
- WESCO, Inc.

**PROVIDER AND APPROXIMATE QUANTITY**

<table>
<thead>
<tr>
<th>UNIT PRICE</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Sylvania21114</td>
<td>684.00</td>
</tr>
<tr>
<td>GE 97613</td>
<td>906.00</td>
</tr>
<tr>
<td>Philips</td>
<td>794.00</td>
</tr>
<tr>
<td>GE 22269</td>
<td>100.80</td>
</tr>
<tr>
<td>Philips</td>
<td>109.00</td>
</tr>
<tr>
<td>GE 15834</td>
<td>15,159.13</td>
</tr>
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<td>Philips</td>
<td>15,186.62</td>
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<td>Philips</td>
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**30 days**

**Date of Award through June 30, 2015**

3:00 p.m., July 30, 2014

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*14-0284A*

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<td>Net 30 days</td>
<td>623.00</td>
</tr>
</tbody>
</table>

**DELIVERY DAYS**

<table>
<thead>
<tr>
<th>NET 30 DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 days</td>
</tr>
<tr>
<td>5 days</td>
</tr>
<tr>
<td>7 days</td>
</tr>
<tr>
<td>1 day</td>
</tr>
<tr>
<td>5 days</td>
</tr>
<tr>
<td>7-14 days</td>
</tr>
</tbody>
</table>

**LOW BIDDER**

*14-0284A*

**BID INVITATIONS WERE E-MAILED TO AND/OR PICKED UP BY**

- Bay Tech Supply
- Dealers Electrical Supply
- Discount Light Depot dba MCOR Lighting
- Elliot Electric
- Facility Solutions Group
- Granger
- Graybar
- Lubbock Electric Supply
- Mid Coast Electric Supply
- PDME
- Summit
- Viso Lighting
- WESCO, Inc.
## SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**  
**SAN ANTONIO, TEXAS 78298-2449**  
**TABULATION OF BIDS**

**PROPOSAL**  
Annual Contract for Charter Bus Services

**FILE:**  
(Rev. 5/92)

**TIME & DATE:**  
3:00 p.m., March 18, 2014

**ITEM NO.**  
DESCRIPTION AND APPROXIMATE QUANTITY

### GROUP 1  
**MINI BUS**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>MINI-BUS 29 PASSENGER 4 HR, Lawson No. 22787</td>
<td>475.00</td>
<td>950.00</td>
</tr>
<tr>
<td>2.</td>
<td>MINI-BUS 29 PASSENGER 5 HR, Lawson No. 22788</td>
<td>575.00</td>
<td>1,150.00</td>
</tr>
<tr>
<td>3.</td>
<td>MINI-BUS 29 PASSENGER 6 HR, Lawson No. 22789</td>
<td>675.00</td>
<td>675.00</td>
</tr>
<tr>
<td>4.</td>
<td>MINI-BUS 29 PASSENGER 7 HR, Lawson No. 22790</td>
<td>775.00</td>
<td>1,550.00</td>
</tr>
<tr>
<td>5.</td>
<td>MINI-BUS 29 PASSENGER 8 HR, Lawson No. 33998</td>
<td>875.00</td>
<td>875.00</td>
</tr>
<tr>
<td>6.</td>
<td>MINI-BUS 29 PASSENGER 9 HR, Lawson No. 22792</td>
<td>975.00</td>
<td>975.00</td>
</tr>
</tbody>
</table>

**Sub Total for Group 1**  
TOTAL: 6,175.00  
NO BID

### GROUP 2  
**PASSENGER BUS 55 LARGER**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>PASSENGER BUS 55 or LARGER 3 HR, Lawson No. 33968</td>
<td>600.00</td>
<td>600.00</td>
</tr>
<tr>
<td>2.</td>
<td>PASSENGER BUS 55 or LARGER 5 HR, Lawson No. 33999</td>
<td>600.00</td>
<td>600.00</td>
</tr>
<tr>
<td>3.</td>
<td>PASSENGER BUS 55 or LARGER 6 HR, Lawson No. 22797</td>
<td>725.00</td>
<td>725.00</td>
</tr>
<tr>
<td>4.</td>
<td>PASSENGER BUS 55 or LARGER 7 HR, Lawson No. 34000</td>
<td>850.00</td>
<td>850.00</td>
</tr>
<tr>
<td>5.</td>
<td>PASSENGER BUS 55 or LARGER 8 HR, Lawson No. 34001</td>
<td>975.00</td>
<td>975.00</td>
</tr>
<tr>
<td>6.</td>
<td>PASSENGER BUS 55 or LARGER 9 HR, Lawson No. 34002</td>
<td>1,100.00</td>
<td>1,100.00</td>
</tr>
</tbody>
</table>

**Sub Total for Group 2**  
TOTAL: 15,575.00  
12,768.00

### GROUP 3  
**ADDITIONAL HOUR**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>MINI BUS 29 PASSENGER - HOURLY RATE PER ADDITIONAL HOUR, Lawson No. 31312</td>
<td>100.00</td>
<td>N/A</td>
</tr>
<tr>
<td>2.</td>
<td>PASSENGER BUS 55 LARGER - HOURLY RATE PER ADDITIONAL HOUR, Lawson No. 31311</td>
<td>125.00</td>
<td>99.75</td>
</tr>
</tbody>
</table>

**Sub Total for Group 3**  
TOTAL: 225.00  
99.75

**GRAND TOTAL**  
TOTAL: 21,975.00
# SAN ANTONIO WATER SYSTEM

**Proposal**

**For:**

Annual Contract for Charter Bus Services

**Time & Date:**

(June 1, 2014 through May 31, 2015)

3:00 p.m., March 18, 2014

**Tabulation of Bids**

<table>
<thead>
<tr>
<th>Extension</th>
<th>Description and Approximate Quantity</th>
<th>Star Shuttle, Inc.</th>
<th>Regent Coachline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extension 1</td>
<td></td>
<td>21,975.00</td>
<td></td>
</tr>
<tr>
<td>Extension 2</td>
<td></td>
<td>21,975.00</td>
<td></td>
</tr>
<tr>
<td>Extension 3</td>
<td></td>
<td>21,975.00</td>
<td></td>
</tr>
<tr>
<td>Terms</td>
<td></td>
<td>Net 30 days</td>
<td>Net 30 days</td>
</tr>
</tbody>
</table>

*Low Bidder*

Bid invitations e-mailed to and/or picked up by:

- City Tours, Inc.
- Coach USA
- Daisy Tours
- Imperial BUS
- Kerrville BUS Co.
- OK Tours
- Regent Coachline
- Star Shuttle
- Tuxedo Charters
- Valley Transit Co.

SAWS Website
### SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

**TABULATION OF BIDS**

**PROPOSAL** for:

**TIME & DATE:**
- **ITEM NO.**
- **PART1**
- **PART2**
- **PART3**
- **PART4**

**SAN ANTONIO WATER SYSTEM**

**P. O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

Annual Contract for Water Treatment Services
(July 1, 2013 through June 30, 2014)
3:00 p.m., June 21, 2013

<table>
<thead>
<tr>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>PRICE/MONTH</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PART 1 SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 months Services and Chemicals at Dos Rios WRC</td>
<td>70.00</td>
<td>840.00</td>
</tr>
<tr>
<td><strong>PART 1 TOTAL</strong></td>
<td></td>
<td>840.00</td>
</tr>
<tr>
<td><strong>PART 2 CHEMICALS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>300 gallons Loop Inhibitor</td>
<td>13.00</td>
<td>3,900.00</td>
</tr>
<tr>
<td><strong>PART 2 TOTAL</strong></td>
<td></td>
<td>3,900.00</td>
</tr>
<tr>
<td>150 gallons Water Tower Inhibitor</td>
<td>10.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td><strong>PART 3 REPAIR SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 hours Labor Rate - Regular Time</td>
<td>30.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td><strong>PART 3 TOTAL</strong></td>
<td></td>
<td>1,500.00</td>
</tr>
<tr>
<td>10 hours Labor Rate - Overtime</td>
<td>45.00</td>
<td>450.00</td>
</tr>
<tr>
<td><strong>PART 4 PARTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Est. Annual Spend $10,000</td>
<td>10,000.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>Discount Parts Rate - Repair Parts not covered under Part 1 of this contract</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>PART 4 TOTAL</strong></td>
<td></td>
<td>8,500.00</td>
</tr>
<tr>
<td><strong>GRAND TOTAL PARTS 1-4</strong></td>
<td></td>
<td>18,465.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TERMS</th>
<th>Net</th>
<th>30 days</th>
</tr>
</thead>
</table>

**LOW BIDDER**

*LOW BIDDER*

BID INVITATIONS WERE MAILED TO AND/OR PICKED UP BY:

- Alpha Labs
- Coastline, Ltd
- Delta Water Technologies, Inc.
- P/JM Services, Inc.
- Wesco Chemicals, Inc.
- GC3 Specialty Chemicals, Inc.
- FSB

SAWS Website
### SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

**PROPOSAL**

Annual Contract for High Service Pump Repair, Machining, and Technical/Field Support Services

**TIME & DATE**

(May 1, 2015 through May 31, 2016)

3:00 p.m., March 31, 2015

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. 1.</td>
<td>PUMP TEAR-DOWN AND INSPECTION REPORT (TIR) and Quote</td>
<td>750.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>a. Large Pump TIR and Quote (250 HP and greater)</td>
<td></td>
<td>4,500.00</td>
<td></td>
</tr>
<tr>
<td>Horizontal Pump</td>
<td></td>
<td>17,400.00</td>
<td></td>
</tr>
<tr>
<td>b. Vertical Pump</td>
<td></td>
<td>6,100.00</td>
<td></td>
</tr>
<tr>
<td>2. Small Pump TIR and Quote (less than 250 HP)</td>
<td></td>
<td>2,150.00</td>
<td></td>
</tr>
<tr>
<td>a. Horizontal Pump</td>
<td></td>
<td>6,450.00</td>
<td></td>
</tr>
<tr>
<td>b. Vertical Pump</td>
<td></td>
<td>12,200.00</td>
<td></td>
</tr>
<tr>
<td>B. PUMP FINAL REPAIR REPORT (FRR)</td>
<td></td>
<td>650.00</td>
<td></td>
</tr>
<tr>
<td>1. Large FRR (250 HP and greater)</td>
<td></td>
<td>2,600.00</td>
<td></td>
</tr>
<tr>
<td>a. Horizontal Pump</td>
<td></td>
<td>1,860.00</td>
<td></td>
</tr>
<tr>
<td>b. Vertical Pump</td>
<td></td>
<td>7,700.00</td>
<td></td>
</tr>
<tr>
<td>2. Small Pump FRR (less than 250 HP)</td>
<td></td>
<td>620.00</td>
<td></td>
</tr>
<tr>
<td>a. Horizontal Pump</td>
<td></td>
<td>1,840.00</td>
<td></td>
</tr>
<tr>
<td>b. Vertical Pump</td>
<td></td>
<td>1,540.00</td>
<td></td>
</tr>
<tr>
<td>C. PUMP REPAIR SERVICES, LABOR</td>
<td></td>
<td>76.00</td>
<td></td>
</tr>
<tr>
<td>1. Large Pump Repair Shop Labor (250 HP and Greater)</td>
<td></td>
<td>76.00</td>
<td></td>
</tr>
<tr>
<td>a. Horizontal Pump - Regular Time</td>
<td></td>
<td>76,000.00</td>
<td></td>
</tr>
<tr>
<td>b. Horizontal Pump - Overtime</td>
<td></td>
<td>2,280.00</td>
<td></td>
</tr>
<tr>
<td>20 Hours</td>
<td></td>
<td>114.00</td>
<td></td>
</tr>
<tr>
<td>c. Vertical Pump - Regular Time</td>
<td></td>
<td>154.00</td>
<td></td>
</tr>
</tbody>
</table>
## SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

**TABULATION OF BIDS**

**PROPOSAL**
Annual Contract for High Service Pump Repair, Machining, and Technical/Field Support Services

**TIME & DATE**
(May 1, 2015 through May 31, 2016)
3:00 p.m., March 31, 2015

### ITEM NO. DESCRIPTION AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20 Hours Vertical Pump - Overtime</td>
<td>UNIT PRICE 85.00 104.00 114.00</td>
<td>TOTAL 1,700.00 2,080.00 2,280.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Small Pump Repair Shop Labor (less than 250 HP)</td>
<td>400 Hours Unit Price 65.00 78.00 76.00</td>
<td>26,000.00 31,200.00 30,400.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Horizontal Pump - Regular Time</td>
<td>UNIT PRICE 85.00 104.00 114.00</td>
<td>TOTAL 1,700.00 2,080.00 2,280.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>80 Hours Vertical Pump - Overtime</td>
<td>UNIT PRICE 65.00 78.00 76.00</td>
<td>5,200.00 6,240.00 6,080.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Horizontal Pump - Regular Time</td>
<td>UNIT PRICE 85.00 104.00 114.00</td>
<td>TOTAL 680.00 832.00 912.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Allowances and markups for Pump Repairs Parts and Materials, including shipping. Cost-Plus Markup. Invoice parts and materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Pumps Major Components (rotating assemblies, impellers, impeller keys, shafts, discharge heads, diffuser plates, diffuser, steel shell, etc.)</td>
<td>% Markup 25,000.00 25,000.00 25,000.00</td>
<td>TOTAL 28,750.00 28,125.00 30,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Pumps Ancillary Components (keys, keyed shaft couplings, lantern rings, bearings, pump/shaft seals, bowl wear rings, packing glands, collars, stuffing boxes, sand collars, etc.)</td>
<td>% Markup 20,000.00 20,000.00 20,000.00</td>
<td>TOTAL 23,000.00 22,500.00 24,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL ITEM I</td>
<td>190,700.00 259,817.00 256,222.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>SPECIALTY MACHINING WORK, LABOR AND ALLOWANCES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Labor @ Regular Time Rate 400 Hours</td>
<td>UNIT PRICE 65.00 78.00 96.00</td>
<td>TOTAL 26,000.00 31,200.00 38,400.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>20 Hours Labor @ Overtime Rate</td>
<td>UNIT PRICE 85.00 104.00 114.00</td>
<td>TOTAL 1,700.00 2,080.00 2,280.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>Material allowance for machining work by Supplier. Bid Markup</td>
<td>% Markup 70,000.00 70,000.00 70,000.00</td>
<td>TOTAL 80,500.00 78,750.00 84,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>Allowance for subcontracted machining work. Bid Markup for invoiced work</td>
<td>% Markup 10,000.00 10,000.00 10,000.00</td>
<td>TOTAL 10,500.00 11,250.00 12,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL ITEM II</td>
<td>118,700.00 123,280.00 136,680.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  
TABULATION OF BIDS

**PROPOSAL:** Annual Contract for High Service Pump Repair, Machining, and Technical/Field Support Services  
**TIME & DATE:** (May 1, 2015 through May 31, 2016)  
3:00 p.m., March 31, 2015

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a.</strong></td>
<td>Field Work @ Regular Rate</td>
<td>75.00</td>
<td>9,000.00</td>
<td>75.00</td>
<td>6,840.00</td>
<td>75.00</td>
<td>9,120.00</td>
</tr>
<tr>
<td><strong>b.</strong></td>
<td>Field Work @ Overtime Rate</td>
<td>75.00</td>
<td>3,000.00</td>
<td>75.00</td>
<td>3,000.00</td>
<td>75.00</td>
<td>4,560.00</td>
</tr>
<tr>
<td><strong>c.</strong></td>
<td>Technical Work @ Regular Rate</td>
<td>75.00</td>
<td>3,000.00</td>
<td>225.00</td>
<td>9,000.00</td>
<td>75.00</td>
<td>3,040.00</td>
</tr>
<tr>
<td><strong>d.</strong></td>
<td>Technical Work @ Overtime Rate</td>
<td>75.00</td>
<td>600.00</td>
<td>225.00</td>
<td>1,800.00</td>
<td>75.00</td>
<td>912.00</td>
</tr>
<tr>
<td><strong>e.</strong></td>
<td>Materials/Equipment Allowance</td>
<td>5,000.00</td>
<td>5,000.00</td>
<td>5,000.00</td>
<td>5,000.00</td>
<td>5,000.00</td>
<td>6,000.00</td>
</tr>
<tr>
<td><strong>f.</strong></td>
<td>Hydraulic/Performance Testing Services</td>
<td>100.00</td>
<td>21,000.00</td>
<td>1,000.00</td>
<td>22,500.00</td>
<td>490.00</td>
<td>24,000.00</td>
</tr>
<tr>
<td><strong>g.</strong></td>
<td>Travel (Flat Rate/Person)</td>
<td>100.00</td>
<td>500.00</td>
<td>1,000.00</td>
<td>5,000.00</td>
<td>490.00</td>
<td>2,450.00</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td></td>
<td></td>
<td>42,850.00</td>
<td>53,765.00</td>
<td>50,082.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL BID AMOUNT (ITEMS 1 THROUGH III)**  
TOTAL 352,255.00  
436,862.00  
442,984.00

**EXTENSION 1**  
EXTENSION 352,255.00

**EXTENSION 2**  
EXTENSION 352,255.00

**EXTENSION 3**  
EXTENSION 352,255.00

**EXTENSION 4**  
EXTENSION 352,255.00

**Terms**  
Net 30 days  
2%  
Net 30 days  
10 days  
Net 30 days

---

SAN ANTONIO WATER SYSTEM  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78288-2449  

**TABULATION OF BIDS**  

| PROPOSAL | FOR: Annual Contract for High Service Pump Repair, Machining, and Technical/Field Support Services  
| TIME & DATE: (May 1, 2015 through May 31, 2016)  
| DATE: 3:00 p.m., March 31, 2015  
| ITEM NO. DESCRIPTION AND APPROXIMATE QUANTITY  

| Delivery Days |  |

*LOW BIDDER*

**BID INVITATIONS WERE E-MAILED TO AND/OR PICKED UP BY:**

- Alfred Conhagen, Inc.
- Alsay, Inc.
- Austin Armature Works
- DXP
- Layne
- Peerless Equipment
- Smith Pump Co.
- Demandstar
- SAWs Website

**Advisors:**

- Layne
- Peerless Equipment
- Smith Pump Co.
## SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**  
**SAN ANTONIO, TEXAS 78298-2449**

### TABULATION OF BIDS

**PROPOSAL:** Annual Contract for Dell Desktops, Laptops, Monitors and Printers  
**FOR:**  
**TERM:** March 24, 2016 - May 31, 2017  
**DESCRIPTION AND NOMENCLATURE:**

### BASE YEAR: 03 MAY 16 - 02 MAY 17

<table>
<thead>
<tr>
<th>Item</th>
<th>Model</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dell Latitude E7230, as per specifications</td>
<td>100 ea.</td>
<td>1,233.40</td>
<td>123,340.00</td>
</tr>
<tr>
<td></td>
<td>Dell Latitude E7450, as per specifications</td>
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</tr>
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<td>275 ea.</td>
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<td>209,165.00</td>
</tr>
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<td>15 ea.</td>
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<td>19,787.25</td>
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<tr>
<td></td>
<td>Dell Ultra Sharp U2715H Monitor w/3yr warranty</td>
<td>10 ea.</td>
<td>3,993.60</td>
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</tr>
<tr>
<td></td>
<td>Dell P2714H Monitor w/3yr Warranty</td>
<td>10 ea.</td>
<td>230.98</td>
<td>2,309.80</td>
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<tr>
<td></td>
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<td>195.30</td>
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</tr>
<tr>
<td></td>
<td>Dell P2414H Monitor w/3yr Warranty</td>
<td>10 ea.</td>
<td>164.99</td>
<td>1,649.90</td>
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<tr>
<td></td>
<td>Dell P2016 Monitor w/3yr Warranty</td>
<td>50 ea.</td>
<td>109.71</td>
<td>5,485.50</td>
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### EXTENSION 1: 03 MAY 17 - 02 MAY 18

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<th>Model</th>
<th>Quantity</th>
<th>Unit Price</th>
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<tbody>
<tr>
<td>1.</td>
<td>Dell Latitude E7230, as per specifications</td>
<td>100 ea.</td>
<td>1,233.40</td>
<td>123,340.00</td>
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<tr>
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### EXTENSION 2: 03 MAY 18 - 02 MAY 19

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<tr>
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### EXTENSION 3: 03 MAY 19 - 02 MAY 20

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<th>Quantity</th>
<th>Unit Price</th>
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</tr>
</thead>
<tbody>
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<td>1.</td>
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<td>123,340.00</td>
</tr>
</tbody>
</table>

### EXTENSION 4: 03 MAY 20 - 02 MAY 21

<table>
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<th>Item</th>
<th>Model</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
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### EXTENSION 5: 03 MAY 21 - 02 MAY 22

<table>
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</tbody>
</table>
### SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449
TABULATION OF BIDS

**PROPOSAL ITEM**

**DESCRIPTION AND APPROXIMATE QUANTITY**

**QUANTITY**

**UNIT PRICE**

**TOTAL UNIT PRICE**

---

**EXTRACTION 2: 03 MAY 18 - 02 MAY 19**

**LAPTOPS & DEKTOPS**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL UNIT PRICE</th>
</tr>
</thead>
<tbody>
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<td>Dell Latitude E7450, as per specifications</td>
<td>2,728.00</td>
</tr>
<tr>
<td>3</td>
<td>25 ea.</td>
<td>Dell Precision 3510, as per specifications</td>
<td>2,198.00</td>
</tr>
<tr>
<td>4</td>
<td>275 ea.</td>
<td>Dell Optiplex 7040, as per specifications</td>
<td>760.60</td>
</tr>
<tr>
<td>5</td>
<td>15 ea.</td>
<td>Dell Precision 5810, as per specifications</td>
<td>1,707.25</td>
</tr>
<tr>
<td>6</td>
<td>10 ea.</td>
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</tr>
<tr>
<td>7</td>
<td>10 ea.</td>
<td>Dell P2714H Monitor w/3yr Warranty</td>
<td>230.98</td>
</tr>
<tr>
<td>8</td>
<td>10 ea.</td>
<td>Dell Ultra Sharp U2414H Monitor w/3yr Warranty</td>
<td>195.90</td>
</tr>
<tr>
<td>9</td>
<td>10 ea.</td>
<td>Dell P2414H Monitor w/3yr Warranty</td>
<td>164.90</td>
</tr>
<tr>
<td>10</td>
<td>50 ea.</td>
<td>Dell P2016 Monitor w/3yr Warranty</td>
<td>109.71</td>
</tr>
</tbody>
</table>

**SELECTED SERVICES**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>2 years Roadmap</th>
<th>UNIT PRICE</th>
<th>TOTAL UNIT PRICE</th>
</tr>
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</table>

**EXTRACTION 3: 03 MAY 19 - 02 MAY 20**

**LAPTOPS & DEKTOPS**

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**SELECTED SERVICES**

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<tr>
<th>ITEM</th>
<th>2 years Roadmap</th>
<th>UNIT PRICE</th>
<th>TOTAL UNIT PRICE</th>
</tr>
</thead>
</table>

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**DID NOT TABULATE NON Responsive**
### SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**  
SAN ANTONIO, TEXAS 78298-2449  

#### TABULATION OF BIDS

**FOR:**  
Annual Contract for Dell Desktops, Laptops, Monitors and Printers  

**TIME & DATE:**  
3:00 p.m., March 24, 2016

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dell Latitude E7250, as per specifications</td>
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<tr>
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<td>Dell Ultra Sharp U2715H Monitor w/3yr warranty</td>
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</tr>
<tr>
<td>9.</td>
<td>Dell P2414H Monitor w/3yr Warranty</td>
<td>10.</td>
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<tr>
<td>11.</td>
<td>Selected Services 2 years</td>
<td>12.</td>
<td>Roadmap 6 years</td>
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**EXTENSION 4**  
30 MAY 20 - 02 MAY 21  

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<tr>
<td>100 ea.</td>
<td>$1,233.40</td>
<td>$123,340.00</td>
</tr>
<tr>
<td>25 ea.</td>
<td>$1,180.57</td>
<td>$29,514.25</td>
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<td>25 ea.</td>
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<td>$33,326.25</td>
</tr>
<tr>
<td>100 ea.</td>
<td>$760.60</td>
<td>$76,060.00</td>
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<tr>
<td>15 ea.</td>
<td>$1,319.15</td>
<td>$207,872.50</td>
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<tr>
<td>10 ea.</td>
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<td>$3,995.60</td>
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<tr>
<td>10 ea.</td>
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<td>$2,309.80</td>
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<td>50 ea.</td>
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<td>$5,485.50</td>
</tr>
<tr>
<td>2 years</td>
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**SELECTED SERVICES**  
2 years  

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<th>TOTAL</th>
</tr>
</thead>
<tbody>
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**EXTENSION 4 TOTAL**  

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<tr>
<td>$33,326.25</td>
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<tr>
<td>$207,872.50</td>
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<tr>
<td>$3,995.60</td>
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<td>$7,812.00</td>
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<td>$8,245.00</td>
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</tr>
<tr>
<td>$5,485.50</td>
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<tr>
<td>$0.00</td>
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**GRAND TOTAL (BASE, EXT 1, EXT 2, EXT 3, EXT 4)**  

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<td>$2,443,168.75</td>
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**Additional cost for etching**  
15,082.50

**TOTAL**  

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**Terms**  
Net 30 days  

**Delivery Days**  
As Per Contract 15 days  

**LOW BIDDER**  

BID INVITATIONS EMAILED TO AND/OR PICKED UP BY:

- Aprisa Technology  
- ARC  
- Blue Line Services  
- CDW Logistics  
- Centre Technologies  
- Checkpoint Services, Inc.  
- CMC Communications LLC  
- Commonwealth Computer Co  
- Computer Solutions  
- Decision Tree  
- Dell  
- EST Group  
- Express Computer Solutions  
- Freit Data Solutions, Inc.  
- GCS Technologies  
- GovConnection  
- HIEEd Inc.  
- Insight Public Sector  
- Logical Front  
- Lanamaster  
- M&K Technologies  
- Netpower  
- OAG Consulting  
- PCM-G  
- Premier Logitech  
- Prime Systems  
- Prosprofic Solutions  
- Satech, Inc.  
- SHII Government Solutions  
- Sirius Computer Solutions Inc.  
- Solid IT Networks  
- Solutions II  
- Spectrum Imaging  
- Sumus Industries, Inc.  
- Sumus Industries  
- Technology Assets  
- Virtual Communications  
- Waypoint Solutions  
- Weaver Technologies  
- xNet Systems  

**BID NOT TABULATED NON-RESPONSIVE**
TO: San Antonio Water System Board of Trustees
FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AWARD OF ENGINEERING CONTRACT IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a geotechnical engineering contract to Alpha Testing, Inc., a local, non-minority owned firm, and authorizes funds in the amount of $100,000.00 for the 2016 Geotechnical Engineering and Construction Materials Testing Services.

- The San Antonio Water System’s (the “System”) Construction Division manages Capital Improvement Program (CIP) projects that are under construction. A need exists for professional engineering services related to geotechnical and construction materials testing and reporting for the quality control and quality assurance of construction related activities.

- The use of Geotechnical Engineering Services Work Order contracts, over the past several years, has been very successful in insuring that the System is able to meet the construction schedules of CIP projects.

- Projects will be assigned to the contract on a work order basis as they are identified. The scope of services and fees will be negotiated for each project prior to authorization to proceed.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Main Replacement Core Business budget line item. The amount is $50,000.00 for water related geotechnical engineering work. The job number is 16-4006-000.

The wastewater work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $50,000.00 for sewer related geotechnical engineering work. The job number is 16-4510-000.
SUPPLEMENTARY COMMENTS:

Nine firms responded to the Request for Qualifications. Alpha Testing, Inc. was selected through the System’s Architect/Engineer Selection procedure as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha Testing, Inc.*</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Arias &amp; Associates, Inc.</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Drash Consultants, LLC</td>
<td>Local/WBE</td>
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<tr>
<td>Fugro Consultants, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Integrated Testing and Engineering Company of San Antonio, L.P.</td>
<td>Local/WBE</td>
</tr>
<tr>
<td>Professional Service Industries, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Raba Kistner, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Terra Testing, LLC</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Terracon Consultants, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
</tbody>
</table>

*Successful Firm

Alpha Testing, Inc. proposed to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>PERCENT OF FEE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burge-Martinez Consulting Inc.</td>
<td>12.50%</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Coretech Drilling, Inc.</td>
<td>12.50%</td>
<td>Non – Local/MBE</td>
</tr>
</tbody>
</table>
Additionally, the overall SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>SMWB Analysis - Board Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE - Hispanic</td>
<td>25.00%</td>
</tr>
<tr>
<td>MBE - Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE - Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE - Non - Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>SMWB Total</strong></td>
<td><strong>25.00%</strong></td>
</tr>
</tbody>
</table>

Kathleen M. Price, P.E.
Director
Pipelines

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO ALPHA TESTING, INC. IN AN AMOUNT NOT TO EXCEED $100,000.00 IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES CONTRACT; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $100,000.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH ALPHA TESTING, INC. AND TO PAY ALPHA TESTING, INC. AN AMOUNT NOT TO EXCEED $100,000.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to geotechnical services during construction on various capital improvement projects; and

WHEREAS, the project engineering work will consist of geotechnical and construction materials testing and reporting for the quality control and quality assurance of the System’s construction related activities; and

WHEREAS, Alpha Testing, Inc. was selected through the System’s Architect/Engineer Selection Procedure for the project engineering work; and

WHEREAS, a contract in an amount not to exceed $100,000.00 is to be awarded to Alpha Testing, Inc.; and

WHEREAS, the amount of $100,000.00 is available from the System’s Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to Alpha Testing, Inc. in an amount not to exceed $100,000.00 for the project engineering work in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract, (ii) to make available for the project engineering work an amount not to exceed $100,000.00 from the System's Project Fund, and (iii) to authorize
the President/Chief Executive Officer or his duly appointed designee to execute a standard professional services contract with Alpha Testing, Inc. for the project engineering work and further to make payment in an amount not to exceed $100,000.00 to Alpha Testing, Inc. for the project engineering work in connection with this contract; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a professional services contract in an amount not to exceed $100,000.00 is hereby awarded to Alpha Testing, Inc. for engineering services in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contracts.

2. That an amount not to exceed $100,000.00 for the project engineering work is hereby made available and is to be expended from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard professional services contract with Alpha Testing, Inc. and to make payment in an amount not to exceed $100,000.00 to Alpha Testing, Inc. for the project engineering work.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF ENGINEERING CONTRACT IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a geotechnical engineering contract to Arias & Associates, Inc., a local, minority owned firm, and authorizes funds in the amount of $100,000.00 for the 2016 Geotechnical Engineering and Construction Materials Testing Services.

- The San Antonio Water System’s (the “System”) Construction Division manages Capital Improvement Program (CIP) projects that are under construction. A need exists for professional engineering services related to geotechnical and construction materials testing and reporting for the quality control and quality assurance of construction related activities.

- The use of Geotechnical Engineering Services Work Order contracts, over the past several years, has been very successful in insuring that the System is able to meet the construction schedules of CIP projects.

- Projects will be assigned to the contract on a work order basis as they are identified. The scope of services and fees will be negotiated for each project prior to authorization to proceed.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Main Replacement Core Business budget line item. The amount is $50,000.00 for water related geotechnical engineering work. The job number is 16-4006-000.
The wastewater work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $50,000.00 for sewer related geotechnical engineering work. The job number is 16-4510-000.

**SUPPLEMENTARY COMMENTS:**

Nine firms responded to the Request for Qualifications. Arias & Associates, Inc. was selected through the System’s Architect/Engineer Selection procedure as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha Testing, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td><strong>Arias &amp; Associates, Inc.</strong>*</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Drash Consultants, LLC</td>
<td>Local/WBE</td>
</tr>
<tr>
<td>Fugro Consultants, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Integrated Testing and Engineering Company of San Antonio, L.P.</td>
<td>Local/WBE</td>
</tr>
<tr>
<td>Professional Service Industries, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Raba Kistner, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Terra Testing, LLC</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Terracon Consultants, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
</tbody>
</table>

*Successful Firm

Arias & Associates, Inc. proposed to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>PERCENT OF FEE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eagle Drilling, Inc.</td>
<td>25.00%</td>
<td>Local/WBE</td>
</tr>
</tbody>
</table>
Additionally, the overall SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>2016 Geotechnical Engineering and Construction Materials Testing Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ARIAS &amp; ASSOCIATES, INC.</strong></td>
</tr>
<tr>
<td><strong>SMWB ANALYSIS – BOARD AWARD</strong></td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>MBE – Other</td>
</tr>
<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non - Minority</td>
</tr>
<tr>
<td>SMWB Total</td>
</tr>
</tbody>
</table>

Kathleen M. Price, P.E.  
Director  
Pipelines

APPROVED:

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO ARIAS & ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED $100,000.00 IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES CONTRACT; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $100,000.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH ARIAS & ASSOCIATES, INC. AND TO PAY ARIAS & ASSOCIATES, INC. AN AMOUNT NOT TO EXCEED $100,000.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to geotechnical services during construction on various capital improvement projects; and

WHEREAS, the project engineering work will consist of geotechnical and construction materials testing and reporting for the quality control and quality assurance of the System’s construction related activities; and

WHEREAS, Arias & Associates, Inc. was selected through the System’s Architect/Engineer Selection Procedure for the project engineering work; and

WHEREAS, a contract in an amount not to exceed $100,000.00 is to be awarded to Arias & Associates, Inc.; and

WHEREAS, the amount of $100,000.00 is available from the System’s Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to Arias & Associates, Inc. in an amount not to exceed $100,000.00 for the project engineering work in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contracts, (ii) to make available for the project engineering work an amount not to exceed $100,000.00 from the System's Project Fund, and (iii)
to authorize the President/Chief Executive Officer or his duly appointed designee to execute a
standard professional services contract with Arias & Associates, Inc. for the project engineering
work and further to make payment in an amount not to exceed $100,000.00 to Arias & Associates,
Inc. for the project engineering work in connection with this contract; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES:

1. That a professional services contract in an amount not to exceed $100,000.00 is hereby
awarded to Arias & Associates, Inc. for engineering services in connection with the 2016
Geotechnical Engineering and Construction Materials Testing Services Contracts.

2. That an amount not to exceed $100,000.00 for the project engineering work is hereby made
available and is to be expended from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby
authorized to execute a standard professional services contract with Arias & Associates, Inc. and
to make payment in an amount not to exceed $100,000.00 to Arias & Associates, Inc. for the
project engineering work.

4. It is officially found, determined and declared that the meeting at which this resolution is
adopted was open to the public, and that public notice of the time, place and subject matter of the
public business to be conducted at such meeting, including this resolution, was given to all as
required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason
held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon
any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective,
the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted
without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF ENGINEERING CONTRACT IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a geotechnical engineering contract to Drash Consultants, LLC, a local, women-owned firm, and authorizes funds in the amount of $100,000.00 for the 2016 Geotechnical Engineering and Construction Materials Testing Services.

- The San Antonio Water System’s (the “System”) Construction Division manages Capital Improvement Program (CIP) projects that are under construction. A need exists for professional engineering services related to geotechnical and construction materials testing and reporting for the quality control and quality assurance of construction related activities.

- The use of Geotechnical Engineering Services Work Order contracts, over the past several years, has been very successful in insuring that the System is able to meet the construction schedules of CIP projects.

- Projects will be assigned to the contract on a work order basis as they are identified. The scope of services and fees will be negotiated for each project prior to authorization to proceed.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Main Replacement Core Business budget line item. The amount is $50,000.00 for water related geotechnical engineering work. The job number is 16-4006-000.

The wastewater work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $50,000.00 for sewer related geotechnical engineering work. The job number is 16-4510-000.
SUPPLEMENTARY COMMENTS:

Nine firms responded to the Request for Qualifications. Drash Consultants, LLC was selected through the System’s Architect/Engineer Selection procedure as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha Testing, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Arias &amp; Associates, Inc.</td>
<td>Local/MBE</td>
</tr>
<tr>
<td><strong>Drash Consultants, LLC</strong>*</td>
<td><strong>Local/MBE</strong></td>
</tr>
<tr>
<td>Fugro Consultants, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Integrated Testing and Engineering Company of San</td>
<td>Local/WBE</td>
</tr>
<tr>
<td>Antonio, L.P.</td>
<td></td>
</tr>
<tr>
<td>Professional Service Industries, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Raba Kistner, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Terra Testing, LLC</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Terracon Consultants, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
</tbody>
</table>

*S* Successful Firm

Drash Consultants, LLC proposed to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>PERCENT OF FEE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eagle Drilling, Inc.</td>
<td>25.00%</td>
<td>Local/WBE</td>
</tr>
<tr>
<td>Whitman Requardt &amp; Associates, LLP</td>
<td>0.00%</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Arias &amp; Associates</td>
<td>0.00%</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>P.E. Structural Consultants, Inc.</td>
<td>0.00%</td>
<td>Local/Non – SMWB</td>
</tr>
</tbody>
</table>
Additionally, the overall SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>2016 Geotechnical Engineering and Construction Materials Testing Services</th>
<th>DRASH CONSULTANTS, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
<td>100.00%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Kathleen M. Price, P.E.  
Director  
Pipelines

Genoveva G. Gomez, P.E.  
Vice President  
Engineering and Construction

Robert R. Puente  
President/Chief Executive Officer

APPROVED:
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO DRASH CONSULTANTS, LLC IN AN AMOUNT NOT TO EXCEED $100,000.00 IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES CONTRACT; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $100,000.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH DRASH CONSULTANTS, LLC AND TO PAY DRASH CONSULTANTS, LLC AN AMOUNT NOT TO EXCEED $100,000.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to geotechnical services during construction on various capital improvement projects; and

WHEREAS, the project engineering work will consist of geotechnical and construction materials testing and reporting for the quality control and quality assurance of the System’s construction related activities; and

WHEREAS, Drash Consultants, LLC was selected through the System’s Architect/Engineer Selection Procedure for the project engineering work; and

WHEREAS, a contract in an amount not to exceed $100,000.00 is to be awarded to Drash Consultants, LLC; and

WHEREAS, the amount of $100,000.00 is available from the System’s Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to Drash Consultants, LLC in an amount not to exceed $100,000.00 for the project engineering work in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract, (ii) to make available for the project engineering work an amount not to exceed $100,000.00 from the System's Project Fund, and (iii) to authorize
the President/Chief Executive Officer or his duly appointed designee to execute a standard professional services contract with Drash Consultants, LLC for the project engineering work and further to make payment in an amount not to exceed $100,000.00 to Drash Consultants, LLC for the project engineering work in connection with this contract; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a professional services contract in an amount not to exceed $100,000.00 is hereby awarded to Drash Consultants, LLC for engineering services in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contracts.

2. That an amount not to exceed $100,000.00 for the project engineering work is hereby made available and is to be expended from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard professional services contract with Drash Consultants, LLC and to make payment in an amount not to exceed $100,000.00 to Drash Consultants, LLC for the project engineering work.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF ENGINEERING CONTRACT IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards an engineering contract to Fugro Consultants, Inc., a local, minority owned firm, and authorizes funds in the amount of $100,000.00 for the 2016 Geotechnical Engineering and Construction Materials Testing Services.

- The San Antonio Water System’s (the “System”) Construction Division manages Capital Improvement Program (CIP) projects that are under construction. A need exists for professional engineering services related to geotechnical and construction materials testing and reporting for the quality control and quality assurance of construction related activities.

- The use of Geotechnical Engineering Services Work Order contracts, over the past several years, has been very successful in insuring that the System is able to meet the construction schedules of CIP projects.

- Projects will be assigned to the contract on a work order basis as they are identified. The scope of services and fees will be negotiated for each project prior to authorization to proceed.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Main Replacement Core Business budget line item. The amount is $50,000.00 for water related geotechnical engineering work. The job number is 16-4006-000.
The wastewater work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $50,000.00 for sewer related geotechnical engineering work. The job number is 16-4510-000.

SUPPLEMENTARY COMMENTS:

Nine firms responded to the Request for Qualifications. Fugro Consultants, Inc. was selected through the System’s Architect/Engineer Selection procedure as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha Testing, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Arias &amp; Associates, Inc.</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Drash Consultants, LLC</td>
<td>Local/WBE</td>
</tr>
<tr>
<td><strong>Fugro Consultants, Inc.</strong></td>
<td><strong>Local/Non – SMWB</strong></td>
</tr>
<tr>
<td>Integrated Testing and Engineering Company of San Antonio, L.P.</td>
<td>Local/WBE</td>
</tr>
<tr>
<td>Professional Service Industries, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Raba Kistner, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Terra Testing, LLC</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Terracon Consultants, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
</tbody>
</table>

*Successful Firm

Fugro Consultants, Inc. proposed to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>PERCENT OF FEE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrillo &amp; Associates</td>
<td>20.00%</td>
<td>Local/WBE – Hispanic</td>
</tr>
<tr>
<td>Eagle Drilling</td>
<td>5.00%</td>
<td>Local/WBE – Hispanic</td>
</tr>
</tbody>
</table>
Additionally, the overall SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>2016 Geotechnical Engineering and Construction Materials Testing Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUGRO CONSULTANTS, INC.</strong></td>
</tr>
<tr>
<td><strong>SMWB ANALYSIS – BOARD AWARD</strong></td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>MBE – Other</td>
</tr>
<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td><strong>SMWB Total</strong></td>
</tr>
</tbody>
</table>

Kathleen M. Price, P.E.  
Director  
Pipelines  

APPROVED:

Robert R. Puente  
President/Chief Executive Officer

Genoveva G. Gomez, P.E.  
Vice President  
Engineering and Construction
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO FUGRO CONSULTANTS, INC. IN AN AMOUNT NOT TO EXCEED $100,000.00 IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES CONTRACT; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $100,000.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH FUGRO CONSULTANTS, INC. AND TO PAY FUGRO CONSULTANTS, INC. AN AMOUNT NOT TO EXCEED $100,000.00 FOR THE PROJECT GEOTECHNICAL ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to geotechnical services during construction on various capital improvement projects; and

WHEREAS, the project engineering work will consist of geotechnical and construction materials testing and reporting for the quality control and quality assurance of the System’s construction related activities; and

WHEREAS, Fugro Consultants, Inc. was selected through the System’s Architect/Engineer Selection Procedure for the project geotechnical engineering work; and

WHEREAS, a contract in an amount not to exceed $100,000.00 is to be awarded to Fugro Consultants, Inc.; and

WHEREAS, the amount of $100,000.00 is available from the System’s Project Fund for the project geotechnical engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to Fugro Consultants, Inc. in an amount not to exceed $100,000.00 for the project geotechnical engineering work in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract, (ii) to make available for the
project geotechnical engineering work an amount not to exceed $100,000.00 from the System's Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a standard professional services contract with Fugro Consultants, Inc. for the project geotechnical engineering work and further to make payment in an amount not to exceed $100,000.00 to Fugro Consultants, Inc. for the project geotechnical engineering work in connection with this contract; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a professional services contract in an amount not to exceed $100,000.00 is hereby awarded to Fugro Consultants, Inc. for geotechnical engineering services in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract.

2. That an amount not to exceed $100,000.00 for the project geotechnical engineering work is hereby made available and is to be expended from the System's Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard professional services contract with Fugro Consultants, Inc. and to make payment in an amount not to exceed $100,000.00 to Fugro Consultants, Inc. for the project geotechnical engineering work.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF ENGINEERING CONTRACT IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards an engineering contract to Terracon Consultants, Inc., a local, non-minority owned firm, and authorizes funds in the amount of $100,000.00 for the 2016 Geotechnical Engineering and Construction Materials Testing Services.

- The San Antonio Water System’s (the “System”) Construction Division manages Capital Improvement Program (CIP) projects that are under construction. A need exists for professional engineering services related to geotechnical and construction materials testing and reporting for the quality control and quality assurance of construction related activities.

- The use of Geotechnical Engineering Services Work Order contracts, over the past several years, has been very successful in insuring that the System is able to meet the construction schedules of CIP projects.

- Projects will be assigned to the contract on a work order basis as they are identified. The scope of services and fees will be negotiated for each project prior to authorization to proceed.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Main Replacement Core Business budget line item. The amount is $50,000.00 for water related geotechnical engineering and/or materials testing work. The job number is 16-4006-000.
The wastewater work is included in the Wastewater Main Replacement Core Business budget line item. The amount is $50,000.00 for sewer related geotechnical engineering and/or materials testing work. The job number is 16-4510-000.

SUPPLEMENTARY COMMENTS:

Nine firms responded to the Request for Qualifications. Terracon Consultants, Inc. was selected through the System’s Architect/Engineer Selection procedure as a qualified consultant. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha Testing, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Arias &amp; Associates, Inc.</td>
<td>Local/MBE</td>
</tr>
<tr>
<td>Drash Consultants, LLC</td>
<td>Local/WBE</td>
</tr>
<tr>
<td>Fugro Consultants, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Integrated Testing and Engineering Company of San Antonio, L.P.</td>
<td>Local/WBE</td>
</tr>
<tr>
<td>Professional Service Industries, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Raba Kistner, Inc.</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Terra Testing, LLC</td>
<td>Local/MBE</td>
</tr>
<tr>
<td><strong>Terracon Consultants, Inc.</strong></td>
<td>Local/Non – SMWB</td>
</tr>
</tbody>
</table>

*Successful Firm

Terracon Consultants, Inc., proposed to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>PERCENT OF FEE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eagle Drilling, Inc. Alpha + Omega Drilling Services, Inc.</td>
<td>5.00%</td>
<td>Local/MBE – Hispanic</td>
</tr>
<tr>
<td>Rock Engineering Services, Inc.</td>
<td>15.00%</td>
<td>Local/WBE – Asian</td>
</tr>
<tr>
<td>Weld Quality Consulting</td>
<td>5.00%</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Holes of San Antonio</td>
<td>5.00%</td>
<td>Local/Non – SMWB</td>
</tr>
</tbody>
</table>
Additionally, the overall SMWB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>2016 Geotechnical Engineering and Construction Materials Testing Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>TERRACON CONSULTANTS, INC.</td>
</tr>
<tr>
<td>SMWB ANALYSIS – BOARD AWARD</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
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<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
</tr>
<tr>
<td><strong>SMWB Total</strong></td>
</tr>
</tbody>
</table>

Kathleen M. Price, P.E.  
Director  
Pipelines

APPROVED:

Genoveva G. Gomez, P.E.  
Vice President  
Engineering and Construction

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO TERRACON CONSULTANTS, INC. IN AN AMOUNT NOT TO EXCEED $100,000.00 IN CONNECTION WITH THE 2016 GEOTECHNICAL ENGINEERING AND CONSTRUCTION MATERIALS TESTING SERVICES CONTRACT; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $100,000.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH TERRACON CONSULTANTS, INC.; AND TO PAY TERRACON CONSULTANTS, INC. AN AMOUNT NOT TO EXCEED $100,000.00 FOR THE PROJECT GEOTECHNICAL ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) requires professional engineering services (the “project engineering work”) related to geotechnical services during construction on various capital improvement projects; and

WHEREAS, the project engineering work will consist of geotechnical and construction materials testing and reporting for the quality control and quality assurance of the System’s construction related activities; and

WHEREAS, Terracon Consultants, Inc., was selected through the System’s Architect/Engineer Selection Procedure for the project engineering work; and

WHEREAS, a contract in an amount not to exceed $100,000.00 is to be awarded to; Terracon Consultants, Inc., and

WHEREAS, the amount of $100,000.00 is available from the System’s Project Fund for the project engineering work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to Terracon Consultants, Inc., in an amount not to exceed $100,000.00 for the project geotechnical engineering work in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract, (ii) to make
available for the project engineering work an amount not to exceed $100,000.00 from the System's Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a standard professional services contract with Terracon Consultants, Inc., for the project engineering work and further to make payment in an amount not to exceed $100,000.00 to Terracon Consultants, Inc. for the project engineering work in connection with this contract; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a professional services contract in an amount not to exceed $100,000.00 is hereby awarded to Terracon Consultants, Inc. for engineering services in connection with the 2016 Geotechnical Engineering and Construction Materials Testing Services Contract.

2. That an amount not to exceed $100,000.00 for the project engineering work is hereby made available and is to be expended from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard professional services contract with Terracon Consultants, Inc. and to make payment in an amount not to exceed $100,000.00 to Terracon Consultants, Inc. for the project engineering work.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Ashok S. Kaji, P.E., Director, Plants and Major Projects, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: RATIFICATION OF CHANGE ORDER NO. 30 IN CONNECTION WITH THE DOS RIOS WATER RECYCLING CENTER RE-RATING HEADWORKS IMPROVEMENTS AND PROCESS ENHANCEMENTS PHASE I PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the actions of the Vice President of Engineering and Construction in approving Change Order No. 30 in the increased amount of $647,494.91 with Pepper-Lawson Waterworks, LLC in connection with the Dos Rios Water Recycling Center (WRC) Re-rating Headworks Improvements and Process Enhancements Phase I Project (the “project”).

- On January 6, 2011, the San Antonio Water System (the “System”) Board of Trustees, through Resolution No. 11-030, authorized a construction contract with Pepper-Lawson Waterworks, LLC, a local, non-SMWB firm, in the amount of $14,879,000.00 in connection with the project, and further authorized $298,000.00 for construction expenses.

- This project includes enhancements to the preliminary treatment processes, including influent flow metering, influent sampling, influent screening, and grit removal facilities. The new construction is designed to treat 217 million gallons per day of average flow.

- The construction is approximately 99 percent complete; however, performance of the grit removal process has been poor, with little to no grit being removed from the influent flow. High velocities and turbulent flows are suspected as contributing to this poor performance. Also, during the operation of the 54-inch gooseneck pipe conveying flows from the Flow Equalization Basins to the Plant Influent Chamber, air entrapment causes failure of flow meters.

- The design engineer, CDM Smith, Inc., has recommended additional modifications be constructed to improve the hydraulics and initiate the performance testing of the grit removal system. CDM Smith, Inc., has provided modifications to address the high velocities and turbulent flows and to re-route the overflow lines from the grit classifiers to eliminate bypassing of fine grit particles into the primary clarifiers. Modification to the gooseneck to resolve failure of the flow meters have also been provided.
The completion of construction has been delayed due to design deficiencies. As a result, the field presence of Pepper-Lawson Waterworks, LLC has been extended by 538 days.

Change Order No. 30, in the amount of $647,494.91, includes the following:

- Installation of pier-noses, filler walls, and baffle plates in the common grit influent channel to lower the turbulence and velocity of the flow so that these parameters are within the range recommended by the grit removal system manufacturer.

- Re-routing of the overflow lines of the grit classifiers from the primary clarifier channel back to upstream of the grit removal system to re-capture the grit particles that may be escaping the grit classifiers.

- Re-routing of two discharge force mains to insure that they discharge into a continuously operating channel.

- Extended field presence of the Pepper-Lawson Waterworks, LLC due to remaining change order work and design deficiencies.

Ratification of Change Order No. 30, in the amount not to exceed $647,494.91, will minimize the impact to the completion of the construction.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the CY 2011 and 2016 Capital Improvement Program. The project is included in the Wastewater Core Business, Treatment Growth category, Dos Rios Re-Rating Phase I (Preliminary Treatment Improvements) budget line item under job number 08-6502. The Owner Controlled Construction Changes amount of $334,140.87 is included in the 2016 Wastewater Core Business.

The revised authorizations for the project are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 11-030)</td>
<td>$14,879,000.00</td>
</tr>
<tr>
<td>Change Order Nos. 1 through 29</td>
<td>880,645.96</td>
</tr>
<tr>
<td>Proposed Change Order No. 30</td>
<td>647,494.91</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$16,407,140.87</td>
</tr>
</tbody>
</table>
SUPPLEMENTARY COMMENTS:

Change Order No. 30 added 538 days to the project construction duration. The majority of days added is attributed to extension of the current contract completion date due to work associated with change orders and design errors. Change Order No. 30 reflects a 4.35 percent increase in the original contract cost for the project. The total cost for all change orders is 10.27 percent of the original contract amount.

Ashok S. Kaji, P.E.
Director
Plants and Major Projects

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
SAN ANTONIO WATER SYSTEM
PROJECT AREA MAP
ATTACHMENT I

DOS RIOS WATER RECYCLING CENTER (WRC)
RE-RATING HEADWORKS IMPROVEMENTS AND
PROCESS ENHANCEMENTS PHASE I

LEGEND
★ PROJECT SITE
EDWARDS AQUIFER RECHARGE ZONE
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

DOS RIOS WATER RECYCLING CENTER (WRC)
RE-RATING HEADWORKS IMPROVEMENTS AND
PROCESS ENHANCEMENTS PHASE I

LEGEND

PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF ENGINEERING AND CONSTRUCTION IN SIGNING AND APPROVING CHANGE ORDER NO. 30 IN THE INCREASED AMOUNT OF $647,494.91 IN CONNECTION WITH THE DOS RIOS WATER RECYCLING CENTER RE-RATING HEADWORKS IMPROVEMENTS AND PROCESS ENHANCEMENTS PHASE I PROJECT; APPROVING TOTAL PAYMENT IN THE AMOUNT NOT TO EXCEED $647,494.91 TO PEPPER-LAWSON WATERWORKS, LLC FOR THE ADDITIONAL PROJECT WORK ASSOCIATED WITH CHANGE ORDER NO. 30; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER NO. 30, AND TO PAY PEPPER-LAWSON WATERWORKS, LLC THE ADDITIONAL SUM OF $647,494.91 FOR THE ADDITIONAL PROJECT WORK ASSOCIATED WITH CHANGE ORDER NO. 30 IN CONNECTION WITH THE DOS RIOS WATER RECYCLING CENTER RE-RATING HEADWORKS IMPROVEMENTS AND PROCESS ENHANCEMENTS PHASE I PROJECT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on January 6, 2011, the San Antonio Water System (the “System”) Board of Trustees, through Resolution No. 11-030, authorized a construction contract with Pepper-Lawson Waterworks, LLC, a local, non-SMWB firm, in the amount of $14,879,000.00 in connection with the Dos Rios Water Recycling Center (WRC) Re-rating Headworks Improvements and Process Enhancements Phase I Project (the “project”), and further authorized $298,000.00 for construction contingency expenses; and

WHEREAS, this project includes enhancements to the preliminary treatment processes, including influent flow metering, influent sampling, influent screening, and grit removal facilities; and

WHEREAS, the new construction is designed to treat 217 million gallons per day of average flow; and

WHEREAS, the construction is approximately 99 percent complete; however, performance of the grit removal process has been poor, with little to no grit being removed from
the influent flow; and

WHEREAS, high velocities and turbulent flows are suspected as contributing factors to this poor performance; and

WHEREAS, the design engineer, CDM Smith, Inc., has recommended additional modifications be constructed to improve the hydraulics and initiate the performance testing of the grit removal system; and

WHEREAS, CDM Smith, Inc., has provided modifications to address the high velocities and turbulent flows and to re-route the overflow lines from the grit classifiers to eliminate bypassing of fine grit particles into the primary clarifiers; and

WHEREAS, the completion of construction has been delayed due to design deficiencies; and

WHEREAS, as a result, the field presence of Pepper-Lawson Waterworks, LLC has been extended by 538 days; and

WHEREAS, Change Order No. 30, at the amount of $647,494.91 includes (i) installation of pier-noses, filler walls and baffle plates in the common grit influent channel to lower the turbulence and velocity of the flow so that these parameters are within the range recommended by the grit removal system manufacturer, (ii) re-routing of the overflow lines of the grit classifiers from the primary clarifier channel back to upstream of the grit removal system to re-capture the grit particles that may be escaping the grit classifiers, (iii) re-routing of two discharge force mains to insure that they discharge into a continuously operating channel, and (iv) extended field presence of the Pepper-Lawson Waterworks, LLC due to remaining change order work and design deficiencies; and

WHEREAS, ratification of Change Order No. 30 in the amount not to exceed $647,494.91 will minimize the impact to the completion of the construction; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to ratify the actions of the Vice President of Engineering and Construction in signing and approving Change Order No. 30 in the negotiated amount of $647,494.91 in connection with the Dos Rios Water Recycling Center Re-rating Headworks Improvements and Process Enhancements Phase I Project, (ii) to approve payment in the amount not to exceed $647,494.91 to Pepper-Lawson Waterworks, LLC for the additional project work associated with Change Order No. 30 in connection with the Dos Rios Water Recycling Center Re-rating Headworks Improvements and Process Enhancements Phase I Project, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 30, and to pay Pepper-Lawson Waterworks, LLC the sum of $647,494.91 for the additional project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the actions of the Vice President of Engineering and Construction in signing and approving Change Order No. 30 in the increased amount of $647,494.91 for the additional project work associated with Change Order No. 30 in connection with the Dos Rios Water Recycling Center Re-rating Headworks Improvements and Process Enhancements Phase I Project;
work in connection with the Dos Rios Water Recycling Center Re-rating Headworks Improvements and Process Enhancements Phase I Project are hereby ratified.

2. That the expenditure in the amount not to exceed $647,494.91 required to perform the work associated with Change Order No. 30 is hereby authorized to be paid to Pepper-Lawson Waterworks, LLC from the project construction contingency.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Change Order No. 30, and to pay Pepper-Lawson Waterworks, LLC the additional sum of $647,494.91 for Change Order No. 30 in connection with the Dos Rios Water Recycling Center (WRC) Re-rating Headworks Improvements and Process Enhancements Phase I Project.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative, or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Andrea Beymer, P.E., Director, Plants and Major Projects, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE WEST VIEW TANK REPLACEMENT PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $711,145.00 to H2O Steel Contractors, LLC, a non-local WBE-Caucasian firm, in connection with the West View Tank Replacement Project (the “project”).

- The 2016 Capital Improvement Program includes the construction of the West View Tank Replacement Project. This facility is located in the West View Subdivision in east Medina County.

- The existing West View concrete tank needs to be replaced in order to comply with the Texas Commission on Environmental Quality requirements.

- Work at the West View tank site will consist of the installation of a new 200,000 gallon steel ground storage tank, demolition of the existing 167,000 gallon ground storage tank, and installation of associated yard piping, drainage structures, electrical lighting and chlorine system instrumentation.

- H2O Steel Contractors, LLC has submitted the low responsible bid of $711,145.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure through the transfer of funds from the CY 2015 Capital Improvement Program. The Contract Amendment will be funded through a transfer of the CY 2015 Capital Improvement Program from Water Delivery Core Business, Turtle Creek No. 3 Pump Station budget line to job number 15-6102, West View Tank Replacement Project.
SUPPLEMENTARY COMMENTS:

A bid opening was held on March 24, 2016, and five firms responded to the request for bids. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Cost Estimate</td>
<td>$ 641,000.00</td>
<td></td>
</tr>
<tr>
<td>H2O Steel Contractors, LLC *</td>
<td>$ 711,145.00</td>
<td>Non – Local/WBE – Caucasian</td>
</tr>
<tr>
<td>Goshawk, LLC</td>
<td>$ 800,065.00</td>
<td>Local/MBE – Native American</td>
</tr>
<tr>
<td>Black Castle General Contractor</td>
<td>$ 896,514.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Spiess Construction Co, Inc.</td>
<td>$ 996,755.00</td>
<td>Non – Local/SBE</td>
</tr>
<tr>
<td>MGC Contractors, Inc.</td>
<td>$ 997,000.00</td>
<td>Local/Non – SMWB</td>
</tr>
<tr>
<td>Payton Construction, Inc.</td>
<td>$1,059,000.00</td>
<td>Non – Local/SBE</td>
</tr>
</tbody>
</table>

*Low Responsible Bid

The contract allows 270 calendar days for the completion of the work.

The bid amount represents a 9.00 percent increase from the estimated construction cost.

<table>
<thead>
<tr>
<th>West View Tank Replacement Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2O STEEL CONTRACTORS, LLC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SMWB ANALYSIS – BOARD AWARD</th>
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<tbody>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
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<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>MBE – Other</td>
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<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non – Minority</td>
</tr>
<tr>
<td>SMWB Total</td>
</tr>
</tbody>
</table>
Award of Construction Contract
West View Tank Replacement Project

Andrea Beymer, P.E.
Director
Plants and Major Projects

APPROVED:

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF H2O STEEL CONTRACTORS, LLC IN THE AMOUNT OF $711,145.00 IN CONNECTION WITH THE WEST VIEW TANK REPLACEMENT PROJECT; AWARDING A CONTRACT TO H2O STEEL CONTRACTORS, LLC IN THE AMOUNT OF $711,145.00 FOR THE PROJECT WORK; APPROVING EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $711,145.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH H2O STEEL CONTRACTORS, LLC AND TO PAY H2O STEEL CONTRACTORS, LLC AN AMOUNT NOT TO EXCEED $711,145.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the 2016 Capital Improvement Program includes the construction of the West View Tank Replacement Project located in the West View Subdivision in east Medina County; and

WHEREAS, the existing West View concrete tank needs to be replaced in order to comply with the Texas Commission on Environmental Quality requirements; and

WHEREAS, work at the West View tank site will consist of the installation of a new 200,000 gallon ground storage tank, demolition of the existing 167,000 gallon ground storage tank, and installation of associated yard piping, drainage structures, electrical lighting and chlorine system instrumentation; and

WHEREAS, the San Antonio Water System (the “System”) has solicited for the project work; and

WHEREAS, H2O Steel Contractors, LLC, a non-local, WBE-Caucasian firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $711,145.00 for the project work; and

WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to accept the bid of H2O Steel Contractors, LLC in the amount of $711,145.00 for the project work in connection with the West View Tank Replacement Project, (ii) to award a construction contract to H2O Steel Contractors, LLC in the amount of $711,145.00 for the project work, (iii) to approve
a total expenditure and make available an amount not to exceed $711,145.00 from the System’s Project Fund for the project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with H2O Steel Contractors, LLC and to pay H2O Steel Contractors, LLC an amount not to exceed $711,145.00 for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of H2O Steel Contractors, LLC in the amount of $711,145.00 for the project work in connection with the West View Tank Replacement Project is hereby accepted.

2. That a construction contract in the amount of $711,145.00 for the project work is hereby awarded to H2O Steel Contractors, LLC.

3. That a total sum not to exceed $711,145.00 for the project work is hereby made available and is to be expended from the System’s Project Funds.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard contract for general construction with H2O Steel Contractors, LLC and to pay to H2O Steel Contractors, LLC the amount not exceed $711,145.00 for the project work in connection with the West View Tank Replacement Project.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffectual, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 14

TO: San Antonio Water System Board of Trustees

FROM: Andrea Beymer, P.E., Director, Plants and Major Projects, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION FOR ADDITIONAL FUNDS FOR PROFESSIONAL SERVICES IN CONNECTION WITH THE SOUTHEAST TANK AND PUMP STATION PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1 and amends Resolution No. 13-274 by authorizing additional funds to an existing professional services contract with Freese and Nichols, Inc., a local, non-SMWB national firm, in the amount not to exceed $40,000.00 for professional services in connection with the Southeast Tank and Pump Station Project.

- On September 10, 2013 by Resolution No. 13-274, the San Antonio Water System’s (the “System”) Board of Trustees (the “Board”) authorized a professional services contract with Freese and Nichols, Inc., and provided funds in the amount of $1,028,144.00 for engineering services in connection with the Southeast Tank and Pump Station Project.

- This project includes the construction of a 3.5 million gallon ground storage tank; one set of high service pumps to serve the System’s service area north of Loop 1604, and one set of high service pumps to serve the District Special Project service area south of Loop 1604; piping to connect to the Water Resources Integration Program pipeline and to the existing distribution system, electrical system, disinfection system, Supervisory Control and Data Acquisition system, and civil site improvements.

- On December 1, 2015, by Resolution No. 15-301, the System’s Board authorized a construction contract with Garney Construction, Inc., and provided funds in the amount of $10,661,000.00 for the work in connection with the Southeast Tank and Pump Station Project.

- Additional engineering services are needed to comply with Hydraulic Institute’s requirements for suction and discharge piping layout of the high service pumps; chlorine system design modifications; additional construction services including site visits, progress meetings, structural inspections and tank inspections.

- Additional funding in the amount of $40,000.00 is available from the System’s Project Fund that can be added to the current contract with Freese and Nichols, Inc.
Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure through the transfer of funds from the CY 2015 Capital Improvement Program. The Contract Amendment will be funded through a transfer of the CY 2015 Capital Improvement Program from Water Delivery Core Business, Turtle Creek No. 3 Pump Station budget line to job number 13-6102, Southeast Tank and Pump Station Project. The revised authorization for this project is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Authorized</th>
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</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 13-274)</td>
<td>$1,028,144.00</td>
</tr>
<tr>
<td>Contract Amendment No. 1</td>
<td>40,000.00</td>
</tr>
<tr>
<td><strong>Revised Contract Amount</strong></td>
<td><strong>$1,068,144.00</strong></td>
</tr>
</tbody>
</table>

As a result of the Contract Amendment No. 1, the new contract amount is $1,068,144.00. This represents a 3.7 percent increase in the System’s original contract amount.

Andrea Beymer, P.E.
Director
Plants and Major Projects

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CONTRACT AMENDMENT NO. 1 TO THE EXISTING PROFESSIONAL SERVICES CONTRACT WITH FREESE AND NICHOLS, INC., FOR ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $40,000.00 FOR ADDITIONAL ENGINEERING SERVICES IN CONNECTION WITH THE SOUTHEAST TANK AND PUMP STATION PROJECT; AMENDING RESOLUTION NO. 13-274, BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $40,000.00 FROM THE SYSTEM’S PROJECT FUND IN CONNECTION WITH THE PROJECT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT WITH FREESE AND NICHOLS, INC., AND TO PAY AN ADDITIONAL AMOUNT NOT TO EXCEED $40,000.00 TO FREESE AND NICHOLS, INC., FOR ADDITIONAL ENGINEERING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on September 10, 2013, by Resolution No. 13-274, the San Antonio Water System’s (the “System”) Board of Trustees (the “Board”) authorized a professional services contract with Freese and Nichols, Inc., and provided funds in the amount of $1,028,144.00 for engineering services in connection with the Southeast Tank and Pump Station Project; and

WHEREAS, this project includes the construction of a 3.5 million gallon ground storage tank; one set of high service pumps to serve the System’s service area north of Loop 1604, and one set of high service pumps to serve the District Special Project service area south of Loop 1604; piping to connect to the Water Resources Integration Program pipeline and to the existing distribution system, electrical system, disinfection system, Supervisory Control and Data Acquisition System, and civil site improvements; and

WHEREAS, on December 1, 2015, by Resolution No. 15-301, the System’s Board authorized a construction contract with Garney Construction, Inc., and provided funds in the amount of $10,661,000.00 for the work in connection with the Southeast Tank and Pump Station Project; and
WHEREAS, additional engineering services are needed to incorporate new design requirements of the high-service pump, chlorine system design modifications, and additional construction services; and

WHEREAS, additional funding in the amount of $40,000.00 is available from the System’s Project fund that can be added to the current contract with Freese and Nichols, Inc.; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 1 to the existing professional services contract with Freese and Nichols, Inc., for additional funds in an amount not to exceed $40,000.00 in connection with the Southeast Tank and Pump Station Project, (ii) to amend Resolution No. 13-274, by providing for additional expenditures of System funds in an amount not to exceed $40,000.00 for the engineering services, (iii) to make available for the additional engineering services an amount not to exceed $40,000.00 from the System’s Project Fund, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an amendment to the professional services contract with Freese and Nichols, Inc., for the project engineering work and to pay the additional amount not to exceed $40,000.00 to Freese and Nichols, Inc., for the additional engineering services; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Contract Amendment No. 1 is hereby approved to provide additional engineering services related to the existing professional services contract with Freese and Nichols, Inc., in an amount not to exceed $40,000.00 in connection with the Southeast Tank and Pump Station Project.

2. That Resolution No. 13-274 is hereby amended by providing additional engineering services in an amount not to exceed $40,000.00.

3. That an amount not to exceed $40,000.00 is hereby made available and to be expended from the System’s Project Fund for the additional engineering services.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the professional services contract with Freese and Nichols, Inc., and to pay Freese and Nichols, Inc., in an amount not to exceed $40,000.00 for the project engineering work.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted.
without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

______________________________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________________________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 15

TO: San Antonio Water System Board of Trustees

FROM: Andrea Beymer, P.E., Director, Plants and Major Projects, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION FOR ADDITIONAL FUNDS FOR PROFESSIONAL SERVICES IN CONNECTION WITH THE 2013 RECYCLE ENGINEERING DESIGN SERVICES

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1 and amends Resolution No. 13-313 by authorizing additional funds to an existing professional services contract with River City Engineering, a local WBE firm, in the amount not to exceed $35,000.00 for professional services in connection with the 2013 Recycle Engineering Design Services.

- On November 18, 2013, by Resolution No. 13-313, the San Antonio Water System’s (the “System”) Board of Trustees (the “Board”) authorized a professional services contract with River City Engineering, and provided funds in the amount of $300,000.00 for engineering services in connection with the 2013 Recycle Engineering Design Services.

- The System routinely hires engineering consultants to design most Capital Improvement Program (CIP) projects for water production and transmission, heating and cooling, building, recycle, and wastewater collection and treatment facilities through the Request for Qualifications process; however, assistance is required to meet unspecified CIP projects that are identified as “urgent” and with a limited scope of services.

- The use of design engineering work order contracts allows these projects to be assigned as soon as they are identified. This practice will ensure that the System is able to meet the requested expedited design schedules.

- Projects are assigned to the contract on a work order basis as they are identified. The scope of services and fees will be negotiated for each project prior to authorization to proceed.

- Additional engineering services are needed to complete work that is in progress but exceeds the current funding. This work, that is associated with the construction phase services for the West View Tank Replacement work order, includes submittal, RFI, and RFP, change order review and support, attending field meetings with the contractor, and construction site visits.
Additional funding, in the amount of $35,000.00, is available from the System’s Project Fund and can be added to the current contract with River City Engineering.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure through the transfer of funds from the CY 2015 Capital Improvement Program. The Contract Amendment will be funded through a transfer of the CY 2015 Capital Improvement Program from Water Deliver Core Business, Turtle Creek No. 3 Pump Station budget line to job number 15-0707, 2013 Recycle Engineering Design Services.

- The revised authorization for this project is as follows:

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<tr>
<th></th>
<th>Amount Authorized</th>
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</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 13-313)</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Contract Amendment No. 1</td>
<td>35,000.00</td>
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<tr>
<td>Revised Contract Amount</td>
<td>$335,000.00</td>
</tr>
</tbody>
</table>

As a result of the Contract Amendment No. 1, the new contract amount is $335,000. This represents an 11.7 percent increase in the System’s original contract amount.

Andrea Beymer, P.E.  
Director  
Plants and Major Projects

Genoveva G. Gomez, P.E.  
Vice President  
Engineering and Construction

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CONTRACT AMENDMENT NO. 1 TO THE EXISTING PROFESSIONAL SERVICES CONTRACT WITH RIVER CITY ENGINEERING, FOR ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $35,000.00 IN CONNECTION WITH THE 2013 RECYCLE ENGINEERING DESIGN SERVICES CONTRACT; AMENDING RESOLUTION NO. 13-313, BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $35,000.00 FROM THE SYSTEM’S PROJECT FUND IN CONNECTION WITH THE CONTRACT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT WITH RIVER CITY ENGINEERING, AND TO PAY AN ADDITIONAL AMOUNT NOT TO EXCEED $35,000.00 TO RIVER CITY ENGINEERING, FOR ADDITIONAL ENGINEERING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on November 18, 2013, by Resolution No. 13-313, the San Antonio Water System’s Board of Trustees authorized a professional services contract with River City Engineering and provided funds in the amount of $300,000.00 for engineering services in connection with the 2013 Recycle Engineering Design Services; and

WHEREAS, the System routinely hires engineering consultants to design most Capital Improvement Program (CIP) projects for water production and transmission, heating and cooling, building, recycle, and wastewater collection and treatment facilities through the Request for Qualifications process; however, assistance is required to meet unspecified CIP projects that are identified as “urgent” and with a limited scope of services; and

WHEREAS, the use of a design engineering work order contracts allows these projects to be assigned as soon as they are identified, and ensures that the System is able to meet the requested expedited design schedules; and

WHEREAS, projects will be assigned to the contract on a work order basis as they are identified and the scope of services and fees will be negotiated for each project prior to authorization to proceed; and
WHEREAS, additional engineering services are needed for construction phase services of on-going work order projects including the West View Tank Replacement project; and

WHEREAS, the total additional funding in the amount of $35,000.00 is available from the System’s Project Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 1 to the existing professional services contract with River City Engineering, for additional funds in an amount not to exceed $35,000.00 in connection with the 2013 Recycle Engineering Design Services Contract, (ii) to amend Resolution No. 13-313, by providing for additional expenditures of System funds in an amount not to exceed $35,000.00 for the engineering services, (iii) to make available for the additional engineering services an amount not to exceed $35,000.00 from the System’s Project Fund, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an amendment to the professional services contract with River City Engineering, for the project engineering work and to pay the additional amount not to exceed $35,000.00 to River City Engineering, for the additional engineering services; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Contract Amendment No. 1 is hereby approved to provide additional engineering services related to the existing professional services contract with River City Engineering, in an amount not to exceed $35,000.00 in connection with the 2013 Recycle Engineering Design Services Contract.

2. That Resolution No. 13-313 is hereby amended by providing additional engineering services in an amount not to exceed $35,000.00.

3. That an amount not to exceed $35,000.00 is hereby made available and to be expended from the System’s Project Fund for the additional engineering services.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the professional services contract with River City Engineering, and to pay River City Engineering, in an amount not to exceed $35,000.00 for the project engineering work.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted
without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Andrea Beymer, P.E., Director, Plants and Major Projects, and Genoveva G. Gomez, P.E., Vice President Engineering & Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION FOR ADDITIONAL FUNDS FOR PROFESSIONAL SERVICES IN CONNECTION WITH THE WATER RESOURCES ENGINEERING CONSULTANT SERVICES

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1 and amends Resolution No. 14-010 by authorizing additional funds to an existing professional services contract with LBG-Guyton Associates, a local, non-SMWB firm, in the amount not to exceed $200,000.00 for professional services in connection with the Water Resources Engineering Consulting Services.

- On January 7, 2014, by Resolution No. 14-010, the San Antonio Water System (the “System”) Board of Trustees authorized a professional services contract in the amount of $360,000.00 for three years (not to exceed $120,000.00 per year) with LBG-Guyton Associates to provide Water Resources Engineering Consulting Services.

- The System has been working to address numerous operational issues at the Anderson Pump Station located at State Highway 151 and Loop 1604 in the rapidly growing far west area of the city. As we approach the peak summer demand period, it was determined that additional supplies will be needed to back up this pump station and meet customer demands.

- System staff determined that we could complete the Kallison Ranch well to supplement peak demands.

- Additional engineering services are needed to perform a pump test and associated design services for the well pump, well head structures, electrical service, road/access structures, and connection piping to existing system, as well as provide bid phase and construction phase services.

- Additional funding in the amount of $200,000.00 is available from the System’s Project Fund and can be added to the current contract with LBG-Guyton Associates.
Approving Contract Amendment No. 1 and Additional Funds  
Water Resources Engineering Consultant Services

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure through the transfer of funds from the CY 2015 Capital Improvement Program. The Contract Amendment will be funded through a transfer of the CY 2015 Capital Improvement Program from Water Delivery Core Business, Turtle Creek No. 3 Pump Station budget line to job number 16-6009, Kallison Ranch Well.

The revised authorization for this project is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount Authorized</th>
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</thead>
<tbody>
<tr>
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<td>(Resolution No. 14-010)</td>
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<tr>
<td>Proposed Contract Amendment No. 1</td>
<td>200,000.00</td>
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<tr>
<td>Revised Contract Amount</td>
<td>$560,000.00</td>
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</table>

As a result of Contract Amendment No. 1, the new contract amount is $560,000.00. This represents a 56 percent increase in the System’s original contract amount.

Andrea Beymer, P.E.  
Director  
Plants & Major Projects

Genoveva G. Gomez, P.E.  
Vice President  
Engineering and Construction

APPROVED:

Robert R. Puente  
President/Chief Executive Officer

Attachments:
1. Project Area Map  
2. Project Site Map
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CONTRACT AMENDMENT NO. 1 TO THE EXISTING PROFESSIONAL SERVICES WATER RESOURCES ENGINEERING CONSULTING SERVICES CONTRACT WITH LBG-GUYTON ASSOCIATES, FOR ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $200,000.00 IN CONNECTION WITH THE WATER RESOURCES ENGINEERING CONSULTANT SERVICES CONTRACT; AMENDING RESOLUTION NO. 14-010, TO APPROVE ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $200,000.00 FROM THE SYSTEM’S PROJECT FUND IN CONNECTION WITH THE CONTRACT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE EXISTING PROFESSIONAL SERVICES AGREEMENT WITH LBG-GUYTON ASSOCIATES AND TO PAY LBG-GUYTON ASSOCIATES, AN ADDITIONAL AMOUNT NOT TO EXCEED $200,000.00 FOR ADDITIONAL ENGINEERING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on January 7, 2014, by Resolution No. 14-010, the San Antonio Water System (the “System”) Board of Trustees (the “Board”) authorized a professional services contract with LBG-Guyton Associates, and provided funds in the amount of $360,000.00 for engineering services in connection with the Water Resources Engineering Consulting Services; and

WHEREAS, the System requires to bring on-line a supplemental water supply to meet peak summer demand and provide back up to the rapidly developing far west area of the city; and

WHEREAS, additional engineering services are needed to perform a pump test and design the outfitting of the Kallison Ranch well to supplement peak demands; and

WHEREAS, additional funding in the amount of $200,000.00 is available from the System’s Project Fund; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 1 to the existing professional services contract with LBG-Guyton Associates for additional funds in an amount not to exceed $200,000.00 in connection with the Water Resources Engineering Consulting Services Contract, (ii) to amend Resolution No. 14-010 by providing for additional expenditures of System funds in an amount not to exceed $200,000.00 for the engineering services, (iii) to make available for the additional engineering services an amount not to exceed $200,000.00 from the System’s Project Fund, and (iv) to authorize the System’s President/Chief Executive Officer or his duly appointed designee to execute an amendment to the professional services agreement with LBG-Guyton Associates for the project engineering work and to pay the additional amount not to exceed $200,000.00 to LBG-Guyton Associates for the additional engineering services; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Contract Amendment No. 1 is hereby approved to provide additional engineering services related to the existing professional services contract with LBG-Guyton Associates in an amount not to exceed $200,000.00 in connection with the Water Resources Engineering Consulting Services Contract.

2. That Resolution No. 14-010 is hereby amended by providing additional engineering services in an amount not to exceed $200,000.00.

3. That an amount not to exceed $200,000.00 is hereby made available and is to be expended from the System’s Project Fund for the additional engineering services.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the professional services contract with LBG-Guyton Associates and to pay LBG-Guyton Associates an amount not to exceed $200,000.00 for the project engineering work.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such a meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative, or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.
7. That this resolution shall become effective upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 17

TO: San Antonio Water System Board of Trustees

FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AUTHORIZATION TO REIMBURSE THE CITY OF SAN ANTONIO IN CONNECTION WITH THE 2016 ASPHALT OVERLAY TASK ORDER CONTRACT – PACKAGE 5

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to reimburse the City of San Antonio (the “City”) in the amount of $91,350.00 for the joint construction of water and sewer facility adjustments in connection with the 2016 Asphalt Overlay Task Order Contract – Package 5.

- The City plans to apply an asphalt overlay to approximately 45 streets throughout the city in connection with the 2016 Asphalt Overlay Task Order Contract – Package 5 for Transportation and Capital Improvements. The City’s work is estimated to cost $6,358,350.00.

- Existing water valve box covers and manhole covers within the project boundaries may require adjustment to match the final grade of the new pavement.

- The work will consist of adjusting 290 existing water valve box covers and 160 existing manhole covers at an estimated cost of $91,350.00.

- Bid item quantities for the adjustment of manhole covers and water valve box covers were included in the City’s bid documents. Funds for this work will be reimbursed to the City as payments to the contractor are made.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Delivery Core Business budget line item. The amount is $34,850.00 for water work for the 2016 Asphalt Overlay Task Order Contract – Package 5. The job number is 16-5023-000.

The wastewater work is included in the Wastewater Core Business budget line item. The amount is $56,500.00 for sewer work for the 2016 Asphalt Overlay Task Order Contract – Package 5. The job number is 16-5523-000.

SUPPLEMENTARY COMMENTS:

The City received four bids for this project. The low bidder is San Antonio Constructors, Ltd., a local, minority contractor. City Council approved the construction contract on February 11, 2016, and construction will begin on February 23, 2016. Time allowed for total construction is 90 calendar days.

Kathleen M. Price, P.E.
Director
Pipelines

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $91,350.00 FOR THE ADJUSTMENT OF WATER AND SEWER FACILITIES BY THE CITY OF SAN ANTONIO IN CONNECTION WITH THE 2016 ASPHALT OVERLAY TASK ORDER CONTRACT – PACKAGE 5; APPROVING AN AMOUNT NOT TO EXCEED $91,350.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY THE CITY OF SAN ANTONIO AN AMOUNT NOT TO EXCEED $91,350.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of San Antonio (the “City”) will construct street improvements in connection with the 2016 Asphalt Overlay Task Order Contract – Package 5; and

WHEREAS, the 2016 Asphalt Overlay Task Order Contract – Package 5 will require the adjustment of certain water and sewer facilities of the San Antonio Water System (the “System”); and

WHEREAS, the 2016 Asphalt Overlay Task Order Contract – Package 5 project work will consist of the adjustment of 290 existing water valve box covers and 160 existing manhole covers at an estimated cost of $91,350.00 (the “project work”); and

WHEREAS, the City has received a bid for the project work from San Antonio Constructors, Ltd, in the amount of $91,350.00 and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $91,350.00 are required for the project work; and

WHEREAS, the total amount of $91,350.00 is available from the System’s Project Fund for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in the amount of $91,350.00 for the adjustment of water and sewer facilities by the City in connection with the 2016 Asphalt Overlay Task Order Contract – Package 5, (ii) to approve and make available an amount not to exceed $91,350.00 from the System's Project Fund to reimburse the City for the project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay a total amount not to exceed $91,350.00 to the City for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the expenditure of funds in the amount of $91,350.00 for the adjustment of water and sewer facilities by the City in connection with the 2016 Asphalt Overlay Task Order Contract – Package 5 is hereby approved.

2. That a total sum not to exceed $91,350.00 to reimburse the City for the project work costs is hereby made available and is to be expended from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay the City an amount not to exceed $91,350.00 for the adjustment of water and sewer facilities by the City in connection with the 2016 Asphalt Overlay Task Order Contract – Package 5.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and the public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.
6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Kathleen M Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AUTHORIZATION TO REIMBURSE THE CITY OF SAN ANTONIO IN CONNECTION WITH THE ESPADA ROAD: IH 410 TO ASHLEY ROAD PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to reimburse the City of San Antonio (the “City”) in the amount of $935,859.59 for the joint construction of water and sewer facility adjustments and replacements in connection with the Espada Road: IH 410 to Ashley Road Project. This project is located in Council District 3.

- This project is a City of San Antonio Capital Improvement Program project included in the 2012-2017 Bond Program. The City proposes to construct street and drainage improvements in the project area illustrated on the attached maps. The City’s improvement work is estimated to cost $4,529,111.87.

- Due to the street and drainage improvements within the Espada Road: IH 410 to Ashley Road Project, the existing water mains constructed in 1959 require replacement to meet current San Antonio Water System (the “System”) standards.

- The existing sewer mains within the project limits, constructed in 2007, require adjustment and to avoid conflicts with the City’s improvements.

- The water work will consist of the replacement of approximately 4,452 feet of 8-inch through 12-inch water mains.

- The sewer work will consist of the adjustment and reconstruction of 16 manholes and sewer laterals.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental - Water Category, and Governmental Water Replacements budget line item. The amount is $541,020.01 for water work. The job number is 11-5073-000.

The sewer work is included in the Wastewater Core Business, Governmental - Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $394,839.58 for sewer work. The job number is 11-5573-000.

SUPPLEMENTARY COMMENTS:

The City received nine bids for this project on February 23, 2016. The lowest qualified, responsive bidder for this project is J. Sanchez Contracting, Inc., a local, minority contractor. City Council approved the construction contract on April 14, 2016 and construction is scheduled to begin in May 2016. Time allowed for total construction is 425 calendar days. The request for reimbursement is requested after City Council approves the award of the construction contract to ensure that the contract is awarded, to determine which contractor was awarded the project, to give System’s staff time to review the bids and establish the reimbursement amount based on the winning bid.

Kathleen M. Price, P.E.
Director
Pipelines

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $935,859.59 FOR THE ADJUSTMENT AND REPLACEMENT OF WATER AND SEWER FACILITIES BY THE CITY OF SAN ANTONIO IN CONNECTION WITH THE ESPADA ROAD: IH 410 TO ASHLEY ROAD PROJECT; APPROVING AN AMOUNT NOT TO EXCEED $935,859.59 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY TO THE CITY OF SAN ANTONIO A TOTAL AMOUNT NOT TO EXCEED $935,859.59 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of San Antonio (the “City”) intends to construct the Espada Road: IH 410 to Ashley Road Project as part of its Capital Improvement Program; and

WHEREAS, the City’s Espada Road: IH 410 to Ashley Road Project will require the adjustment and replacement of certain water and sewer facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the project work will consist of the replacement of approximately 4,452 feet of 8-inch through 12-inch water mains and reconstruction of 16 manholes and sewer laterals; and

WHEREAS, the City has received a bid for the project work from J. Sanchez Contracting, Inc. and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $935,859.59 are required for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in the amount of $935,859.59 for the adjustment and replacement of water and sewer facilities by the City of San Antonio in connection with the Espada Road: IH 410 to Ashley Road Project, (ii) to approve and make available an amount not to exceed $935,859.59 from the System’s Project Fund to reimburse the City of San Antonio for the project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay a total amount not to exceed $935,859.59 to the City of San Antonio for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF
TRUSTEES:

1. That the expenditure of funds in the amount of $935,859.59 for the adjustment and
replacement of water and sewer facilities by the City in connection with the Espada Road: IH 410
to Ashley Road Project is hereby approved.

2. That a total sum not to exceed $935,859.59 to reimburse the City for the project work costs
is hereby made available and is to be expended from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby
authorized to pay the City a total amount not to exceed $935,859.59 for the adjustment and
replacement of water and sewer facilities by the City in connection with the Espada Road: IH 410
to Ashley Road Project.

4. It is officially found, determined and declared that the meeting at which this resolution is
adopted was open to the public, and that public notice of the time, place and subject matter of the
public business to be conducted at such meeting, including this resolution, was given to all as
required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase, or word of this resolution is for any reason
held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon
any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective,
the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted
without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO.  19

TO:  San Antonio Water System Board of Trustees

FROM:  Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice
President, Engineering and Construction

THROUGH:  Robert R. Puente, President/Chief Executive Officer

SUBJECT:  APPROVING AN INTERLOCAL AGREEMENT AND AUTHORIZING
EXPENDITURES TO BEXAR COUNTY IN CONNECTION WITH THE FM
471 CULEBRA ROAD (PTF) PROJECT

Board Action Date:  May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an Interlocal
Agreement with Bexar County through the Bexar County Public Works (the “County”) and
authorizes expenditures to the County in an amount not to exceed $137,266.99 for the joint
construction of water facility adjustments in connection with the FM 471 Culebra Road (PTF)
Project.

- The County proposes to construct street and drainage improvements in the area illustrated
  on the attached maps. The County’s improvement work is estimated to cost $14,783,918.38.

- Due to the reconstruction and expansion of FM 471 Culebra Road (PTF), the existing water
  mains constructed in 2006 through 2013 require surface adjustment to avoid conflicts with
  the County’s improvements.

- There are no sewer facilities within the project limits that require adjustment or
  replacement; therefore, there is no sewer work on this project.

- The water adjustments work will consist of approximately 33 water main valves and 10 air
  release valves.

- The County approved the bid of Curran Contracting for construction of this project on
  March 11, 2016. As part of the joint bidding, advanced approval for funding and for the
  execution of an Interlocal Agreement is required by the County prior to issuing a notice to
  proceed on construction.

- Funds, as determined by the amount bid, will be transferred to the County following the
  execution of the Interlocal Agreement.

Staff recommends that the Board approve this resolution.
Approval of an Interlocal Agreement and Authorization for
Expenditure of Funds to Bexar County for
F.M. 471 Culeba Road (PTF) Project

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $137,266.99 for water work. The job number is 13-5096-000.

Kathleen M. Price, P.E.
Director
Pipelines

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN INTERLOCAL AGREEMENT WITH BEXAR COUNTY AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE INTERLOCAL AGREEMENT FOR THE ADJUSTMENTS OF WATER FACILITIES BY BEXAR COUNTY IN CONNECTION WITH THE FM 471 CULEBRA ROAD (PTF) PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $137,266.99 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Bexar County through the Bexar County Public Works (the “County”) proposes to construct the FM 471 Culebra Road (PTF) Project; and

WHEREAS, the FM 471 Culebra Road (PTF) Project will require the adjustments of certain water facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the project work will consist of the adjustments of approximately 33 water main valves and 10 air release valves; and

WHEREAS, the County has requested that the System execute an Interlocal Agreement and pay for the project work costs; and

WHEREAS, System funds in the amount of $137,266.99 are required for the project work; and

WHEREAS, the amount of $137,266.99 is available from the System’s Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Interlocal Agreement with the County for the adjustment of water facilities by the County in connection with the FM 471 Culebra Road (PTF) Project and to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Interlocal Agreement, and (ii) to authorize the expenditure of funds in the amount not to exceed $137,266.99 for the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That an Interlocal Agreement with the County substantially in the form of the agreement attached hereto is hereby approved and the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Interlocal Agreement with the County in connection with the FM 471 Culebra Road (PTF) Project.

2. That the expenditure of funds in the amount of $137,266.99 for the adjustments of water facilities by the County in connection with the FM 471 Culebra Road (PTF) Project is hereby approved.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid, or ineffective.

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary
This Interlocal Agreement is made and entered into this ______ day of ________, 2016, by and between the COUNTY OF BEXAR, a political subdivision of the State of Texas (“COUNTY”), and SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, a political subdivision of the State of Texas (“SAWS”) (also, individually, a “Party” or, collectively, the “Parties), pursuant to the Interlocal Cooperation Act, Chapter 791 of the Government Code.

PURPOSE

1.01 The purpose of this Agreement is to facilitate the COUNTY’s improvement of the FM 471 Culebra Road (PTF) (the “Project”) by including certain necessary SAWS adjustments in COUNTY’s Specifications for the Project, thus assuring the coordination of COUNTY’s road and drainage improvements with SAWS’ adjustments.

SERVICES

2.01 COUNTY agrees to include in the Bexar County Public Works Specifications for the Project the plans and specifications for SAWS Water Job No. 13-5096 (the “SAWS Work”) which SAWS shall prepare and deliver to COUNTY and is incorporated by reference herein, and to contract for the performance of the SAWS Work.

2.02 Immediately after tabulating all of the bids received for the Project, COUNTY will notify SAWS in writing of the name of the Contractor selected by COUNTY for the Project (the “Contractor”) and the bid amount (the “Original Bid”) for the SAWS Work.

2.03 COUNTY agrees to use its best efforts to enforce all of its rights and remedies against the Contractor for the SAWS Work.

2.04 COUNTY agrees to allow SAWS access to the Project site to (i) inspect and witness testing of the SAWS Work and to determine if the SAWS Work is in conformity with the plans, specifications and special provisions applicable thereto and is in good working order, and (ii) verify all quantities used in connection with the SAWS Work.

FEE

3.01 COUNTY acknowledges that SAWS has provided the COUNTY with two signed copies of this Interlocal Agreement. COUNTY will return one fully executed original to SAWS upon COUNTY’s approval. Additionally, COUNTY acknowledges that SAWS has conditionally delivered to COUNTY good and sufficient funds (the “Funds”) for the bid amount (See Exhibit A) plus Fifteen percent (15%) contingency. Any and all control and beneficial use of the funds by the COUNTY, will be contingent on SAWS receiving a fully executed original of this Interlocal Agreement from the COUNTY.
3.02 For materials and construction used in the SAWS Work, SAWS agrees to pay to COUNTY the amount of One Hundred Thirty-Seven Thousand Two Hundred Sixty-Six Dollars and Ninety-Nine Cents ($137,266.99), which includes the Original Bid amount and a Fifteen percent (15%) contingency.

3.03 If the cost of performing the SAWS Work exceeds the Original Bid, the following provisions shall apply:

(a) Costs exceed Original Bid but do not exceed the Original Bid plus Fifteen percent (15%) contingency. Once COUNTY receives notice from the Contractor that additional funds will be needed for SAWS Work, COUNTY will notify SAWS in writing of the change order. Unless, SAWS objects within five (5) business days of receipt of the written notification of the change order, COUNTY will proceed with SAWS Work and utilize the contingency amount for payment to the Contractor.

(b) Change Orders. If change orders are requested by SAWS or required for SAWS Work under this Agreement, SAWS will make a change order request and SAWS’ staff or SAWS’ Consultant shall prepare the change order. If COUNTY requires a change order that affects the SAWS Work, the change order will be submitted to SAWS staff for approval. SAWS staff agrees to use good faith efforts to respond to change orders within five business days after SAWS staff’s receipt of a request, or such additional period of time as may be reasonably necessary under the circumstances based on the complexity of the change order. In no event will SAWS deliberative process be allowed to jeopardize COUNTY’s timely completion of COUNTY’s Project, as determined by COUNTY. SAWS staff is under no obligation to approve any change orders, and in no event shall SAWS be responsible for costs or expenses under change orders that are not approved by SAWS staff.

(c) If a change order results in total costs exceeding the amount stated in §3.02, COUNTY will send copies of invoices covering the additional amounts authorized by a change order approved by SAWS staff, and SAWS shall pay COUNTY the additional amounts in the approved change order within 15 days, unless further time is required for Board action to appropriate funds.

3.04 If the cost of performing the SAWS Work is less than the amount stated in §3.02, COUNTY agrees to refund the overpayment to SAWS within 15 days of determination of same.

3.05 After County’s final recapitulation with the contractor, County will refund SAWS for Funds previously paid but unused.

3.06 The Parties acknowledge that the financial commitments stated in this Agreement are independent of the necessary operating and maintenance expenses that are SAWS’ responsibilities.

SAWS’ RESPONSIBILITY
4.01 SAWS agrees to accept full responsibility for inspection and acceptance of work performed as the SAWS Work.

4.02 Following Substantial Completion of SAWS Work, SAWS shall be responsible for all costs associated with operating and maintaining SAWS Work. Substantial Completion is the date, certified by COUNTY, County’s design professional and SAWS (including SAWS’ design professional) that the contractor has reached that stage of completion when SAWS and COUNTY accept use of SAWS Work for its intended purposes.

ENTIRE AGREEMENT

5.01 This Agreement, along with the specifications for the SAWS Work, supersedes any and all other agreements, either oral or in writing, and no other agreement, statement, or promise relating to the subject matter of this Agreement that is not contained herein shall be valid or binding.

ATTORNEY’S FEES

6.01 If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, to the extent allowed by law, the prevailing Party shall be entitled to reasonable attorney’s fees in addition to any other relief to which the prevailing Party may be entitled.

TEXAS LAW TO APPLY

7.01 This Agreement is performable in Bexar County, Texas and the validity of any of its terms or provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas.

SEVERABILITY

8.01 If any one or more of the provisions contained in the Agreement is for any reason be held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provision and this Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.

AMENDMENT

9.01 No amendment, supplementation, modification, or alteration of the terms hereof will be binding unless it is in writing, dated subsequent to the date hereof and duly executed by the Parties.

THIRD PARTY BENEFICIARY

10.01 SAWS shall be considered a third party beneficiary under COUNTY’s contract for the Project; provided, however, that prior to final completion of the work under the contract for the Project, SAWS shall not enforce any remedies against the Contractor without the prior written consent of COUNTY, which consent may be withheld if COUNTY reasonably believes that enforcement would have an adverse effect on final completion of the Project. Prior to final
completion of the work under the contract for the Project, COUNTY shall cooperate in the prosecution of any action against the Contractor, to the extent consistent with the terms of the Project Contract Documents, which SAWS may reasonably determine to be necessary to undertake in connection with the SAWS Work done by the Contractor or its subcontractors.

**INDEMNIFICATION**

11.01 COUNTY agrees to include SAWS in the list of parties being indemnified by the COUNTY contractors under contract documents, so that SAWS receives the benefit of all indemnities under the contract documents.

**INSURANCE**

12.01 In all contracts entered into by COUNTY for SAWS Work, County shall include provisions reflecting:
   
   (a) With regard to insurance coverage during the construction phase of the Project, COUNTY shall require all consultants, contractors, subcontractors and suppliers to maintain insurance coverage limits that are sufficient to compensate COUNTY and SAWS for their respective interests in the Project with regard to any liability a third party may have due to the services, equipment or materials provided for construction of the Project. SAWS shall be named as an additional insured on all policies naming COUNTY as an additional insured. COUNTY shall provide SAWS’ Designated Representative with copies of the completed Certificates of Insurance which Certificates shall be completed by an agent authorized to bind the named underwriters and their companies to the coverage limits and termination provisions shown thereon. SAWS reserves the right to review the insurance requirements during the effective period of this Agreement, and any extension or renewal hereof, and to modify insurance coverage and limits when deemed necessary and prudent by SAWS’ Risk Manager based upon changes in statutory law or court decisions. If SAWS requests a coverage modification which results in an increased cost, SAWS shall be responsible for the increased cost and COUNTY shall have no obligation to request a coverage modification until SAWS submits payment to cover the increased cost. COUNTY will not allow any modifications to the insurance coverage through which SAWS may incur increased risks.

   (b) COUNTY shall require all contractors and service providers to maintain statutory worker’s compensation insurance for all of their employees with a waiver of subrogation in favor of COUNTY and SAWS.

   (c) COUNTY will require the consultants, contractors, and any subcontractors to provide all statutorily-required payment and performance bonds at no additional cost to the Parties. On services for which performance bonds are not statutorily required, COUNTY shall determine whether to require performance bonds.

**CURRENT REVENUES**
13.01 In accordance with Section 791.011(d)(3) of the Texas Government Code, the party paying for the performance of governmental functions or services, if any, must make those payments from current revenues available to the paying party.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH WILL HAVE FULL FORCE AND EFFECT ON THIS ________ DAY OF ______________________, 2016.

BEXAR COUNTY, TEXAS

By: __________________________
    Nelson W. Wolff
    County Judge

SAN ANTONIO WATER SYSTEM

By: __________________________
    Robert R. Puente
    President/Chief Executive Officer

ATTEST:

By: __________________________
    Gerard Rickhoff
    County Clerk

APPROVED AS TO LEGAL FORM:

Nicholas “Nico” LaHood
Criminal District Attorney
Bexar County, Texas

By: __________________________
    Jill Torbert
    Assistant Criminal District Attorney
    -Civil Section

APPROVED AS TO FINANCIAL FORM:

By: __________________________
    Susan Yeatts
    County Auditor

By: __________________________
    David Smith
    County Manager

APPROVED:

By: __________________________
    Renee D. Green, PE
    Director of Public Works/County Engineer
### Exhibit “A”
Bid Amount and Funds Committed by SAWS

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Water Main Adjustment(^1)</td>
<td>$119,362.60</td>
</tr>
<tr>
<td>Contingency (15% of Construction)</td>
<td>$17,904.39</td>
</tr>
<tr>
<td><strong>Total SAWS Contribution =</strong></td>
<td><strong>$137,266.99</strong></td>
</tr>
</tbody>
</table>

1. Adjustment of approximately 33 water main valves and 10 air release valves
TO: San Antonio Water System Board of Trustees

FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVING AN ADVANCE FUNDING AGREEMENT AND AUTHORIZING EXPENDITURES OF FUNDS FOR THE REMOVAL OF ASBESTOS PIPE TO THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE LOOP 1604: POTRANCO TO FM 471 PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an advance funding agreement with the Texas Department of Transportation (TxDOT) and authorizes expenditures to TxDOT in the amount not to exceed $38,156.36, for the removal, handling and disposal of the San Antonio Water System’s (the “System”) abandoned asbestos cement pipe in connection with the Loop 1604: Potranco to FM 471 Project. This project is located in Council District’s 4 and 6.

- TxDOT intends to construct the Loop 1604: Potranco to FM 471 Project as illustrated on the attached maps.

- The System’s joint bid work includes the adjustment of water mains. The water work requires that some of the existing water mains that are composed of asbestos cement materials be abandoned in place. This pipe can be managed in place if it is not in conflict with proposed construction. However, if it must be removed, special handling and disposal procedures are required.

- TxDOT revised its policy for the handling of certain materials on construction projects for joint bid utilities. The new policy requires all utilities to obtain a separate environmental contractor to remove, handle and dispose of the certain materials within TxDOT’s right-of-way.

- In order not to delay the current projected construction schedule, TxDOT has obtained the services of SWS Environmental Services to remove, handle and dispose of approximately 639 linear feet of asbestos cement pipe. The System agreed to provide advance funding to cover the costs of this additional work.

- The water work will consist of the removal, handling and disposal of approximately 639 linear feet of abandoned asbestos cement water main.
Approval of an Advance Funding Agreement and Authorize the Expenditure of Funds to the Texas Department of Transportation Loop 1604: Potranco to FM 471 Project

- TxDOT requires that an Advance Funding Agreement be executed for the removal of asbestos cement pipe. Funds authorized for this project will be transferred to TxDOT following Board approval and execution of the Advance Funding Agreement.

- TxDOT received a proposal on March 16, 2016, from SWS Environmental Services.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The amount is $38,156.36 for water work. The job number is 15-5008-000.

Kathleen M. Price, P.E.
Director
Pipelines

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
SAN ANTONIO WATER SYSTEM
PROJECT AREA MAP
ATTACHMENT I

LOOP 1604 POTRANCO TO FM 471

LEGEND
★ PROJECT SITE
EDWARDS AQUIFER RECHARGE ZONE
LOOP 1604: POTRANCO TO FM 471

LEGEND

PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN ADVANCE FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNE TO EXECUTE THE ADVANCE FUNDING AGREEMENT FOR THE REMOVAL, HANDLING AND DISPOSAL OF ABANDONED ASBESTOS CEMENT PIPE BY THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE LOOP 1604: POTRANCO TO FM 471 PROJECT; AUTHORIZING THE EXPENDITURE OF SYSTEM FUNDS IN THE AMOUNT NOT TO EXCEED $38,156.36 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Texas Department of Transportation (TxDOT) proposes to construct the Loop 1604: Potranco to FM 471 Project; and

WHEREAS, the Loop 1604: Potranco to FM 471 Project will require the removal, handling and disposal of abandoned asbestos cement pipe of the San Antonio Water System (the “System”); and

WHEREAS, it is anticipated that during construction, approximately 639 linear feet of abandoned asbestos cement pipe will need to be removed due to conflict with TxDOT’s construction work (the “project work”); and

WHEREAS, the removal, handling and disposal of asbestos cement pipe requires a qualified environmental contractor to perform the project work; and

WHEREAS, TxDOT has obtained the services of SWS Environmental Services; and

WHEREAS, TxDOT has requested that the System execute an Advance Funding Agreement and advance funds for the project work costs; and

WHEREAS, System funds in the amount of $38,156.36 are required for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Advance Funding Agreement with TxDOT for the removal, handling and disposal of abandoned asbestos cement pipe by TxDOT in connection with the Loop 1604: Potranco to FM 471 Project and to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Advance Funding Agreement, and (ii) to authorize the expenditure of System funds in the amount not to exceed $38,156.36 for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That an Advance Funding Agreement with TxDOT is hereby approved and the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Advance Funding Agreement with TxDOT in connection with the Loop 1604: Potranco to FM 471 Project.

2. That the expenditure of funds in the amount of $38,156.36 for the removal, handling and disposal of abandoned asbestos cement pipe by TxDOT in connection with the Loop 1604: Potranco to FM 471 Project is hereby authorized.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551 Government Code.

4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid, or ineffective.

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

__________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees
FROM: Bruce A. Haby, Manager, Corporate Real Estate, and Nancy Belinsky, Vice President and General Counsel
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AUTHORIZATION TO PURCHASE A PERMANENT SEWER LINE EASEMENT AND A TEMPORARY CONSTRUCTION EASEMENT FOR STONE CREEK LIFT STATION ELIMINATION – NO. 135 PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the purchase of a permanent sewer line easement containing approximately 0.663 of an acre and a 2.096 acre temporary easement (the “Easements”), for the Stone Creek Lift Station Elimination – No. 135 Project (the “Project”). It also authorizes the expenditure of $103,351.00 for the Easements.

- The Project that is the subject of the attached resolution will, if approved, authorize work that is required by Section V. E- Lift Station Rehabilitation and Elimination Program of the Consent Decree between the San Antonio Water System (SAWS), the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This Project was identified in the Comprehensive Wastewater Master Plan developed by the SAWS Master Planning Division.

- This Project will consist of the elimination of Lift Station 135 (Stone Creek) by constructing approximately 1,500 linear feet of 8-inch diameter gravity sewer main running parallel to the Hills of Stone Oak subdivision and terminating at Lift Station 134 (Stone Oak).

- SAWS requires the acquisition of the Easements located near the Huebner Road and Summer Knoll intersection, Bexar County, Texas for the construction of the Project.

- The property on which the Easements are located is owned by Dague Ranch, LP, a Texas limited partnership (the “Owner”).

- SAWS initial offer of $103,351.00 was based on an appraisal dated February 1, 2016. SAWS and the Owner have agreed on the purchase amount of $103,351.00 for the Easements.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

The design for this project was initially budgeted in the 2014 Capital Improvement Program, Wastewater Core Business, Collection Facilities. Funding for these land rights are found in the 2016 Capital Improvement Program, Wastewater Core Business, Collection Facilities.

The total amount is $103,351.00 for the acquisition of the Easements.

Bruce A. Haby  
Manager, Corporate Real Estate

Nancy Belinsky  
Vice President and General Counsel

Robert R. Puente  
President/Chief Executive Officer

Attachments:  
I  Project Area Map  
II  Project Site Map
STONE CREEK LIFT STATION
ELIMINATION - NO.135

LEGEND

- PROJECT SITE LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES APPROVING THE ACQUISITION OF A PERMANENT SEWER LINE EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT FROM DAGUE RANCH, LP, A TEXAS LIMITED PARTNERSHIP, BEING APPROXIMATELY 0.663 OF AN ACRE, FOR THE PERMANENT EASEMENT, AND 2.096 ACRES, FOR THE TEMPORARY EASEMENT, LOCATED NEAR THE HUEBNER ROAD AND SUMMER KNOLL INTERSECTION, IN THE NORTHEAST QUADRANT OF BEXAR COUNTY, TEXAS, (COLLECTIVELY, THE “EASEMENTS”), IN CONNECTION WITH THE STONE CREEK LIFT STATION ELIMINATION – NO. 135 PROJECT IN A TOTAL AMOUNT NOT TO EXCEED $103,351.00; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the System has determined that acquisition of the Easements, being more particularly described and depicted in Attachment I, attached hereto and incorporated herein for all purposes, is necessary for the Stone Creek Lift Station Elimination – No. 135 Project; and

WHEREAS, the property on which the Easements are located is owned by Dague Ranch, LP, a Texas limited partnership (together with any other party shown on a title search as owning a fee simple interest in said property, the “Owner”); and

WHEREAS, the Owner has agreed to grant the Easements to the System for the sum of $103,351.00; and

WHEREAS, funds in the amount not to exceed $103,351.00 are available in the Project Fund for the purchase of the Easements; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the acquisition of the Easements for the Stone Creek Lift Station Elimination – No. 135 Project as herein described, and (ii) authorize the expenditure of funds in an amount not to exceed $103,351.00 for the acquisition of the Easements; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the acquisition of the Easements, in substantially the form attached as Attachment I, for the Stone Creek Lift Station Elimination – No. 135 Project, is hereby approved.
2. That the expenditure from the Project Fund in the 2016 Capital Improvement Project budget in a total amount not to exceed $103,351.00 for the acquisition of the Easements is hereby approved, made available and is to be expended from the Project Fund.

3. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents necessary to effectuate the acquisition of the Easements and to pay an amount not to exceed $103,351.00 to the Owner for the acquisition of the Easements.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016

__________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________
Ernesto Arrellano, Jr., Secretary

Attachment:
I Permanent Easement Agreement
II Temporary Easement Agreement
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSfers AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

PERMANENT EASEMENT – SEWER

STATE OF TEXAS §

COUNTY OF BEXAR §

KNOW ALL MEN BY THESE PRESENTS

THAT, Dague Ranch, LP, a Texas limited partnership, hereinafter referred to as "Grantor", whether one or more, for and in consideration in the amount of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to Grantor in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has given, granted, sold, conveyed, and dedicated, and by these presents, does give, grant, sell, convey, and dedicate unto the CITY OF SAN ANTONIO, a Texas Municipal Corporation for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, herein referred to as “Grantee”, as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992, and subject to the terms and provisions of said ordinance, an easement to construct, reconstruct, realign, inspect, patrol, maintain, operate, repair, add, remove and replace sewer lines and facilities, and appurtenances thereto, in, on, over and through the lands located in Bexar County, Texas as follows:

Being 0.663 of an acre (28,877 square feet) of land (20-Foot wide Permanent Sewer Easement), in New City Block (N.C.B.) 19221, City of San Antonio, Bexar County, Texas, being out of a 150.256 acre tract of land conveyed to Dague Ranch Limited Partnership, described in Volume 14766, Page 1410, Official Public Records of Real Property of Bexar County Texas, said land being more particularly described and/or depicted in Exhibits "A" and "B" attached hereto and made a part hereof;

For the purpose of using said Easement Area for any and all things necessary for the construction, reconstruction, realignment, inspection, patrol, maintenance, operation, repair, addition, removal and/or replacement of the lines, facilities and appurtenances to be placed within the above described permanent Easement Area. The Grantee expressly agrees that it will remove from said land all surplus material and will, except for the presence of any at-grade and above ground facilities and appurtenances constructed by Grantee, cause said land to be left as nearly as possible in the condition as it existed prior to the construction of said improvements.

Together with the right of ingress and egress over said Easement Area and over Grantor’s adjoining lands for the purpose of constructing, reconstructing, realigning inspecting, patrolling, maintaining, operating, repairing, adding and removing said lines, facilities and appurtenances; the right to relocate said lines, facilities and appurtenances within said Easement Area; the right to remove from said lands all trees and parts thereof, or other obstructions, which may interfere with
the exercise of the rights granted hereunder; and the right of exercise of all other rights hereby
granted; and Grantor expressly covenants and agrees for itself, its legal representatives, successors
and/or assigns, that no building or structure of any kind will be placed on said Easement Area and
that removal of any building or structure placed on said Easement Area shall be at Grantor expense.

TO HAVE AND TO HOLD the above described easement and rights unto the said Grantee, its
successors and assigns, until the use of said easement shall be abandoned.

And Grantor does hereby bind itself, its legal representatives, successors and/or assigns to warrant
and forever defend all and singular the above described easement and rights unto the said Grantee,
its successors and assigns, against every person whomsoever lawfully claiming or to claim the
same or any part thereof.

EXECUTED effective this 7th day of March, 2016.

Grantor:

Dague Ranch, LP, a Texas limited partnership

By: Dague Ranch Management, LLC, its General Partner

By: Darlene Dague

Darlene Dague
Print Name

partner
Title

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on this 7 day of March, 2016,
by Darlene Dague (name), Partner (title)
Dague Ranch Management, LLC, a Texas limited liability company, General Partner of Dague
Ranch. LP, a Texas limited partnership.

JILL DE LA GARZA
Notary Public, State of Texas
My Commission expires
November 14, 2019
ID # 12930183-9
Being 0.663 of one acre (28,877 square feet) of land (20-foot wide Permanent Sewer Easement), in New City Block (N.C.B.) 19221, City of San Antonio, Bexar County, Texas, being out of a 150.256 acre tract of land conveyed to Dague Ranch Limited Partnership, described in Volume 14766, Page 1410, Official Public Records, Bexar County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" rebar with a “CEC” plastic cap set on the common line of said 150.256 acre tract and a 10-foot wide Drain right-of-way shown on the subdivision plat of Hills of Stone Oak Unit 2, recorded in Volume 9510, Pages 22-24, Deed and Plat Records, Bexar County, Texas, also being the west line of a 100-foot wide City Public Service Board (C.P.S.B.) easement and right-of-way described in Volume 2090, Page 617, Official Public Records of Real Property, Bexar County, Texas, the POINT OF BEGINNING, a west corner of this easement, from which a PK Nail found at the common corner of said 10-foot wide Drain right-of-way and Lot 54, Block 4, said Hills of Stone Oak Unit 2 bears South 16°42'00" West, a distance of 8.04 feet, and the southwest corner of the 150.256 acre tract and the north right-of-way line of Huebner Road (R.O.W. – 110') shown in Volume 9511, Pages 204-207, Deed and Plat Records, Bexar County, Texas, bears South 16°42'00" West, a distance of 406.65 feet;

THENCE North 16°42'00" East, coincident with said common line, a distance of 20.00 feet to a 1/2" rebar with a "CEC" plastic cap set, a west corner of this easement;

THENCE crossing the 150.256 acre tract, the following courses:

South 73°15'53" East a distance of 100.00 feet to a 1/2" rebar with a “CEC” plastic cap set in the east line of said 100-foot wide C.P.S.B. easement, a reentrant corner of this easement;

North 16°42'00" East, coincident with said east line of the 100-foot wide C.P.S.B. easement, a distance of 1,203.85 feet to a 1/2" rebar with a “CEC” plastic cap set, a reentrant corner of this easement;
Project Name: Stone Creek Lift  
Station Elimination (#135)  
Saws Parcel No.: P15-224  
Project Number: 14-4675

Page 2 of 7

North 73°15’53” West, departing the east line of the 100-foot wide C.P.S.B. easement, a distance of 100.00 feet to a Mag nail set on the common line of the 150.256 acre tract and Lot 32, Block 4, shown on the subdivision plat of Hills of Stone Oak Unit 1, recorded in Volume 9508, Pages 58-61, Deed and Plat Records, Bexar County, Texas, a north corner of this easement;

THENCE North 16°42’00” East, coincident with said common line and the east line of a Lift Station easement also shown on said plat of Hills of Stone Oak Unit 1, a distance of 20.00 feet to a 1/2” rebar with a "CEC" plastic cap set, the north corner of this easement;

THENCE reentrant to and crossing the 150.256 acre tract, the following courses:

South 73°15’53” East, a distance of 120.00 feet to a 1/2” rebar with a “CEC” plastic cap set, the east corner of this easement;

South 16°42’00” West, a distance of 1,243.85 feet to a 1/2” rebar with a “CEC” plastic cap set, the south corner of this easement;

North 73°15’53” West, a distance of 120.00 feet to the POINT OF BEGINNING and containing 0.663 of one acre (28,877 square feet) of land, more or less.

<table>
<thead>
<tr>
<th>Tract</th>
<th>Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Tract</td>
<td>150.256 Acres</td>
</tr>
<tr>
<td>Easement</td>
<td>0.663 of one Acre</td>
</tr>
</tbody>
</table>

Notes:  
All bearings are based on the Texas State Plane Coordinates, South Central Zone (NAD 83). All distances are in U.S. Survey Feet. The distances recited herein are based on mathematical calculations and are subject to the rules of rounding and significant numbers. The Combined Adjustment Factor: 1.00017.

This description was prepared from a survey made on the ground by employees of Civil Engineering Consultants (CEC).
Project Name: Stone Creek Lift
Station Elimination (#135)
Saws Parcel No.: P15-224
Project Number: 14-4675

Page 3 of 7

An exhibit plat with like job number accompanies this metes and bounds description.

CEC Job Number S0503202.

Dion P. Albertson, RPLS No. 4963

Date
NOTES

1. A 1/2" RABAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.

2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83). U.S. SURVEY FEET. SCALE FACTOR 1.00017.

3. FIELD SURVEY COMPLETED 10/21/2015.

4. EVERY DOCUMENT OR RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREOF. ONLY THE DOCUMENTS NOTED HEREOF WERE PROVIDED TO THE SURVEYOR. NO ABSTRACT OF TITLE, NOR TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNISHED THE SURVEYOR. THERE MAY EXIST OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THIS PARCEL.

5. D.P.R. DENOTES DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS.

6. THERE IS A METES AND BOUNDS DESCRIPTION WITH A LIKE JOB NUMBER.

EXHIBIT OF
A 20-FOOT WIDE PERMANENT SEWER EASEMENT, 0.663 OF ONE ACRE (28,877 SQ. FT.), OUT OF A 150.256 ACRE TRACT OF LAND,
NEW CITY BLOCK (N.C.B.) 19221,
SAN ANTONIO, BEXAR COUNTY, TEXAS

CIVIL ENGINEERING CONSULTANTS
DON DUBOIS, INC.
11550 IH-10 WEST, SUITE 305
SAN ANTONIO, TEXAS 78230
P: 210.641.6999
F: 210.641.8440
Email: cec@cec-texas.com
Engineering No.: P-2614
Surveying No.: 100416-09

DATE 10/29/2015
JOB NUMBER 580532122
SHEET 4
OF 7
NOTES

1. A 1/2" REBAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.

2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83). U.S. SURVEY FEET. SCALE FACTOR 1.00017.

3. FIELD SURVEY COMPLETED 10/21/2015.

4. EVERY DOCUMENT OR RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREON. ONLY THE DOCUMENTS NOTED HEREON WERE PROVIDED TO THE SURVEYOR. NO ABSTRACT OF TITLE, NOR TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNISHED THE SURVEYOR. THERE MAY EXIST OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THIS PARCEL.

5. D.P.R. DENOTES DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS.
   O.P.R. DENOTES OFFICIAL PUBLIC RECORDS, BEXAR COUNTY, TEXAS.
   R.P.R. DENOTES OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, BEXAR COUNTY, TEXAS.

6. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.
NOTES

1. A 1/2" REBAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.

2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83). U.S. SURVEY FEET. SCALE FACTOR 1.00017.

3. FIELD SURVEY COMPLETED 10/21/2015.

4. EVERY DOCUMENT OR RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREON. ONLY THE DOCUMENTS NOTED HEREON WERE PROVIDED TO THE SURVEYOR. NO ABSTRACT OF TITLE, NOR TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNISHED THE SURVEYOR. THERE MAY EXIST OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THIS PARCEL.

5. D.P.R. DENOTES DEED AND PLAT RECORDS, BEBAR COUNTY, TEXAS.
   O.P.R. DENOTES OFFICIAL PUBLIC RECORDS, BEBAR COUNTY, TEXAS.
   R.P.R. DENOTES OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, BEBAR COUNTY, TEXAS.

6. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.

EXHIBIT OF
A 20-FOOT WIDE PERMANENT SEWER EASEMENT, 0.663 OF ONE ACRE (28,877 SQ. FT.), OUT OF A 150.256 ACRE TRACT OF LAND,
NEW CITY BLOCK (N.C.B.) 19221, SAN ANTONIO, BEBAR COUNTY, TEXAS

SCALE: 1" = 60'
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

TEMPORARY CONSTRUCTION EASEMENT - SEWER

STATE OF TEXAS §

COUNTY OF BEXAR §

KNOW ALL MEN BY THESE PRESENTS

THAT, Dague Ranch, L.P, a Texas limited partnership, hereinafter referred to as "GRANTOR", for and in consideration in the amount of TEN DOLLARS ($10.00), and other valuable consideration the receipt and sufficiency of which is hereby acknowledged, to GRANTOR in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has GIVEN, GRANTED, SOLD, CONVEYED, and DEDICATED, and by these presents, does GIVE, GRANT, SELL, CONVEY, and DEDICATE unto the CITY OF SAN ANTONIO, a Municipal Corporation for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, herein referred to as “Grantee”, as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992 and subject to the terms and provisions of said ordinance, an easement over, across and upon the following described lands, for construction, storage and staging of materials and/or equipment for installation of sewer lines, facilities and appurtenances thereto:

P15-225T:
Being 0.186 of an acre (8,114 square feet) of land (20-Foot wide Temporary Access Easement), in New City Block (N.C.B.) 19221, City of San Antonio, Bexar County, Texas, being out of a 150.256 acre tract of land conveyed to Dague Ranch Limited Partnership, described in Volume 14766, Page 1410, Official Public Records of Real Property of Bexar County Texas, said land being more particularly described and/or depicted in Exhibits "A" and "B" attached hereto and made a part hereof;

P15-226T:
Being 1.795 acres (78,192 square feet) of land (50-Foot wide Temporary Construction Easement), in New City Block (N.C.B.) 19221, City of San Antonio, Bexar County, Texas, being out of a 150.256 acre tract of land conveyed to Dague Ranch Limited Partnership, described in Volume 14766, Page 1410, Official Public Records of Real Property of Bexar County Texas, said land being more particularly described and/or depicted in Exhibits "C" and "D" attached hereto and made a part hereof;
P15-227T:
Being 0.115 of an acre (5,000 square feet) of land (50-Foot wide Temporary Construction Easement), in New City Block (N.C.B.) 19221, City of San Antonio, Bexar County, Texas, being out of a 150.256 acre tract of land conveyed to Dague Ranch Limited Partnership, described in Volume 14766, Page 1410, Official Public Records of Real Property of Bexar County Texas, said land being more particularly described and/or depicted in Exhibits "E" and "F" attached hereto and made a part hereof;

For the purpose of using the said temporary construction easement area for any and all things necessary for the construction of the aforesaid sewer lines, facilities and appurtenances. In further consideration of this grant, said GRANTEE expressly agrees that it will remove from said land all surplus material and will cause said land to be left as nearly as possible in its condition as it existed prior to the construction of said improvements. The temporary construction easement shall expire at the completion of construction of the aforesaid improvements, demobilization and restoration work.

Together with the right of ingress and egress over said temporary construction easement area; and GRANTOR expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that, during the term of this temporary construction easement, no building or other obstruction of any kind will be placed by or for GRANTOR or its legal representatives, successors and/or assigns, within said temporary construction easement area.

TO HAVE AND TO HOLD the above described easement and rights unto the said GRANTEE, its successors and assigns, until the expiration of this temporary construction easement according to its terms.

And GRANTOR does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof

[Signature on Page to Follow]
EXECUTED effective this 7th day of March, 2016

Grantor:

Dague Ranch, LP, a Texas limited partnership

By: Dague Ranch Management, LLC, its General Partner

By: Darlene Dague

Print Name

partner

Title

STATE OF TEXAS $ 

COUNTY OF BEXAR $ 

This instrument was acknowledged before me on this 7th day of March, 2016, by Darlene Dague (name), Partner (title) Dague Ranch Management, LLC, a Texas limited liability company, General Partner of Dague Ranch, LP, a Texas limited partnership.

[Signature]
Notary Public

[Stamp: JILL DE LA GARZA Notary Public, State of Texas My Commission expires November 14, 2019 ID # 12830183-9]
Project Name: Stone Creek Lift
Station Elimination (#135)
Saws Parcel No.: P15-225T
Project Number: 14-4675

Exhibit "A"
Page 1 of 4

FIELD NOTES
0.186 OF ONE ACRE (8,114 SQ. FT.) OF LAND
(20-FOOT WIDE TEMPORARY ACCESS EASEMENT)

Being 0.186 of one acre (8,114 square feet) of land (20-Foot wide Temporary Access Easement), in New City Block (N.C.B.) 19221, City of San Antonio, Bexar County, Texas, being out of a 150.256 acre tract of land conveyed to Dague Ranch Limited Partnership, described in Volume 14766, Page 1410, Official Public Records, Bexar County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2” rebar with a “CEC” plastic cap set on the north right-of-way line of Huebner Road (R.O.W. – 110’), shown on the plat of Stone Oak Subdivision, Unit 5, recorded in Volume 9511, Pages 204-207, Deed and Plat Records, Bexar County, Texas, being the common corner of said 150.256 acre tract and Lot 58, Block 4, shown on the subdivision plat of Hills of Stone Oak Unit 2, recorded in Volume 9510, Pages 22-24, Deed and Plat Records, Bexar County, Texas, the POINT OF BEGINNING, the west corner of this easement;

THENCE North 16°42'00" East, departing said north right-of-way line of Huebner Road, coincident with the common line of the 150.256 acre tract and said Block 4, passing at a distance of 331.31 feet, a 1/2" rebar found at the common corner of Lot 55 and Lot 54, passing at a distance of 398.61 feet a PK Nail found at the common corner of said Lot 54 and a 0.099 of one acre tract of land called Tract V, described in Volume 6485, Page 2016, Official Public Records of Real Property, Bexar County, Texas, also being a 10-foot wide Drainage, Electric, Telephone and Cable TV easement, shown on the subdivision plat of Hills of Stone Oak Unit 1, recorded in Volume 9508, Pages 58-61, Deed and Plat Records, Bexar County, Texas, and continuing a total distance of 406.65 feet to a 1/2" rebar with a "CEC" plastic cap, the north corner of this easement;

THENCE South 73°15'53" East, crossing the 150.256 acre tract, a distance of 20.00 feet to a 1/2" rebar with a “CEC” plastic cap set, the east corner of this easement;

THENCE South 16°42'00" West, continuing across the 150.256 acre tract, a distance of 404.76 feet to a 1/2" rebar with a “CEC” plastic cap set on the aforementioned north right-of-way line of Huebner Road, the south corner of this easement;
THENCE North 78°39'08" West, coincident with the common line of the 150.256 acre tract and said north right-of-way line of Huebner Road, a distance of 20.09 feet to the POINT OF BEGINNING and containing 0.186 of one acre (15,613 square feet) of land, more or less.

<table>
<thead>
<tr>
<th>Tract</th>
<th>Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Tract</td>
<td>150.256 Acres</td>
</tr>
<tr>
<td>Easement</td>
<td>0.186 of one Acre</td>
</tr>
</tbody>
</table>

Notes:
All bearings are based on the Texas State Plane Coordinates, South Central Zone (NAD 83). All distances are in U.S. Survey Feet. The distances recited herein are based on mathematical calculations and are subject to the rules of rounding and significant numbers. The Combined Adjustment Factor: 1.00017.

This description was prepared from a survey made on the ground by employees of Civil Engineering Consultants (CEC).

An exhibit plat with like job number accompanies this metes and bounds description.

CEC Job Number S0503202.

[Signature]
Dion P. Albertson, RPLS No. 4963

11/16/15
Date
**NOT TO SCALE**

**LOCATION MAP**

**STONE CREEK LIFT STATION**

**ELIMINATION (#135)**

**SAWS PARCEL NO.: P15-225T**

**PROJECT NO.: 14-4675**

**DOCUMENT TYPE: EASEMENT**

---

**ACREAGE SUMMARY**

<table>
<thead>
<tr>
<th>PARENT TRACT</th>
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</tr>
</thead>
<tbody>
<tr>
<td>EASEMENT</td>
<td>0.186 OF ONE ACRE</td>
</tr>
</tbody>
</table>

---

**HILLS OF STONE OAK UNIT 2**

**VOL. 9510, PGS. 22-24, D.P.R.**

---

**MATCH LINE SHEET 4**

**100' C.P.S.B.**

**EASEMENT & RIGHT-OF-WAY**

**VOL. 2080, PG. 617, R.P.R.**

---

**150.256 ACRE TRACT**

**VOL. 14766, PG. 1410, D.P.R.**

**OWNER: DAGUE RANCH LIMITED PARTNERSHIP**

---

**LINE TABLE**

<table>
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<th>LENGTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>L2</td>
<td>N78°39'08&quot;W</td>
<td>20.09'</td>
</tr>
</tbody>
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---

**NOTES**

1. A 1/2" REBAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.

2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83). U.S. SURVEY FEET. SCALE FACTOR 1.00017.

3. FIELD SURVEY COMPLETED 10/21/2015.

4. EVERY DOCUMENT OR RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREON. ONLY THE DOCUMENTS NOTED HEREON WERE PROVIDED TO THE SURVEYOR. NO ABSTRACT OF TITLE, NOR TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNISHED THE SURVEYOR. THERE MAY EXIST OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THIS PARCEL.

5. D.P.R. DENOTES DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS. O.P.R. DENOTES OFFICIAL PUBLIC RECORDS, BEXAR COUNTY, TEXAS. R.P.R. DENOTES OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, BEXAR COUNTY, TEXAS.

6. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.

---

**EXHIBIT OF**

**A 20-FOOT WIDE TEMPORARY ACCESS EASEMENT, 0.186 OF ONE ACRE (8114 SQ. FT.), OUT OF A 150.256 ACRE TRACT OF LAND,**

**NEW CITY BLOCK (N.C.B.) 19221,**

**SAN ANTONIO, BEXAR COUNTY, TEXAS**

---

**D. BURDEN, P.E.**

**DATE**

11/16/2015

**JOB NUMBER**

S0503202

---

---

---

---

---
NOTES

1. A 1/2" REBAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.

2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83). U.S. SURVEY FEET. SCALE FACTOR 1.00017.

3. FIELD SURVEY COMPLETED 10/21/2015.

4. EVERY DOCUMENT OR RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREON. ONLY THE DOCUMENTS NOTED HEREON WERE PROVIDED TO THE SURVEYOR. NO ABSTRACT OF TITLE, NOR TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNEISHED THE SURVEYOR. THERE MAY BE OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THIS PARCEL.

5. D.P.R. DENOTES DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS.
   O.P.R. DENOTES OFFICIAL PUBLIC RECORDS, BEXAR COUNTY, TEXAS.
   R.P.R. DENOTES OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, BEXAR COUNTY, TEXAS.

6. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.

CEC

CIVIL ENGINEERING CONSULTANTS
DON DURDEN,INC.
11550 LB. 10 WEST, SUITE 305
SAN ANTONIO, TEXAS 78230
P: 210.641.9999
F: 210.841.6440
Email: cec@cectex.com
Engineering No.: F-2214
Surveying No.: 100410-00

EXHIBIT OF
20-FOOT WIDE TEMPORARY ACCESS EASEMENT, 0.186 OF ONE ACRE (8,114 SQ. FT.), OUT OF A 150.256 ACRE TRACT OF LAND,

NEW CITY BLOCK (N.C.B.) 19221,
SAN ANTONIO, BEXAR COUNTY, TEXAS

STATE OF TEXAS
REGISTRY OF PROFESSIONAL ENGINEERS AND SURVEYORS

DATE
11/16/2015

JOB NUMBER
S0503202

SHEET
4
OF 4
FIELD NOTES
1.795 ACRES (78,192 SQ. FT.) OF LAND
(50-FOOT WIDE TEMPORARY CONSTRUCTION EASEMENT)

Being 1.795 acres (78,192 square feet) of land (50-foot wide Temporary Construction Easement), in New City Block (N.C.B.) 19221, City of San Antonio, Bexar County, Texas, being out of a 150.256 acre tract of land conveyed to Dague Ranch Limited Partnership, described in Volume 14766, Page 1410, Official Public Records, Bexar County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" rebar with a “CEC” plastic cap set within said 150.256 acre tract, the POINT OF BEGINNING, a west corner of this easement, from which a PK Nail found on the west line of the 150.256 acre tract, at the common corner of Lot 54, Block 4, shown on the subdivision plat of Hills of Stone Oak Unit 2, recorded in Volume 9510, Pages 22-24, Deed and Plat Records, Bexar County, Texas, and a 0.099 of one acre tract of land called Tract V, described in Volume 6485, Page 2016, Official Public Records of Real Property, Bexar County, Texas, bears North 73° 15' 53" West, a distance of 20.00 feet and South 16° 42' 00" West, a distance of 8.04 feet;

THENCE crossing within the 150.256 acre tract, the following courses:

South 73° 15' 53" East, a distance of 100.00 feet to a 1/2" rebar with a “CEC” plastic cap set, a reentrant corner of this easement;

North 16° 42' 00" East, a distance of 1,243.85 feet to a 1/2" rebar with a “CEC” plastic cap set, a reentrant corner of this easement;

North 73° 15' 53" West, a distance of 120.00 feet to a 1/2" rebar with a “CEC” plastic cap set on the common line of the 150.256 acre tract and a Lift Station Easement shown on the subdivision plat of Hills of Stone Oak Unit 1, recorded in Volume 9508, Pages 58-61, Deed and Plat Records, Bexar County, Texas, a north corner of this easement;

THENCE North 16° 42' 00" East, coincident with said common line and the east line of a Drainage right-of-way (Sanitary Sewer, Telephone & Ingress/Egress Easement, also shown on said Hills of Stone Oak Unit 1, a distance of 50.00 feet to a 1/2" rebar with a "CEC" plastic cap set, the north corner of this easement;
THENCE reentrant to and crossing the 150.256 acre tract, the following courses:

South 73°15'53" East, a distance of 170.00 feet to a 1/2" rebar with a “CEC” plastic cap set, the east corner of this easement;

South 16°42'00" West, a distance of 1,343.85 feet to a 1/2" rebar with a “CEC” plastic cap set, the south corner of this easement;

North 73°15'53" West, a distance of 150.00 feet to a 1/2" rebar with a “CEC” plastic cap set, the west corner of this easement;

North 16°42'00" East, a distance of 50.00 feet to the POINT OF BEGINNING and containing 1.795 acres (78,192 square feet) of land, more or less.

<table>
<thead>
<tr>
<th>Tract</th>
<th>Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Tract</td>
<td>150.256 Acres</td>
</tr>
<tr>
<td>Easement</td>
<td>1.795 Acres</td>
</tr>
</tbody>
</table>

Notes:
All bearings are based on the Texas State Plane Coordinates, South Central Zone (NAD 83). All distances are in U.S. Survey Feet. The distances recited herein are based on mathematical calculations and are subject to the rules of rounding and significant numbers. The Combined Adjustment Factor: 1.00017.

This description was prepared from a survey made on the ground by employees of Civil Engineering Consultants (CEC).

An exhibit plat with like job number accompanies this metes and bounds description.

CEC Job Number S0503202.

Dion P. Albertson, RPLS No. 4963

Date

11/16/15
NOTES

1. A 1/2" REBAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.

2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83), U.S. SURVEY FEET. SCALE FACTOR 1.00017.

3. FIELD SURVEY COMPLETED 10/21/2015.

4. EVERY DOCUMENT OR RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREON. ONLY THE DOCUMENTS NOTED HEREON WERE PROVIDED TO THE SURVEYOR. NO ABSTRACT OF TITLE, NON TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNISHED THE SURVEYOR. THERE MAY EXIST OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THIS PARCEL.

5. D.P.R. DENOTES DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS.
O.P.R. DENOTES OFFICIAL PUBLIC RECORDS, BEXAR COUNTY, TEXAS.
R.P.R. DENOTES OFFICIAL PUBLIC RECORDS OF REAL PROPERTY OF BEXAR COUNTY, TEXAS.

6. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.
NOTES

1. A 1/2" REBAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.

2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH
   CENTRAL ZONE (NAD83), U.S. SURVEY FEET. SCALE FACTOR 1.00017.

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   R.P.R. DENOTES OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, BEXAR
   COUNTY, TEXAS.

6. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.

CEC

CIVIL ENGINEERING CONSULTANTS
DON DURDEN, INC.
11550 I.H. 10 WEST, SUITE 305
SAN ANTONIO, TEXAS 78230
P) 210.641.0999
F) 210.641.0440
Email: cec@cectexas.com
Engineering No.: F-2214
Surveying No.: 100410-00

DATE 11/16/2015
JOB NUMBER S0503202
SHEET 5
OF 6

EXHIBIT OF
A 50-FOOT WIDE TEMPORARY CONSTRUCTION
EASEMENT, 1.795 ACRES (78,192 SQ. FT.), OUT OF
A 150.256 ACRE TRACT OF LAND,

NEW CITY BLOCK (N.C.B.) 19221,
SAN ANTONIO, BEXAR COUNTY, TEXAS

SCALE: 1" = 60'

OWNER: DAGE RANCH LIMITED PARTNERSHIP

PROPOSED
50' TEMPORARY
CONSTRUCTION EASEMENT
(1.795 ACRES, 78,192 SQ. FT.)

N. C. B. . . . 1 9 2 2 1

150.256 ACRE TRACT
VOL. 14766, PG. 1410, O.P.R.

MATCH LINE SHEET 7

MATCH LINE SHEET 5
LOCATION MAP
"NOT TO SCALE"

DRAINAGE R.O.W.
(SANITARY SEWER, TELEPHONE, CABLE T.V.
& INGRESS/EGRESS EASEMENT)
VOL. 9508, PGS. 58-61, D.P.R.

LIFT STATION EASEMENT
VOL. 9508, PGS. 58-61, D.P.R.

18' GAS, ELECTRIC,
TELEPHONE & CABLE TV EASEMENT
VOL. 9508, PGS. 58-61, D.P.R.

32

5' PRIVATE WATER EASEMENT
(FOR SERVICE TO LIFT STATION)
VOL. 9508, PGS. 58-61, D.P.R.

5' ELECTRIC EASEMENT
9508, PGS. 58-61, D.P.R.

HILLS OF STONE OAK UNIT 1
VOL. 9508, PGS. 58-61, D.P.R.

PROJECT NAME: STONE CREEK LIFT STATION
ELIMINATION (#135)
SAWS PARCEL NO.: P15-226T
PROJECT NO.: 14-4675
DOCUMENT TYPE: EASEMENT

ACREAGE SUMMARY
PARENT TRACT 150.256 ACRES
EASEMENT 1.795 ACRES

PROPOSED
50' TEMPORARY
CONSTRUCTION EASEMENT
(1.795 ACRES, 78,192 SQ. FT.)

N. C. B. . . . . 1 9 2 2 1
150.256 ACRE TRACT
VOL. 14766, PG. 1410, D.P.R.

OWNER: DAGUE RANCH LIMITED PARTNERSHIP

LINE TABLE

<table>
<thead>
<tr>
<th>LINE</th>
<th>BEARING</th>
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<tbody>
<tr>
<td>L1</td>
<td>N16°42'00&quot;E</td>
<td>50.00'</td>
</tr>
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NOTES
1. A 1/2" REBAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.

2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83). U.S. SURVEY FEET. SCALE FACTOR 1.00017.

3. FIELD SURVEY COMPLETED 10/21/2015.

4. EVERY DOCUMENT OR RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREON. ONLY THE DOCUMENTS NOTED HEREON WERE PROVIDED TO THE SURVEYOR. NO ABSTRACT OF TITLE, NOR TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNISHED THE SURVEYOR. THERE MAY EXIST OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THIS PARCEL.

5. D.P.R. DENOTES DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS.
O.P.R. DENOTES OFFICIAL PUBLIC RECORDS, BEXAR COUNTY, TEXAS.
R.P.R. DENOTES OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, BEXAR COUNTY, TEXAS.

6. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.
FIELD NOTES

0.115 OF ONE ACRE (5,000 SQ. FT.) OF LAND
(50-FOOT WIDE TEMPORARY CONSTRUCTION EASEMENT)

Being 0.115 of one acre (5,000 square feet) of land (50-foot wide Temporary Construction Easement), in New City Block (N.C.B.) 19221, City of San Antonio, Bexar County, Texas, being out of a 150.256 acre tract of land conveyed to Dague Ranch Limited Partnership, described in Volume 14766, Page 1410, Official Public Records, Bexar County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2” rebar with a “CEC” plastic cap set on the common line of said 150.256 acre tract and a 10-foot wide Drain right-of-way shown on the subdivision plat of Hills of Stone Oak Unit 2, recorded in Volume 9510, Pages 22-24, Deed and Plat Records, Bexar County, Texas, the POINT OF BEGINNING, the west corner of this easement, from which a PK Nail found at the common corner of said 10-foot wide Drain right-of-way and Lot 54, Block 4, said Hills of Stone Oak Unit 2 bears South 16°42'00" West, a distance of 28.04 feet, and the southwest corner of the 150.256 acre tract and the north right-of-way line of Huebner Road (R.O.W. – 110’) shown in Volume 9511, Pages 204-207, Deed and Plat Records, Bexar County, Texas, bears South 16°42'00" West, a distance of 426.65 feet;

THENCE North 16°42'00" East, coincident with said common line, a distance of 50.00 feet to a 1/2” rebar with a "CEC" plastic cap set, the north corner of this easement;

THENCE crossing the 150.256 acre tract, the following courses:

South 73°15'53" East a distance of 100.00 feet to a 1/2” rebar with a “CEC” plastic cap set, the east corner of this parcel;

South 16°42'00" West, a distance of 50.00 feet to a 1/2” rebar with a “CEC” plastic cap set, the south corner of this parcel;
Project Name: Stone Creek Lift  
Station Elimination (#135)  
Saws Parcel No.: P15-227T  
Project Number: 14-4675

Page 2 of 3

North 73°15'53" West, a distance of 100.00 feet to the **POINT OF BEGINNING** and containing 0.115 of one acre (5,000 square feet) of land, more or less.

<table>
<thead>
<tr>
<th>Tract</th>
<th>Acreage</th>
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<tr>
<td>Parent Tract</td>
<td>150.256 Acres</td>
</tr>
<tr>
<td>Easement</td>
<td>0.115 of one Acre</td>
</tr>
</tbody>
</table>

Notes:
All bearings are based on the Texas State Plane Coordinates, South Central Zone (NAD 83). All distances are in U.S. Survey Feet. The distances recited herein are based on mathematical calculations and are subject to the rules of rounding and significant numbers. The Combined Adjustment Factor: 1.00017.

This description was prepared from a survey made on the ground by employees of Civil Engineering Consultants (CEC).

An exhibit plat with like job number accompanies this metes and bounds description.

CEC Job Number S0503202.

Dion P. Albertson, RPLS No. 4963  

11/14/15  

X:\data\survey\projects 2014\S0503202, K Friese SAWs LS135\metes & bounds\0.115 Acre TCE.doc
NOTES
1. A 1/2" REBAR WITH A "CEC" PLASTIC CAP WAS SET AT EACH CORNER, UNLESS NOTED OTHERWISE.
2. THE BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83), U.S. SURVEY FEET. SCALE FACTOR 1.00017.
3. FIELD SURVEY COMPLETED 10/21/2015.
4. EVERY DOCUMENT OR RECORD REVIEWED AND CONSIDERED AS A PART OF THIS SURVEY IS NOTED HEREON. ONLY THE DOCUMENTS NOTED HEREON WERE PROVIDED TO THE SURVEYOR. NO ABSTRACT OF TITLE, NOR TITLE COMMITMENT, NOR RESULTS OF TITLE SEARCHES WERE FURNISHED BY THE SURVEYOR. THERE MAY EXIST OTHER DOCUMENTS OF RECORD THAT WOULD AFFECT THIS PARCEL.
5. D.P.R. DENOTES DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS.
   O.P.R. DENOTES OFFICIAL PUBLIC RECORDS, BEXAR COUNTY, TEXAS.
   R.P.R. DENOTES OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, BEXAR COUNTY, TEXAS.
6. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.
TO: San Antonio Water System Board of Trustees

FROM: Bruce A. Haby, Manager, Corporate Real Estate, and Nancy Belinsky, Vice President and General Counsel

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AUTHORIZATION TO PURCHASE A PERMANENT SEWER LINE EASEMENT AND A TEMPORARY CONSTRUCTION EASEMENT FOR W-31 IH-10: BOERNE STAGE ROAD TO OLD FREDERICKSBURG PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the purchase of a permanent sewer line easement, and temporary construction easement (the “Easements”) containing approximately 4.353 acres for the permanent easement, and 0.1979 acres for the temporary construction easement, for the W-31 IH-10: Boerne Stage Road to Old Fredericksburg Project (the “Project”). It also authorizes the expenditure of $289,588.00 for the Easements.

- The Project was identified in the Comprehensive Wastewater Master Plan developed by the San Antonio Water System (SAWS) Master Planning Division. The mains are in poor condition due to deterioration and lack sufficient capacity to handle future sewer flows due to growth and flows due to inflow and infiltration during peak storm events.

- The Project will replace the existing Falcon Center Lift Station (LS #169) and Woodland Hills Lift Station (LS #232), approximately 1.2 miles of 10-inch force main and approximately 2 miles linear feet of 12-inch force main in the Western Sewershed along Interstate Highway 10 between Boerne Stage Road and Old Camp Bullis Road with a 33-inch, 36-inch and 42-inch sanitary sewer gravity main. Inflow and Infiltration contributes to the need to complete the Project.

- SAWS requires the acquisition of the Easements located along IH-10, between Camp Bullis Road and Dominion Drive, Bexar County, Texas for the construction of the Project.

- The property on which the Easements are located is owned by Fourth Quarter Properties LXIV, LP, a Georgia limited partnership (the “Owner”).

- SAWS initial offer of $289,588.00 was based on an appraisal dated July 27, 2015. SAWS and the Owner have agreed on the purchase amount of $289,588.00 for the Easements.
Authorization to Purchase Easements for the
W-31 IH-10: Boerne Stage Road to Old Fredericksburg Project

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The design for this project was initially budgeted in the 2009 Wastewater Core Business, Collection Growth category, CCMA Lift Stations line item. The funding for the acquisition of the Easements will come from the 2014 Wastewater CIP budget, Collection Category, W-31: IH-10 Boerne Stage to Old Fredericksburg item.

The total amount is $289,588.00 for the acquisition of the Easements.

Bruce A. Haby
Manager, Corporate Real Estate

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Nancy Belinsky
Vice President and General Counsel

Attachments:
I Project Area Map
II Project Site Map
W-31 IH - 10: BOERNE STAGE TO OLD FREDERICKSBURG
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES APPROVING THE ACQUISITION OF A PERMANENT SEWER LINE EASEMENT AND A TEMPORARY CONSTRUCTION EASEMENT FROM FOURTH QUARTER PROPERTIES LXIV, LP, A GEORGIA LIMITED PARTNERSHIP, BEING APPROXIMATELY 4.353 ACRES FOR THE PERMANENT EASEMENT, AND 0.1979 ACRES FOR THE TEMPORARY CONSTRUCTION EASEMENT, LOCATED ALONG IH-10, BETWEEN CAMP BULLIS ROAD AND DOMINION DRIVE, IN THE NORTHWEST QUADRANT OF BEXAR COUNTY, TEXAS, (COLLECTIVELY, THE “EASEMENTS”), IN CONNECTION WITH THE W-31 IH-10: BOERNE STAGE ROAD TO OLD FREDERICKSBURG PROJECT IN A TOTAL AMOUNT NOT TO EXCEED $289,588.00; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the System has determined that acquisition of the Easements, being more particularly described and depicted in Attachment I, attached hereto and incorporated herein for all purposes, is necessary for the W-31 IH-10: Boerne Stage Road to Old Fredericksburg Project; and

WHEREAS, the property on which the Easements are located is owned by Fourth Quarter Properties LXIV, LP, a Georgia limited partnership (together with any other party shown on a title search as owning a fee simple interest in said property, the “Owner”); and

WHEREAS, the Owner has agreed to grant the Easements to the System for the sum of $289,588.00; and

WHEREAS, funds in the amount not to exceed $289,588.00 are available in the Project Fund for the purchase of the Easements; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the acquisition of the Easements for the W-31 IH-10: Boerne Stage Road to Old Fredericksburg Project as herein described, and (ii) authorize the expenditure of funds in an amount not to exceed $289,588.00 for the acquisition of the Easements; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the acquisition of the Easements, in substantially the form attached as Attachment I, for the W-31 IH-10: Boerne Stage Road to Old Fredericksburg Project, is hereby approved.
2. That the expenditure from the Project Fund in the 2014 Wastewater CIP budget in a total amount not to exceed $289,588.00 for the acquisition of the Easements is hereby approved, made available and is to be expended from the Project Fund.

3. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents necessary to effectuate the acquisition of the Easements and to pay an amount not to exceed $289,588.00 to the Owner for the acquisition of the Easements.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if an exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016

Berto Guerra, Jr., Chairman

ATTEST:

Ernesto Arrellano, Jr., Secretary

Attachment:
I  Permanent Easement Agreement
II  Temporary Easement Agreement
Project: W 31 IH-10 Boerne Stage to Old Fredericksburg
Parcel: P12-050

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

PERMANENT EASEMENT – SEWER

STATE OF TEXAS

COUNTY OF BEXAR

THAT, FOURTH QUARTER PROPERTIES LXIV, LP a Georgia limited partnership, hereinafter referred to as "Grantor", whether one or more, for and in consideration in the amount of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to Grantor in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has given, granted, sold, conveyed, and dedicated, and by these presents, does give, grant, sell, convey, and dedicate unto the CITY OF SAN ANTONIO, a Texas Municipal Corporation herein referred to as "Grantee" for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992, and subject to the terms and provisions of said ordinance, an easement to construct, reconstruct, realign, inspect, patrol, maintain, operate, repair, add, remove and replace sewer lines and facilities, and appurtenances thereto, in, on, over and through the lands located in Bexar County, Texas as follows:

Being 4.353-acre (189,611 sq. ft.) tract of land in in the James H. Cox Survey No. 22, Abstract No. 155, in Bexar County, Texas, out of New City Block 14747, and being out of a portion of a called 32.59-acre tract of land, conveyed to Fourth Quarter Properties LXIV by deed without warranty executed September 13, 2005, recorded in Book 11644, Page 967 (Document No. 20050212285) of the Official Public Records of Bexar County, Texas, and being more particularly described and depicted in Exhibits "A" and "B" attached hereto and made a part hereof (the “Easement Area”);

For the purpose of using said Easement Area for any and all things necessary for the construction, reconstruction, realignment, inspection, patrol, maintenance, operation, repair, addition, removal and/or replacement of the lines, facilities and appurtenances to be placed within the above described permanent Easement Area. The Grantee expressly agrees that it will remove from said land all surplus material and will, except for the presence of any at-grade and above ground facilities and appurtenances constructed by Grantee, cause said land to be left as nearly as possible in the condition as it existed prior to the construction of said improvements.

Together with the right of ingress and egress over said Easement Area and over Grantor’s adjoining lands for the purpose of constructing, reconstructing, realigning inspecting, patrolling, maintaining, operating, repairing, adding and removing said lines, facilities and appurtenances; the right to relocate said lines, facilities and appurtenances within said Easement Area; the right to
remove from said lands all trees and parts thereof, or other obstructions, which may interfere with the exercise of the rights granted hereunder; and the right of exercise of all other rights hereby granted; and Grantor expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that no building or structure of any kind will be placed on said Easement Area and that removal of any building or structure placed on said Easement Area shall be at Grantor expense.

TO HAVE AND TO HOLD the above described easement and rights unto the said Grantee, its successors and assigns, until the use of said easement shall be abandoned.

And Grantor does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

This Easement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

EXECUTED this 22nd day of February, 2013.

Fourth Quarter Properties LXIV, LP, a Georgia limited partnership

By: ____________________________

Name: Stanley E. Thomas

Title: Manager

STATE OF Georgia

COUNTY OF Coweta

This instrument was acknowledged before me on this 22nd day of February, 2013, by Stanley E. Thomas, the manager of Fourth Quarter Properties LXIV, LP, a Georgia limited partnership.

Notary Public

[Stamp]

DOUGLAS COUNTY

EXPIRES Oct 22, 2018
The undersigned, COLUMBUS BANK AND TRUST COMPANY, hereby joins in the execution of this sewer easement to evidence its consent and agreement to the terms and provisions hereof, and to confirm and agree that any and all liens held by the undersigned, whether by Deed of Trust, reservation in a deed, constitutional, contractual or otherwise, are subject and subordinate to the terms and provisions of this sewer easement, as the same may be amended or modified from time-to-time. Without limiting the preceding general statement, it is agreed that the following liens are hereby subordinated to the terms of this Easement:

Deed of Trusts:

i. Deed of Trust, dated December 20, 2005, filed of record in Volume 11855, Page 1277, along with the Assignment of Rents & Leases, dated July 28, 2006, filed of record in Volume 12329, Page 891 & 917, of the Official Public Records of Bexar County, Texas.

ii. Deed of Trust, signed on November 29, 2006, filed of record in Volume 13315, Page 2211, along with the Assignment of Rents and Leases, filed of record in Volume 13315, Page 2269 of the Official Public Records of Bexar County, Texas,

iii. Deed of Trust, dated November 29, 2007, filed of record in Volume 13315, Page 2391, of the Official Public Records of Bexar County, Texas, along with the Assignment of Rents and Leases, filed of record in Volume 13315, Page 2449, Official Public Records of Bexar County, Texas,

iv. Deed of Trust, dated December 31, 2008, filed of record in Volume 13876, Page 807, of the Official Public Records of Bexar County, Texas,

v. Deed of Trust, dated December 31, 2008, filed of record in Volume 13876, Page 860, of the Official Public Records of Bexar County, Texas,

vi. Deed of Trust, dated December 31, 2008, filed of record in Volume 13876, Page 913, of the Official Public Records of Bexar County, Texas,

vii. Deed of Trust, dated December 31, 2008, filed of record in Volume 13876, Page 966, of the Official Public Records of Bexar County, Texas,

viii. Deed of Trust, dated August 20, 2009, filed of record in Volume 14143, Page 251, of the Official Public Records of Bexar County, Texas,

ix. Deed of Trust, dated August 20, 2009, filed of record in Volume 14143, Page 349, of the Official Public Records of Bexar County, Texas, and

UCC Financing Statements:

i. UCC Financing Statement, filed of record in Volume 13315, Page 2305, of the Official Public Records of Bexar County, Texas,

ii. UCC Financing Statement, filed of record in Volume 13316, Page 1, of the Official Public Records of Bexar County, Texas,

iii. UCC Financing Statement, filed of record in Volume 13876, Page 1179, of the Official Public Records of Bexar County, Texas,

iv. UCC Financing Statement, filed of record in Volume 13876, Page 1204, of the Official Public Records of Bexar County, Texas,

v. UCC Financing Statement, filed of record in Volume 13891, Page 545, of the Official Public Records of Bexar County, Texas,

vi. UCC Financing Statement, filed of record in Volume 13891, Page 518, of the Official Public Records of Bexar County, Texas,

vii. UCC Financing Statement, filed of record in Volume 14343, Page 2292, and 2264, of the Official Public Records of Bexar County, Texas,

All as may have been modified in Modification Agreement, dated February 13, 2014, filed of record in Volume 16592, Page 988 of the Official Public Records of Bexar County Texas.

Columbus Bank and Trust Company

By: 

Name: John Evans

Title: SVP

STATE OF Georgia §

COUNTY OF Muscogee $

This instrument was acknowledged before me on this 25th day of April, 2016, by John Evans (Name), SVP (Title) of Columbus Bank and Trust Company.

Jade Nicole Tamoshis
Notary Public
Consent, Joinder and Subordination by Lender

The undersigned, SYNOVUS BANK, hereby joins in the execution of this sewer easement to evidence its consent and agreement to the terms and provisions hereof, and to confirm and agree that any and all liens held by the undersigned, whether by Deed of Trust, reservation in a deed, constitutional, contractual or otherwise, are subject and subordinate to the terms and provisions of this sewer easement, as the same may be amended or modified from time-to-time. Without limiting the preceding general statement, it is agreed that the following liens are hereby subordinated to the terms of this Easement: (i) Deed of Trust, dated July 1, 2013, filed of record in Volume 16223, Page 2319, of the Official Public Records of Bexar County, Texas, and (ii) Deed of Trust, signed on July 1, 2013, filed of record in Volume 16223, Page 2433, of the Official Public Records of Bexar County, Texas, (iii) UCC Financing Statement, filed of record in Volume 16223, Page 2406, of the Official Public Records of Bexar County, Texas, (iv) UCC Financing Statement, filed of record in Volume 16551, Page 2205, of the Official Public Records of Bexar County, Texas, all as may be modified in Modification Agreement, dated February 13, 2014, filed of record in Volume 16592, Page 988, of the Official Public Records of Bexar County, Texas.

Columbus Bank and Trust Company

By: [Signature]

Name: John Evans

Title: EVP

STATE OF Georgia
COUNTY OF Muscogee

This instrument was acknowledged before me on this 25th day of April, 2016, by John Evans (Name), EVP (Title) of Columbus Bank and Trust Company.

Jade Nicole Lamashi
Notary Public
FIELD NOTES

FOR A 4.353-ACRE (189,611 SQUARE FOOT)
PERMANENT WASTEWATER EASEMENT

A 4.353-ACRE (189,611 SQUARE FOOT) TRACT OF LAND IN THE JAMES H. COX SURVEY NO. 22, ABSTRACT NO. 155, IN BEXAR COUNTY, TEXAS, OUT OF NEW CITY BLOCK 14747, AND BEING OUT OF A PORTION OF A CALLED 32.59-ACRE TRACT OF LAND, CONVEYED TO FOURTH QUARTER PROPERTIES LXIV, LP BY DEED WITHOUT WARRANTY EXECUTED SEPTEMBER 13, 2005, RECORDED IN BOOK 11644, PAGE 967 (DOCUMENT NO. 20050212285) OF THE OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS; SAID 4.353-ACRE TRACT AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING on a Texas Department of Transportation Type II brass disk monument in concrete, 159.90 feet left of TXDOT Engineers Centerline Station 546+34.94, found on an angle point in the easterly right-of-way line of Interstate Highway 10 (right-of-way width varies) having Texas State Plane Grid Coordinate (South Central Zone-4204, NAD83/HARN U.S. Survey Feet,) values of N=13,778,883.87, E=2,091,293.45, being on the northwest corner of the above-mentioned 32.59-acre tract conveyed to Fourth Quarter Properties LXIV, LP, same being the southwest corner of a called 25.604-acre tract of land conveyed to the Texas Transportation Commission by Deed Without Warranty recorded in Book 10263, Page 1497 (Document No. 20030224282) of the Official Public Records of Bexar County, Texas, for the northwest corner of the herein described tract;

THENCE with the southerly boundary line of said 25.604-acre tract, same being the northerly boundary line of said portion of the 32.59-acre tract, N65°06'31"E for a distance of 41.36 feet to a 60d nail set for the northeast corner of this tract, from which a Texas Department of Transportation Type II brass disk monument in concrete, 259.90 feet left of TXDOT Engineers Centerline Station 546+34.95, found on the northeast corner of said 32.59-acre tract, same being the southeast corner of said 25.604-acre tract conveyed to the Texas Transportation Commission, bears N65°06'31"E a distance of 58.64 feet;

THENCE departing said southerly boundary line of the 25.604-acre tract, through the interior of said portion of the 32.59-acre tract, the following five (5) courses and distances:

1) S22°12'25"E for a distance of 1,143.36 feet to a 60d nail set on an angle point of this tract;
2) S19°20'00"E for a distance of 761.70 feet to a 60d nail set on an angle point of this tract;

3) S19°55'27"E for a distance of 994.63 feet to a 60d nail set on an angle point of this tract;

4) S19°02'08"E for a distance of 995.62 feet to a 60d nail set on an angle point of this tract;

5) S15°23'02"E for a distance of 21.25 feet to a 60d nail set in the northerly right-of-way line of Camp Bullis Road (right-of-way width varies), for the southeast corner this tract, from which a Texas Department of Transportation Type II brass disk monument in concrete, 321.83 feet left of TXDOT Engineers Centerline Station 585+13.44, found on the southeast corner of said remainder portion of the 32.59-acre tract, bears N49°50'51"E a distance of 27.53 feet;

**THENCE** with said northerly right-of-way line of Camp Bullis Road, same being the southerly boundary line of said portion of the 32.59-acre tract, the following two (2) courses and distances:

1) S49°50'51"W for a distance of 3.92 feet to a Texas Department of Transportation Type II brass disk monument in concrete, 292.77 feet left of TXDOT Engineers Centerline Station 585+25.47, found on an angle point of this tract;

2) N73°30'41"W for a distance of 55.28 feet to a 60d nail set for the southwest corner of this tract, from which a Texas Department of Transportation Type II brass disk monument in concrete, 223.06 feet left of TXDOT Engineers Centerline Station 584+78.11 found on the southwest corner of said remainder portion of the 32.59-acre tract bears N73°30'41"W a distance of 29.21 feet;

**THENCE** departing said northerly right-of-way line of Camp Bullis Road, through said interior of the portion of the 32.59-acre tract, the following four (4) courses and distances:

1) N19°02'08"W for a distance of 985.73 feet to a 60d nail set on an angle point of this tract;

2) N19°55'27"W for a distance of 994.50 feet to a 60d nail set on an angle point of this tract;

3) N19°20'00"W for a distance of 760.70 feet to a 60d nail set on an angle point of this tract;

4) N22°12'25"W for a distance of 557.36 feet to a 60d nail set in said easterly right-of-way line of Interstate Highway 10, same being the westerly boundary line of said portion of the 32.59-acre tract;

**THENCE** with said easterly right-of-way line of Interstate Highway 10, same being said westerly boundary line of the portion of the 32.59-acre tract, the following two (2) courses and distances:

1) N19°42'27"W for a distance of 226.87 feet to a Texas Department of Transportation Type II brass disk monument in concrete, 160.35 feet left of TXDOT Engineers Centerline Station 549+76.89, found on the point of curvature of a curve to the left;
2) with said curve to the left having a radius of 3,790.78 feet, an arc length of 356.26 feet, a
delta angle of 05°23'05" and a chord which bears N22°24'04"W for a distance of 356.13
feet to the **POINT OF BEGINNING** and containing 4.353 acres (189,611 square feet) of
land.

**BEARING BASIS NOTE**
All coordinates and bearings refer to the Texas State Plane Coordinate System, South Central Zone
(4204), Geoid 2009, North American Datum of 1983/HARN and are based on the use of the Leica Virtual
Reference System (VRS) Network for San Antonio, Texas. Texas Department of Transportation
monuments identified as Geodetic Control Station “J5” and Geodetic Control Station “Z0150693” in
Bexar County, Texas were used to verify coordinates.

**SURVEYOR'S NOTE**
The easterly right-of-way line of Interstate Highway 10 was determined through the use of Texas
Department of Transportation Type II brass disk monuments in concrete located during the on-the-ground
portion of this survey as they relate to the record right-of-way line appearing on State of Texas
Department of Transportation, Plans of Proposed Right of Way Project, I.H. 10, Bexar County, R.O.W.
C.S.J.: 0072-08-124, Limits: South of Dominion Drive to South of Camp Bullis Road, Final Map dated

**THE STATE OF TEXAS** §

**COUNTY OF TRAVIS** §

KNOW ALL MEN BY THESE PRESENTS:

That I, Carmelo L. Macias, a Registered Professional Land Surveyor, do hereby state that the
above description is true and correct to the best of my knowledge and belief and that the property
described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 11th day of February,
2015, A.D.

Macias & Associates, L.P.
5410 South 1st Street
Austin, Texas 78745
512-442-7875

Carmelo L. Macias
Registered Professional Land Surveyor
No. 4333 – State of Texas

**REFERENCES**
BCAD PROPERTY ID NO. 1054651
MACIAS & ASSOCIATES, L.P., PROJECT NO. 431-36-14

www.maciasworld.com
PARCEL P12-050
PERMANENT
WASTEWATER
EASEMENT
4.353 ACRES
189,611 SQ. FT.

INTERSTATE HIGHWAY 10
(R.O.W. WIDTH VARIES)
EXISTING RIGHT-OF-WAY LINE
N19°20'00"W 760.70'
S19°20'00"E 761.70'

MATCH LINE PAGE 6
MATCH LINE PAGE 7
MATCH LINE PAGE 8

PAGE 7 OF 13
SKETCH TO ACCOMPANY LEGAL DESCRIPTION

NOTES:

THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT. RECORD INFORMATION ON THIS DRAWING IS BASED ON A PUBLIC RECORDS SEARCH BY THE SURVEYOR AND MAY NOT INCLUDE ALL EASEMENTS OR INSTRUMENTS PERTAINING TO THIS PROPERTY.

ALL COORDINATES AND BEARINGS REFER TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204) EGOID 2009, NORTH AMERICAN DATUM OF 1983/HARN AND ARE BASED ON USE OF THE LEICA VIRTUAL REFERENCE SYSTEM (VRS) NETWORK FOR SAN ANTONIO, TEXAS. TEXAS DEPARTMENT OF TRANSPORTATION MONUMENTS IDENTIFIED AS GEOETIC CONTROL STATION "JS" AND GEODETIC CONTROL STATION "Z0150693" IN BEAR COUNTY, TEXAS, WERE USED TO VERIFY COORDINATES.

STATE OF TEXAS  
COUNTY OF BEXAR  

I HEREBY CERTIFY THAT THIS FIELD NOTE DESCRIPTION WAS PREPARED FROM THE RESULTS OF AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

CARMELLO L. MACIAS
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 4333 – STATE OF TEXAS

DATE: 2/3/2016
DRAWN BY: S.R.
MAU JOB NO.: 451-15
REF-P: 577/577A/76778/2

MACIAS & ASSOCIATES, L.P.
LAND SURVEYORS, FIRM NO. 101141-00
5410 SOUTH 1ST STREET
AUSTIN, TEXAS  78745  PH. (512)442-7875
FAX (512)442-7876  EMAIL: WWW.MACUSWORLD.COM

PAGE 13 OF 13
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

TEMPORARY CONSTRUCTION EASEMENT - SEWER

STATE OF TEXAS §
COUNTY OF BEXAR §

THAT, FOURTH QUARTER PROPERTIES LXIV, LP a Georgia limited partnership, hereinafter referred to as "GRANTOR", for and in consideration in the amount of TEN DOLLARS ($10.00), and other valuable consideration the receipt and sufficiency of which is hereby acknowledged, to GRANTOR in hand paid by the SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, Bexar County, Texas, has GIVEN, GRANTED, SOLD, CONVEYED, and DEDICATED, and by these presents, does GIVE, GRANT, SELL, CONVEY, and DEDICATE unto the CITY OF SAN ANTONIO, a Municipal Corporation for the use, benefit and control of the said SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, herein referred to as “Grantee”, as such and their successors in office appointed by the City Council of the said City of San Antonio as provided in Ordinance No. 75686, adopted at a regular meeting of said council, April 30, 1992 and subject to the terms and provisions of said ordinance, an easement over, across and upon the following described lands, for construction, storage and staging of materials and/or equipment for installation of sewer lines, facilities and appurtenances thereto:

Being 0.1979-acre (189,611 sq. ft.) tract of land in in the James H. Cox Survey No. 22, Abstract No. 155, in Bexar County, Texas, out of New City Block 14747, and being out of a remainder portion of a called 32.59-acre tract of land, conveyed to Fourth Quarter Properties LXIV by deed without warranty executed September 13, 2005, recorded in Book 11644, Page 967 (Document No. 20050212285) of the Official Public Records of Bexar County, Texas, and being more particularly described and depicted in Exhibits "A" and "B" attached hereto and made a part hereof (the “Easement Area”);

For the purpose of using the said temporary construction easement area for any and all things necessary for the construction of the aforesaid sewer lines, facilities and appurtenances. In further consideration of this grant, said GRANTEE expressly agrees that it will remove from said land all surplus material and will cause said land to be left as nearly as possible in its condition as it existed prior to the construction of said improvements. The temporary construction easement shall expire at the completion of construction of the aforesaid improvements, demobilization and restoration work.

Together with the right of ingress and egress over said temporary construction easement area; and GRANTOR expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that, during the term of this temporary construction easement, no building or other
obstruction of any kind will be placed by or for GRANTOR or its legal representatives, successors and/or assigns, within said temporary construction easement area.

TO HAVE AND TO HOLD the above described easement and rights unto the said GRANTEE, its successors and assigns, until the expiration of this temporary construction easement according to its terms.

And GRANTOR does hereby bind itself, its legal representatives, successors and/or assigns to warrant and forever defend all and singular the above described easement and rights unto the said GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this \underline{22}nd day of \underline{February}, 2016

Fourth Quarter Properties LXIV, LP, a Georgia limited partnership

By: 

Name: \underline{Stanley E. Thomas} 

Title: \underline{Manager} 

STATE OF \underline{Georgia} $ 

COUNTY OF \underline{Coweta} $ 

This instrument was acknowledged before me on this \underline{22}nd day of \underline{February}, 2016 by \underline{Stanley E. Thomas}, the \underline{Manager} of Fourth Quarter Properties LXIV, LP, a Georgia limited partnership.

\underline{Vera R. Grimm} 

Notary Public
FIELD NOTES
FOR A 0.1979-ACRE (8,621 SQUARE FOOT)
TEMPORARY CONSTRUCTION EASEMENT
A 0.1979-ACRE (8,621 SQUARE FOOT) TRACT OF LAND IN THE JAMES H.
COX SURVEY NO. 22, ABSTRACT NO. 155, IN BEXAR COUNTY, TEXAS, OUT
OF NEW CITY BLOCK 14747, AND BEING OUT OF A REMAINDER PORTION
OF A CALLED 32.59-ACRE TRACT OF LAND, CONVEYED TO FOURTH
QUARTER PROPERTIES LXIV, LP BY DEED WITHOUT WARRANTY
EXECUTED SEPTEMBER 13, 2005, RECORDED IN BOOK 11644, PAGE 967
(DOCUMENT NO. 20050212285) OF THE OFFICIAL PUBLIC RECORDS OF
BEXAR COUNTY, TEXAS; SAID 0.1979-ACRE TRACT BEING COMPRISED OF
THREE (3) PARTS, PART 1 CONTAINING 0.0874-ACRE (3,809 SQUARE FEET)
OF LAND, PART 2 CONTAINING 0.0871-ACRE (3,792 SQUARE FEET) OF
LAND AND PART 3 CONTAINING 0.0234-ACRE (1,020 SQUARE FEET) OF
LAND AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE
PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

PART 1 (0.0874-ACRE)
BEGINNING FOR REFERENCE on a Texas Department of Transportation Type II brass disk
monument in concrete, 159.90 feet left of TXDOT Engineers Centerline Station 546+34.94,
found on an angle point in the easterly right-of-way line of Interstate Highway 10 (right-of-way
width varies), being on the northwest corner of the above-mentioned remainder portion of the
32.59-acre tract conveyed to Fourth Quarter Properties LXIV, LP, same being the southwest
corner of a called 25.604-acre tract of land conveyed to the Texas Transportation Commission by
Deed Without Warranty recorded in Book 10263, Page 1497 (Document No. 20030224282) of
the Official Public Records of Bexar County, Texas, THENCE with the southerly boundary line
of said 25.604-acre tract, same being the northerly boundary line of said 32.59-acre tract,
N65°06'31"E a distance of 41.36 feet to a 60d nail set being the northeast corner of a proposed
Sanitary Sewer Easement, from which a Texas Department of Transportation Type II brass disk
monument in concrete, 259.90 feet left of TXDOT Engineers Centerline Station 546+34.95,
found on the northeast corner of said remainder portion of the 32.59-acre tract conveyed to
Fourth Quarter Properties LXIV, LP, same being the southeast corner of said 25.604-acre tract
conveyed to the Texas Transportation Commission, bears N65°06'31"E a distance of 58.64 feet,
THENCE departing said south boundary line of the 25.604-acre tract, through the interior of said
5410 South 1st Street • Austin, Texas 78745 • (512) 442-7875 • Fax (512) 442-7876 •
www.maciasworld.com
remainder portion of the 32.59-acre tract, with the easterly boundary line of said proposed line of said proposed Sanitary Sewer Easement, S22°12'25"E a distance of 315.19 feet to a calculated point having Texas State Plane Grid Coordinate (South Central Zone-4204, NAD83/HARN U.S. Survey Feet,) values of N=13,778,611.47, E=2,091,450.09, for the northwest corner and POINT OF BEGINNING of this tract;

THENCE departing said easterly boundary line of the proposed Sanitary Sewer Easement, continuing through said interior of the remainder portion of the 32.59-acre tract, the following three (3) courses and distances:

1) N70°02'23"E for a distance of 40.05 feet to a calculated point for the northeast corner of this tract;

2) S19°57'37"E for a distance of 100.00 feet to a calculated point for the southeast corner of this tract;

3) S70°02'23"W for a distance of 36.13 feet to a calculated point in said easterly boundary line of the proposed Sanitary Sewer Easement, for the southwest corner of this tract;

THENCE continuing through said interior of the remainder portion of the 32.59-acre tract, with said easterly boundary line of the proposed easement, N22°12'25"W for a distance of 100.08 feet to the POINT OF BEGINNING and containing 0.0874 acre (3,809 square feet) of land.

PART 2 (0.0871-ACRE)

BEGINNING FOR REFERENCE on said Texas Department of Transportation Type II brass disk monument in concrete, 159.90 feet left of TXDOT Engineers Centerline Station 546+34.94, found on an angle point in the easterly right-of-way line of Interstate Highway 10, being on the northwest corner of the above-mentioned 32.59-acre tract conveyed to Fourth Quarter Properties LXIV, LP, same being the southwest corner of a called 25.604-acre tract of land conveyed to the Texas Transportation Commission by Deed Without Warranty recorded in Book 10263, Page 1497 (Document No. 20030224282) of the Official Public Records of Bexar County, Texas, THENCE with the southerly boundary line of said 25.604-acre tract, same being the northerly boundary line of said remainder portion of the 32.59-acre tract, N65°06'31"E a distance of 41.36 feet to a 60d nail set being the northeast corner of a proposed Sanitary Sewer Easement, from which a Texas Department of Transportation Type II brass disk monument in concrete, 259.90 feet left of TXDOT Engineers Centerline Station 546+34.95, found on the northeast corner of said remainder portion of the 32.59-acre tract conveyed to Fourth Quarter Properties LXIV, LP, same being the southeast corner of said 25.604-acre tract conveyed to the Texas Transportation Commission, bears N65°06'31"E a distance of 58.64 feet, THENCE departing said south boundary line of the 25.604-acre tract, through the interior of said remainder portion of the 32.59-acre tract, with the easterly boundary line of said proposed Sanitary Sewer Easement, S22°12'25"E a distance of 759.04 feet to a calculated point having Texas State Plane Grid Coordinate (South Central Zone-4204, NAD83/HARN U.S. Survey Feet,) values of N=13,778,200.54, E=2,091,617.85, for the northwest corner and POINT OF BEGINNING of this tract;
THENCE departing said easterly boundary line of the proposed Sanitary Sewer Easement, continuing through said interior of the remainder portion of the 32.59-acre tract, the following three (3) courses and distances:

1) N78°05’22”E for a distance of 42.00 feet to a calculated point in the easterly boundary line of said remainder portion of the 32.59-acre tract, same being the westerly boundary line of a called 19.57-acre tract of land conveyed to Bexar County, Texas by instrument recorded in Volume 2997, Page 374 of the Deed Records of Bexar County, Texas, for the northeast corner of this tract;

2) with said easterly boundary line of said remainder portion of the 32.59-acre tract, same being said westerly boundary line of the 19.57-acre tract, S19°40’57”E for a distance of 93.33 feet to a calculated point for the southeast corner of this tract;

3) departing said westerly boundary line of the 19.57-acre tract, through said interior of the remainder portion of the 32.59-acre tract, S69°48’51”W for a distance of 37.23 feet to a calculated point in said easterly boundary line of the proposed Sanitary Sewer Easement, for the southwest corner of this tract;

THENCE continuing through said interior of the remainder portion of the 32.59-acre tract, with said easterly boundary line of the proposed Sanitary Sewer Easement, N22°12’25”W for a distance of 99.43 feet to the POINT OF BEGINNING and containing 0.0871 acre (3,792 square feet) of land.

PART 3 (0.0234-ACRE)

BEGINNING FOR REFERENCE on said Texas Department of Transportation Type II brass disk monument in concrete, 159.90 feet left of TXDOT Engineers Centerline Station 546+34.94, found on an angle point in the easterly right-of-way line of Interstate Highway 10, being on the northwest corner of the above-mentioned 32.59-acre tract conveyed to Fourth Quarter Properties LXIV, LP, same being the southwest corner of a called 25.604-acre tract of land conveyed to the Texas Transportation Commission by Deed Without Warranty recorded in Book 10263, Page 1497 (Document No. 20030224282) of the Official Public Records of Bexar County, Texas, THENCE with said easterly right-of-way line of Interstate Highway 10, same being the westerly boundary line of said remainder portion of the 32.59-acre tract, with the arc of a curve to the right having a radius of 3,790.78 feet, an arc length of 356.26 feet, a delta angle of 05°23’05” and a chord which bears S22°24’04”E a distance of 356.13 feet to a Texas Department of Transportation Type II brass disk monument in concrete, 160.35 feet left of TXDOT Engineers Centerline Station 549+76.89, found on the point of tangency; THENCE continuing with said easterly right-of-way line, same being said westerly boundary line of the remainder portion of the 32.59-acre tract, S19°42’27”E a distance of 390.94 feet to a calculated point having Texas State Plane Grid Coordinate (South Central Zone-4204, NAD83/HARN U.S. Survey Feet,) values of N=13,778,188.58, E=2,091,561.00, for the northwest corner and POINT OF BEGINNING of this tract;
THENCE departing said easterly right-of-way line, through the interior of said remainder portion of the 32.59-acre tract, the following three (3) courses and distances:

1) N78°06'39"E for a distance of 7.27 feet to a calculated point in the westerly boundary line of a proposed Sanitary Sewer Easement, for the northeast corner of this tract;

2) with said westerly boundary line of the proposed Sanitary Sewer Easement S22°12'25"E for a distance of 106.77 feet to a calculated point for the southeast corner of this tract;

3) departing said westerly boundary line of the proposed Sanitary Sewer Easement S70°17'33"W for a distance of 11.86 feet to a calculated point in said easterly right-of-way line, same being said westerly boundary line of the remainder portion of the 32.59-acre tract, for the southwest corner of this tract;

THENCE, with said easterly right-of-way line, same being said westerly boundary line of the remainder portion of the 32.59-acre tract, N19°42'27"W for a distance of 107.66 feet to the POINT OF BEGINNING and containing 0.0234 acre (1,020 square feet) of land.

BEARING BASIS NOTE

All coordinates and bearings refer to the Texas State Plane Coordinate System, South Central Zone (4204), Geoid 2009, North American Datum of 1983/HARN and are based on the use of the Leica Virtual Reference System (VRS) Network for San Antonio, Texas. Texas Department of Transportation monuments identified as Geodetic Control Station “J5” and Geodetic Control Station “Z0150693” in Bexar County, Texas were used to verify coordinates.

SURVEYOR'S NOTE

The easterly right-of-way line of Interstate Highway 10 was determined through the use of Texas Department of Transportation Type II brass disk monuments in concrete located during the on-the-ground portion of this survey as they relate to the record right-of-way line appearing on State of Texas Department of Transportation, Plans of Proposed Right of Way Project, I.H. 10, Bexar County, R.O.W. C.S.J.: 0072-08-124, Limits: South of Dominion Drive to South of Camp Bullis Road, Final Map dated October 5, 2006 and Final Approval March 19, 2009.
THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Carmelo L. Macias, a Registered Professional Land Surveyor, do hereby state that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 11th day of February, 2015, A.D.

Macias & Associates, L.P.
5410 South 1st Street:
Austin, Texas 78745
512-442-7875

Carmelo L. Macias
Registered Professional Land Surveyor
No. 4333 – State of Texas

REFERENCES
BCAD PROPERTY ID NO. 1054651,
MACIAS & ASSOCIATES, L.P., PROJECT NO. 431-36-14
SKETCH TO ACCOMPANY LEGAL DESCRIPTION

POINT OF REFERENCE
PART 1, PART 2 & PART 3
OFFSET (159.90°) left
TXDOT Engineers Centerline Station: (546+34.94')

INTERSTATE HIGHWAY 10
(R.O.W. WIDTH VARIES)
EXISTING RIGHT-OF-WAY LINE

POINT OF BEGINNING
PART 1
N=13,778,611.47
E=2,091,450.09
GRID

MATCH LINE PAGE 6
MATCH LINE PAGE 7

PARCEL P12-050T
PART 1
TEMPORARY CONSTRUCTION EASEMENT
0.08/4 AC.
3,809 SQ. FT.

DATE: 2/3/2015
DRAWN BY: S.R.
MANUSCRIPT NO. 431-36-14
REFER: 57/73.514/75.57A/2

MACIAS & ASSOCIATES, L.P.
LAND SURVEYORS, FIRM NO. 101141-00
5410 SOUTH 1ST STREET
AUSTIN, TEXAS 78745 PH. (512)442-7875
FAX (512)442-7876 EMAIL: WWW.MACIASWORLD.COM
NOTES:

THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT. RECORD INFORMATION ON THIS DRAWING IS BASED ON A PUBLIC RECORDS SEARCH BY THE SURVEYOR AND MAY NOT INCLUDE ALL EASEMENTS OR INSTRUMENTS PERTAINING TO THIS PROPERTY.

ALL COORDINATES AND BEARINGS REFER TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204) GEDID 2009, NORTH AMERICAN DATUM OF 1983/HARN AND ARE BASED ON USE OF THE LEICA VIRTUAL REFERENCE SYSTEM (VRS) NETWORK FOR SAN ANTONIO, TEXAS. TEXAS DEPARTMENT OF TRANSPORTATION MONUMENTS IDENTIFIED AS GEODETIC CONTROL STATION "J5" AND GEODETIC CONTROL STATION "Z0150683" IN BEAR COUNTY, TEXAS, WERE USED TO VERIFY COORDINATES.

STATE OF TEXAS
COUNTY OF TRAVIS

I HEREBY CERTIFY THAT THIS FIELD NOTE DESCRIPTION WAS PREPARED FROM THE RESULTS OF AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

CARMELO L. MACIAS
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 4333 — STATE OF TEXAS

DATE: 2/3/2015
DRAWN BY: S.B.
JOB NO.: 431-36-14
REF.P: 577/35174/76.578/7

MACIAS & ASSOCIATES, L.P.
LAND SURVEYORS, FIRM NO. 13141-00
5410 SOUTH 1ST STREET
AUSTIN, TEXAS 78745
PH. (512)442-7875
FAX (512)442-7876
EMAIL: WWW.MACIASWORLD.COM
AGENDA ITEM NO. ______

TO: San Antonio Water System Board of Trustees

FROM: Bruce A. Haby, Manager, Corporate Real Estate, and Nancy Belinsky, Vice President and General Counsel

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVING A SETTLEMENT OF CONDEMNATION LITIGATION BETWEEN THE CITY OF SAN ANTONIO BY AND THROUGH THE SAN ANTONIO WATER SYSTEM AND APPLEWHITE 1604 PARTNERS, L.P., A TEXAS LIMITED PARTNERSHIP, ET AL

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves a settlement (the “Settlement”) between the City of San Antonio by and through the San Antonio Water System (the “System”) and Applewhite 1604 Partners, L.P., a Texas limited partnership, et al (the “Owner”) for the acquisition of a 13.214 acre permanent water line easement (the “Easement”) for the Water Resources Integration Program, Project 1, Segment 1. The Settlement will result in the additional payment to the Owner in the sum of $105,300.00.

- The Water Resources Integration Program, Project 1, Segment I (the “Project”) was declared a public necessity and the use of eminent domain was authorized by the Board by Resolution No. 13-071, on July 22, 2013, and by Ordinance No. 2013-09-05-0581 of the City of San Antonio (the “City”) on September 5, 2013.

- The System filed Cause No. 2013-ED-0020, styled City of San Antonio, acting by and through the System, Condemnor, v. Applewhite 1604 Partners, L.P., a Texas limited partnership, et al, Condemnees; in the Probate Court No. 2, Bexar County, Texas to acquire the Easement from the Owner.

- The Special Commissioners hearing occurred September 16, 2014, and a damage award (the “Award”) was rendered in the amount of $219,700.00 as the compensation for the Easement and damage to the remainder of the property.

- On September 29, 2014, the Board approved Resolution No. 14-265, authorizing the System to deposit into the Registry of the Court the sum of $219,700.00 in order to take possession of the Easement, which amount was deposited into the Registry of the Court on October 14, 2014.
• The Owner filed a motion with the Court objecting to the Commissioners’ Award, which results in the matter proceeding to trial in the Probate Court.

• In an effort to settle the dispute over the value of the Easement and the damages to the remainder property, the parties agreed the total compensation for the Easement and the damages to the remainder property is $325,000.00. This Settlement, if approved, would require the additional payment to the Owner, directly or via payment into the Registry of the Court, in the amount of $105,300.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure, included in the CY 2013 Capital Improvement Program. The transmission pipeline work is included in the Water Supply Core Business, Water Resources Category, and Integration: Land Acquisition budget line item. The SAWS job number associated with this project is 09-8613-220.

Bruce A. Haby  
Manager, Corporate Real Estate

Nancy Belinsky  
Vice President and General Counsel

APPROVED:

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM (THE “SYSTEM”) BOARD OF TRUSTEES APPROVING A SETTLEMENT AND AUTHORIZING THE EXPENDITURE OF AN ADDITIONAL PAYMENT OF $105,700.00 TO APPLEWHITE 1604 PARTNERS, L.P., A TEXAS LIMITED PARTNERSHIP, ET AL (THE “OWNER”), IN SETTLEMENT OF LITIGATION BETWEEN THE SYSTEM AND THE OWNER, IN CONNECTION WITH THE ACQUISITION OF A 13.214 (575,603 SQ. FT) ACRE PERMANENT WATERLINE EASEMENT LOCATED ON THE SOUTHWEST CORNER OF LOOP 1604 AND APPLEWHITE ROAD, IN SAN ANTONIO, BEXAR COUNTY, TEXAS, OWNED BY THE OWNER, FOR THE WATER RESOURCES INTEGRATION PROGRAM, PROJECT 1, SEGMENT 1; AUTHORIZING THE SYSTEM’S COUNSEL TO TAKE ALL NECESSARY STEPS TO CONCLUDE THE LITIGATION IN ACCORDANCE WITH THIS SETTLEMENT AND TO TAKE ALL NECESSARY OR ADVISABLE ACTION IN FURTHERANCE OF SAME; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Water Resources Integration Program, Project 1, Segment 1 (the “Project”) was originally approved to proceed forward with construction of the Project by the San Antonio Water System Board of Trustees (the “Board”) on December 2, 2014, by Resolution No. 14-345; and

WHEREAS, the Project was declared a public necessity and the use of eminent domain was authorized by Resolution No. 12-393, of the Board on August 7, 2012, and by Ordinance No. 2013-09-05-0581, of the City of San Antonio on September 5, 2013; and

WHEREAS, the System required the acquisition of a 80-foot wide permanent waterline easement containing 13.214 (575,603 sq. ft.) acres (the “Easement”) located on the southwest corner of Loop 1604 and Applewhite Road in San Antonio, Bexar County, Texas, located on property owned by the Owner for the construction of a waterline and related appurtenances for the Project; and

WHEREAS, the System filed Cause No. 2013-ED-0020, styled City of San Antonio, acting by and through the San Antonio Water System, Condemnor, v. Applewhite 1604 Partners, L.P., a Texas limited partnership, et al, Condemnee; in the Probate Court No. 2, Bexar County, Texas to acquire from the Owner the necessary Easement; and
WHEREAS, the appointed Special Commissioners hearing was held on September 16, 2014, and the Special Commissioners determined the amount of $219,700.00 as the award (the “Award”) for taking of the Easement and damages to the remainder of the Owner’s property; and

WHEREAS, on September 29, 2014, the Board approved Resolution No. 14-265, authorizing the System to pay into the Registry of the Court the Award of $219,700.00 enabling the System to take possession of the Easement, necessary for the timely completion of the Project, pending further legal proceedings; and

WHEREAS, the Owner’s counsel filed a motion with the Court objecting to the Award; and

WHEREAS, the parties have negotiated a settlement (the “Settlement”), subject to approval of the Board of Trustees; wherein the agreed amount of compensation to the Owners for the Easement and damages to the remainder of the Owners’ property is $325,000.00, which amount, less the Award previously deposited, requires an additional payment to the Owner, via the Registry of the Court or direct payment to the Owner, of $105,300.00;

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve the Settlement between the System and the Owner, (ii) approve the expenditures of $105,300.00 from the System to the Owner, via the Registry of the Court or direct payment to the Owner, and (iii) authorize the System’s counsel to take all necessary action to conclude the litigation in accordance with the Settlement and to take all necessary or advisable action in furtherance of same; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the Settlement is hereby approved.

2. That approval of the expenditure of $105,300.00 from the System to the Owner, via the Registry of the Court or direct payment to the Owner, is hereby approved.

3. That the System’s counsel is hereby authorized to take all necessary action to conclude the litigation in accordance with the terms of the Settlement and to take all necessary or advisable action in furtherance of same, including execution of a Rule 11 agreement and finalization and entry of an agreed judgement, and any such actions are hereby ratified.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that published notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended. Title 5, Chapter 551, Government Code.
5. If any part, section, paragraph, sentence, phrase, word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution shall take effect immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

__________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Darren Thompson, Director, Water Resources, and Donovan Burton, Vice President, Water Resources and Governmental Relations

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: ACCEPTANCE OF BIDS AND APPROVAL OF EDWARDS AQUIFER AUTHORITY GROUNDWATER LEASE AGREEMENTS BETWEEN SAN ANTONIO WATER SYSTEM AND THE HOLDERS OF EDWARDS AQUIFER AUTHORITY GROUNDWATER RIGHTS LISTED HEREIN

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

San Antonio Water System (SAWS) 2012 Water Management Plan (Resolution No. 12-532) outlines water management strategies for SAWS that includes the acquisition of Edwards Aquifer Authority (EAA) groundwater rights, via purchase and/or lease.

Additional supplies of Edwards Aquifer water are available from only one source: persons holding exclusive groundwater withdrawal rights under permits issued by the EAA.

Acquisition of the groundwater rights will be used to maintain historic level of Edwards Aquifer assets, off-set regulatory pumping cut-backs established by the EAA, and compliment the regionally agreed to Habitat Conservation Plan.

The attached resolution accepts certain bids for EAA groundwater rights and approves Lease Agreements for EAA groundwater rights (Agreements) between such bidders listed below (Bidders) and SAWS. Bidders were invited to submit bids of 20 acre-feet or higher, were given the option of starting the Agreements in either 2016 or 2017, for a term of 2 or 5 years, at the price-per-acre-foot the Bidder thought was fair compensation for their groundwater rights.

Lease Agreement Beginning in 2017:

The Agreement is for the lease of EAA groundwater withdrawal rights, in the aggregate amount of 320 acre-feet per year, for a term of 5 years from January 1, 2017 through December 31, 2021.

Total Lease Agreements:

The attached resolution seeks approval for the acquisition, through lease of EAA permitted groundwater withdrawal rights, in the amount of 320 acre-feet per year, by SAWS from the Bidders through the expenditure of public funds being in the aggregate amount of $216,000.00, in order to meet the immediate and short-term demands of SAWS.
The following EAA groundwater rights Bidders were selected based on submittals to solicitation number M-15-015-GC, Request for Lease Bids regarding additional Water Supplies in the form of the Lease of Transferable EAA groundwater withdrawal rights:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Acre-feet per annum offered for Lease</th>
<th>First Year of Lease</th>
<th>Term of Lease</th>
<th>Price per Acre-foot</th>
<th>Total Lease Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Carl Reagan and Carolyn Reagan</td>
<td>320</td>
<td>2017</td>
<td>5 Years</td>
<td>$135</td>
<td>$216,000</td>
</tr>
</tbody>
</table>

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Leases of groundwater for the EAA permitted groundwater withdrawal rights will result in payments to Bidders in an amount not to exceed $216,000.00. Additionally, SAWS will also be responsible for paying the associated Aquifer Management Fees (AMF) to the EAA for the term of the lease. AMF will be invoiced by the EAA on an annual basis. In 2016, AMF is $84.00 per acre-foot, future AMF will be determined by the EAA on an annual basis.

Payments for leases, AMF’s and all other necessary procedures will be paid from budgeted System Funds. Future payments will be subject to approval of the payment line item(s) in future year’s budgets by the SAWS Board of Trustees.

**APPROVED:**

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING BIDS FOR THE LEASE OF EDWARDS AQUIFER AUTHORITY GROUNDWATER RIGHTS AND APPROVING LEASE AGREEMENTS WITH THE HOLDERS OF EDWARDS AQUIFER AUTHORITY GROUNDWATER RIGHTS LISTED HEREIN FOR A TOTAL OF 320 ACRE-FEET PER ANNUM OF EDWARDS AQUIFER AUTHORITY GROUNDWATER RIGHTS AT AN AVERAGE COST OF $43,200.00 PER YEAR FOR FIVE YEARS BEGINNING IN 2017 FOR A TOTAL OBLIGATION OF THESE LEASE AGREEMENTS NOT TO EXCEED $216,000.00; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAW GOVERNING OPEN MEETINGS; PROVIDING A REPEALABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, pursuant to solicitation number M-15-015-GC, Request for Lease Bids regarding additional Water Supplies in the form of the Lease of Transferable Edwards Aquifer Authority (the “EAA”) groundwater withdrawal rights, the San Antonio Water System (the “System”) solicited bids for the lease of EAA groundwater rights; and

WHEREAS, the System desires to accept certain bids from the holders of EAA groundwater rights listed herein in Attachment I (the “Bidders”) and to enter into Lease of Groundwater Agreements (the “Lease Agreements”) with the System for the term of five years beginning in 2017 of 320 acre-feet per annum of EAA groundwater rights held by the Bidders, for a total cost of $216,000.00 for the duration of the Lease Agreements; and

WHEREAS, the Lease Agreements allow the System to maintain inventory according to the System’s 2012 Water Management Plan adopted on December 12, 2012, by the System Board of Trustees by Resolution No. 12-532, which evaluates and identifies a portfolio of water supply projects that include both short and long-term goals for the acquisition of EAA groundwater rights; and

WHEREAS, the System Board of Trustees believes that it is in the best interest of the ratepayers of the System to obtain necessary amounts of EAA groundwater rights that maintain planned supply; and

WHEREAS, the System Board of Trustees desires to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Lease Agreements; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bids of the Bidders listed in Attachment I, (ii) to approve the Lease Agreements between the San Antonio Water System and Bidders, in substantially the form attached hereto as Attachment
II, (iii) to approve and authorize the expenditure of funds for the San Antonio Water System’s obligations over the term of the Lease Agreements from the System Fund in an amount not to exceed $216,000.00, and are subject to Board approval of future years’ budgets with a line item for such expenditures, and (iv) to authorize the execution of the Lease Agreements by the President/Chief Executive Officer or his duly appointed designee, to take such steps necessary to secure the groundwater rights for San Antonio Water System use, to make the initial payment together with all applicable Edwards Aquifer Authority Aquifer Management Fees that are the responsibility of the San Antonio Water System under the Lease Agreements, and subsequent lease payments not to exceed $216,000.00 and fees in accordance with the terms of the Lease Agreements, subject to approval of such line item in future years’ budgets; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bids of the EAA groundwater rights holders Bidders, having consented to entering into Lease Agreements with the System, listed in Attachment I are hereby accepted:

2. That the Lease Agreements between the System and the Bidders for a total of 320 acre-feet per annum of EAA groundwater rights, at an average cost of $43,200.00 per year for the term of five years beginning in 2017 for a total cost not to exceed $216,000.00 are hereby approved in substantially the form attached hereto as Attachment II.

3. That the expenditure of funds in an amount not to exceed $216,000.00 for the System’s obligations over the term of the Lease Agreements are hereby approved from the System Fund, and are subject to Board approval of future years’ budgets with a line item for such expenditures.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Lease Agreements, to take all such steps necessary to secure the groundwater rights for the System use, to pay the initial amount of the above-mentioned to the Bidders together with all applicable EAA Aquifer Management Fees that are the responsibility of the System under the Lease Agreements, and subsequent lease payments and fees in accordance with the terms of the Lease Agreements, subject to approval of such line item in future years’ budgets.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notices of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given as required by the Texas Code Annotated, as amended, title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.
7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

__________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________
Ernesto Arrellano, Jr., Secretary

Attachments:
I. EAA groundwater rights Bidders selected based upon submittals to solicitation number M-15-015-GC, Request for Lease Bids regarding additional water supplies in the form of the Lease of Transferable EAA groundwater withdrawal rights
II. Lease Agreement with Robert Carl Reagan and Carolyn Reagan
Attachment I
Accepted Bid

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Acre-feet per annum offered for Lease</th>
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<th>Term of Lease</th>
<th>Price per Acre-foot</th>
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<td>320</td>
<td>2017</td>
<td>5 Years</td>
<td>$135</td>
<td>$216,000</td>
</tr>
</tbody>
</table>
Attachment II
Lease Agreement
LEASE OF GROUNDWATER

This Lease of Groundwater ("Lease") is entered into to be effective this ___ day of ____________, 2016 the “Effective Date”), by and between Robert Carl Reagan and wife Carolyn Reagan (hereinafter referred to as “Lessor” whether one or more) and the City of San Antonio, a Texas municipal corporation, by and through its San Antonio Water System (the “Lessee”). Lessor hereby leases to Lessee the following unrestricted, fully transferable Edwards Aquifer water rights and related rights, on the following terms and conditions:


Lessor leases to Lessee the Lessor’s groundwater rights and Lessor’s permit rights from the Edwards Aquifer Authority (“EAA”) to withdraw 3 acre-feet of unrestricted Edwards Aquifer groundwater per annum, under EAA Initial Regular Permit P101-933 recorded as Document No. ____________ in the Official Public Records of Uvalde County, Texas (the “Groundwater Withdrawal Permit(s)”) (the “Water Rights”). The Water Rights include all property rights to and for the quantity of rights above referenced, including the right to withdraw and/or beneficially use the Water Rights and all real and personal property rights, appurtenances, permits, authorities, licenses, permits and contracts, if any, pertaining to all such property rights. If the Water Rights consist of rights under more than one EAA Groundwater Withdrawal Permit, Lessor has attached to this Lease as Exhibit “A”, a list identifying each EAA Groundwater Withdrawal Permit, with a description of the total amount of acre feet being leased to Lessee under each Groundwater Withdrawal Permit.

2. Additional Lease Rights.

The lease of the Water Rights as defined above shall also expressly include all of Lessor’s Groundwater Withdrawal Permit rights pertaining to the Water Rights, all withdrawal or other permits pertaining to the Water Rights, and all modifications, amendments, renewals, extensions or successors or substitute permits relating to any of the above described items, and the right to withdraw and/or beneficially use the Edwards Aquifer water related to or pertaining to the Water Rights.

3. Term.

The term of this Lease (“Term”) shall be for a period of 5 years commencing on January 1, 2017 (the “Commencement Date”) and continuing through December 31, 2021 (the “Expiration Date”). Under this Lease, each calendar year that this Lease is in effect, beginning with the calendar year in which the Commencement Date occurs, is a Lease Year.
4. Appropriation.

Notwithstanding anything contained herein to the contrary, Lessee shall have the right to terminate this Lease at the end of each of its annual budget periods if it has not appropriated the necessary funds for payment of the lease payment due during the next annual budget period. Such election shall be made in writing to the Lessor within fifteen (15) days after the end of the applicable annual budget period and shall be effective upon Lessor’s receipt of such written notice. Provided, however, Lessee agrees to use its best efforts to obtain and appropriate funds for the payment of all lease payments and other expenses and obligations due under the terms of this Lease. Pursuant to Section 271.903 of the Texas Local Government Code, Lessor acknowledges and agrees that all lease payments and other expenses and obligations due under the terms of the Lease shall be deemed to be the commitment of the Lessee’s current revenues only.

5. Feasibility Period.

For a period of forty five (45) days beginning on the Effective Date of this Lease (“Feasibility Period”), Lessee will have the right at its cost to investigate all aspects of the Water Rights, including without limitation Lessor’s title to the Water Rights and the existence of any encumbrances or clouds on Lessor’s title to the Water Rights. Without limiting any other provisions of this Lease, during the Feasibility Period, Lessor shall cooperate with Lessee and execute or cause to be executed any documentation or instrument which is necessary or useful, as determined by Lessee, to resolve title issues, including but not limited to encumbrances or clouds, discovered by Lessee during its investigations. At Lessee’s option, Lessee may extend the Feasibility Period by thirty (30) days by written notice to Lessor, to allow for completion of any title curative matters. Also, during Feasibility Period, Lessor shall cooperate with Lessee and execute or provide any additional documentation to prove signatory authority, including but not limited to signed resolutions authorizing the transaction (if applicable). During the Feasibility Period, if Lessee determines in Lessee’s sole discretion that it is not in the best interest of Lessee to lease all the Water Rights due to any defects in Lessor’s title to or on non-transferability of all or part of the Water Rights for use by Lessee at Lessee’s wells, Lessee may terminate this Lease by written notice to Lessor delivered within the Feasibility Period, or Lessee may, by delivering notice to Lessor within the Feasibility Period, elect to lease any part of the Water Rights with the Rent adjusted based on the total amount of Water Rights Lessee elects to lease. This Lease is subject to the approval of the San Antonio Water System Board of Trustee, and if such approval is not obtained on or before the expiration of the Feasibility Period, this Lease shall automatically terminate.
6. Payments.

Rent.

For each of the Lease Years, rent for the Water Rights will be one hundred thirty-five and no/100 dollars per acre-foot, for a total lease payment of forty-three thousand two hundred and no/100 dollars ($43,200.00) per Lease Year (“Rent”).

All Rent payments are subject to any adjustment pursuant to Section 5 above (Feasibility Period) and Section 7 below (“Reductions and Changes in Designation”). Rent for each Lease Year is due in one lump-sum payment on or before January 31st of each Lease Year, but, notwithstanding the foregoing, in no event will a payment be made earlier than the expiration of the Feasibility Period or the recognition by the EAA of the transfer of the Water Rights. On or before the Effective Date of this Lease (a) Lessor agrees to provide to Lessee the Social Security Number or the Tax Identification Number for each Lessor; and (b) if Lessor desires that Lessee divide the Rent payments between two or more Lessors, Lessor shall provide Lessee the percentage of the Rent to be paid to each Lessor.

7. Reductions and Changes in Designation.

In the event that there is a permanent reduction by the EAA or other governmental authority of the maximum authorized withdrawal amount of the Groundwater Withdrawal Permit(s) (“Permanent Reduction”), Lessor must elect one of the following options within sixty (60) days of the effective date of such Permanent Reduction: (1) Lessor may elect that the amount of the Water Rights leased by Lessee under this Lease shall be reduced on an equal percentage basis (or such method adopted by the EAA or other governmental authority) as of the effective date of the reduction of each Groundwater Withdrawal Permit under the Permanent Reduction, and the Rent shall be reduced accordingly on the per acre foot basis as described in Section 6 of this Lease for the first Lease Year in which the Permanent Reduction is applicable and each subsequent Lease Year; or (2) if Lessor, after such Permanent Reduction, or as sufficient rights under the Groundwater Withdrawal Permit(s) relating to the Water Rights to provide the full amount of the Water Rights described in Section 1, Lessor may elect that there is no reduction of the Water Rights or the Rent under this Lease. If, as a result of the first election, Lessee has prepaid Rent for a Lease Year in which Rent is reduced, then Lessor shall refund to Lessee the amount of the reduction in the Rent within 30 days of date Lessor makes such an election if the reduction in Rent occurs in the final Lease Year. If it is not the final Lease Year, then Lessor shall refund to Lessee the amount of the reduction in Rent for the Lease Year within 30 days of date Lessor makes such a request. If Lessee does not make such a request, Lessee may set off such refund amount against any Rent due Lessor in subsequent Lease Years. In the event of the second election, the parties agree to execute and deliver any documents which are required by the EAA or any other governmental authority.
This section 7 does not apply to a temporary reduction in the use of any part of the Water Rights due to demand management, critical period or similar rules of the EAA or other government authority.

8. **Documents to be Delivered on Effective Date of Lease.**

On the Effective Date of this Lease, Lessor shall deliver to Lessee the following documents executed and acknowledged by Lessor: (a) an EAA Application to Transfer and Amend Initial Regular Permit for the Water Rights, including all Exhibits and other forms or documents required by the EAA to approve the transfer of the use of the Water Rights to Lessee; (b) a signed consent, on a form provided by Lessee (attached hereto as Exhibit B), granting Lessee access to information maintained by the EAA relating to Lessor’s Groundwater Withdrawal Permit(s) and to Lessor’s compliance and/or noncompliance with the EAA Act and Rules; (c) a Memorandum of Lease of Groundwater in the form provided by Lessee and attached hereto as Exhibit “C” for each Groundwater Withdrawal Permit relating to the Water Rights; (d) evidence of signatory authority for the general partner of Lessor and authorization for the lease of the Water Rights by all of the partners (general and limited) of the Lessor (if applicable); and (e) evidence of signatory authority if Lessor is a limited liability corporation or partnership (if applicable).

9. **Permits.**

Lessee shall have the right but not the duty to initiate, seek party status in, and/or prosecute any proceedings relating to the Water Rights including, at its election, Lessor’s EAA Groundwater Withdrawal Permit(s) and the Real Property (hereinafter defined) as may be necessary for the protection of Lessee’s interests in the Water Rights or Edwards Aquifer, including but not limited to: (i) contesting the validity of law or regulatory action; (ii) contesting fees assessed or levied upon the Water Rights; or (iii) protecting, defending, and/or preserving the rights to withdraw water from the Edwards Aquifer. Lessor shall cooperate with Lessee’s efforts in connection therewith. Lessor shall not take any actions or omit to take any actions which will adversely affect the Water Rights.

10. **Water Rights Information.**

Lessor shall furnish to Lessee notice of all matters or actions related to or affecting the Water Rights, including, without limitation, actual or threatened litigation or administrative actions, within five (5) business days of the date Lessor is aware of such matters or actions. Lessor agrees to furnish to Lessee information concerning and copies of all documents pertaining to such matters or actions within five (5) business days of the date that Lessee requests such information or documents.
11. Continued Operation and Compliance with Lease.

From the Effective Date of this Lease, Lessor shall not take any actions (or omit to take any actions) which will harm or diminish Lessee's interests in the Water Rights. Lessor and Lessee agree to comply with all applicable EAA rules or regulations and other applicable federal, state or local laws, regulations or ordinances relating to Water Rights and the Groundwater Withdrawal Permits.

12. Quiet Enjoyment.

Lessor does hereby warrant and represent to Lessee that it has good and marketable title to the Water Rights, including Lessor's Groundwater Withdrawal Permits. Lessor does hereby represent and warrant to provide to Lessee quiet enjoyment, without restriction or limitation, of the Water Rights during the full term of this Lease. In addition to and notwithstanding the foregoing, in the event the Lessee is deprived of quiet enjoyment of all or any of the Water Rights at any time during the term of this Lease, Lessee may, in addition to any other rights and remedies Lessee may exercise under this Lease, terminate this Lease in whole, or in part with respect to that portion of the Water Rights that Lessee is unable to quietly enjoy. LESSOR AGREES TO DEFEND AND INDEMNIFY LESSEE FOR ANY LOSSES, CLAIMS, LIABILITIES, COSTS AND EXPENSES, INCLUDING COURT COSTS AND ATTORNEYS FEES, RESULTING FROM LESSOR'S BREACH OF THE AFOREMENTIONED REPRESENTATIONS AND WARRANTIES.

13. Proceeds From Awards.

Lessor assigns to Lessee all interest of Lessor in and to any condemnation awards or insurance proceeds which relate to Lessee's leasehold interest in the Water Rights, as determined by the market value of Lessee's leasehold interest at the time of condemnation.


Lessor will use its best efforts, take such actions and execute and deliver such documents Lessee determines necessary to fully vest Lessee with and protect Lessee's interests in the Water Rights and make effective all of the terms of this Lease. In the event that the real property associated with the Water Rights ("Real Property") or the Water Rights itself is burdened by a financing statement, security agreement, mortgage or deed of trust, and the holder of such financing statement, security agreement, mortgage and deed of trust has not previously released their lien on the Water Rights, Lessor shall use best efforts to obtain and deliver to Lessee a Subordination, Nondisturbance and Attornment Agreement, in form and content acceptable to Lessee, executed by Lessee and the applicable holder of such financing statement, security agreement, mortgage or deed of trust.

15. Assignability.

Lessor and Lessee shall have the right to freely assign this Lease or any rights hereunder. Lessee may freely sublease all or any portion of the Water Rights.

Any notices to be given hereunder shall be given by placing the notice in the United States mail, certified or registered, properly stamped and addressed to the address shown below or such other addresses as the respective party may direct in writing to the other, by overnight delivery service, or by personal delivery to such address. Notice shall be deemed effective upon such placing in the mails, on the next business day following delivery and acceptance for next day delivery by any overnight delivery service, or upon actual delivery if by personal delivery:

**Lessor:**

Robert and Carolyn Reagan  
3946 County Road 301  
Knippa, Texas 78870

**Lessee:**

San Antonio Water System  
Water Resources Department  
Mailing Address:

P.O. Box 2446  
San Antonio, Texas 78223  
Physical Address:

2800 U.S. Highway 281 North  
San Antonio, Texas 78298

17. Fees.

Lessee will pay the EAA transfer application fees and county recordation fees necessary to transfer the Water Rights to Lessee. Lessee will also pay EAA Aquifer Management Fees associated with the Water Rights for each Lease Year, or if Lessor has paid some or all of the EAA Aquifer Management Fees for the initial Lease Year prior to the Effective Date of this Lease, Lessee shall reimburse Lessor for such payment. Lessee shall not be liable for any fees, taxes or assessments on the Real Property, or for any EAA fees assessed on or related to water or permit rights not leased to Lessee under this Lease.

18. Liens.

Lessor and Lessee shall promptly pay when due all items for which they are responsible which may result in the placement of a lien on the Water Rights or Lessor’s Groundwater Withdrawal Permits or the Real Property. If Lessor or Lessee fail to pay any such item, including but not limited to any tax, charge or assessment, or any mechanic’s or materialmen’s expenses, or if a lien is placed upon the Water Rights or Lessor’s Groundwater Withdrawal Permits or Real Property, the non-defaulting party shall have the right to make such payment and the defaulting party hereby covenants to reimburse the non-defaulting party, upon demand, for any amount so expended or paid, with interest thereon at the highest legal rate per annum from the date of such payment until the date of
such reimbursement, or the non-defaulting part may set off such amount against any monies due and owing the defaulting party, including Rent.

19. Default.

If for any reason Lessor fails to comply with any of the provisions of this Lease, or if any of the representations and warranties of Lessor prove to be false, Lessee, at its election, may exercise all rights which may be available to it at law or in equity, including termination of the Lease. If Lessee fails to comply with any provision of the Lease and such failure continues for a period of thirty (30) days after receiving written notice of such failure from Lessor, Lessor may, as its sole and exclusive remedy terminate the Lease and retain the prepaid Rent for the Lease Year in which the Lease is terminated as liquidated damages.

20. Waiver.

The failure on the part of either party to require the performance by the other of any portion of this Lease shall not be deemed a waiver of or in any way affect that party’s rights to enforce such provision. Any waiver by either party of any provision of this Lease shall not be a waiver of any other provision hereof.


The invalidity or unenforceability of any provision of this Lease shall not affect the validity or enforceability of any other provision of this Lease.


This Lease shall be governed by the laws of the State of Texas and is performable in Bexar County, Texas.

23. Binding Effect.

The Lease shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, except as provided in Section 15.


Each of the persons signing on behalf of Lessor and Lessee hereby represent and warrant that they have the authority to execute this Lease on behalf of the party indicated by their signature and have the authority to bind such party thereto.
25. **Survival.**

Except as set out herein, all agreements and representations in this Lease shall survive the end of the Term.

26. **Force Majeure.**

If Lessee is denied its use of all or a part of the Water Rights by reason of any laws, regulations, or governmental action or other acts outside of the control of Lessor and Lessee, other than as described in Section 7 above, then Lessee and Lessor shall be excused from their obligations hereunder so long as these circumstances exist; provided, however, that in the event the Water Rights are reduced as described in Section 7 above, the provisions of Section 7 shall control.

27. **Further Assurances.**

Lessor and Lessee shall take all further actions and shall execute and deliver to the other any other document or instrument which is necessary or useful to fully carry out the transactions evidenced by this Lease, including any amendments to the Permit Rights carried out in conformance with applicable EAA regulations or any documentation required by the EAA in order to evidence the termination of Lessee’s interest in the Water Rights upon the termination of this Lease. In addition, the parties agree to amend this Lease in any manner necessary to cause the Lease to be in compliance with EAA rules and regulations. Lessor shall have the authority to file a Memorandum of Lease of Groundwater of public record to reflect its interest in the Water Rights as set out under the terms of this Lease. Lessee agrees to execute any such form of Memorandum of Lease of Groundwater or any amendment of such Memorandum of Lease of Groundwater provided by Lessee.

28. **Attorneys Fees.**

If any action at law or in equity is brought to enforce or interpret a provision of this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorneys’ fees, costs and other necessary litigation disbursements in addition to any relief to which it may be entitled.

30. **Entire Agreement.**

This Lease contains all agreements between the parties hereto and any agreement not contained herein shall not be recognized by the parties. The captions used herein are for convenience only and shall not be used to construe this Lease. Words of gender shall be construed to include any other gender, and words in the singular number shall include the plural and vice versa unless the context requires otherwise.
31. **Counterparts.**

This lease may be executed by the parties in any number of counterparts, each of which when so executed and delivered shall be deemed an original instrument, but all such counterparts together shall constitute but one and the same instrument.

*Signature Page to Follow*
Lessor*

______________________________
Robert Carl Reagan

Lessor*

______________________________
Carolyn Reagan

*If there is more than one Lessor, each Lessor must sign. If the Water Rights are derived from property constituting the homestead of Lessor, Lessor’s spouse must join in this lease, and the absence of such spouse’s joinder to this lease shall constitute representation and warranty by Lessor that the Water Rights are not part of the homestead.

Lessee

City of San Antonio, a Texas municipal corporation, by and through its San Antonio Water System

______________________________
Robert R. Puente
Title: President/Chief Executive Officer
EXHIBIT “A”

If the Water Rights leased under this Lease consist of rights under more than one EAA Groundwater Withdrawal Permit, Lessor must list below each EAA Groundwater Withdrawal Permit, with a description of the total acre feet being leased to Lessee from each Groundwater Withdrawal Permit.

EAA Groundwater Withdrawal Permit No.____
Total amount of Water Rights being leased to Lessee under this Permit:______________.

EAA Groundwater Withdrawal Permit No.____
Total amount of Water Rights being leased to Lessee under this Permit:______________.

EAA Groundwater Withdrawal Permit No.____
Total amount of Water Rights being leased to Lessee under this Permit:______________.

EAA Groundwater Withdrawal Permit No.____
Total amount of Water Rights being leased to Lessee under this Permit:______________.
EXHIBIT “B”

CONSENT TO REVIEW OF EDWARD AQUIFER AUTHORITY (“EAA”) RECORDS

The undersigned, as the owner or representative acting on behalf of the owner of certain water rights (“Consenting Party”), has entered into a Lease with the San Antonio Water System as Lessee (“SAWS”) for the lease of those water rights to SAWS. In conjunction with such lease, Consenting Party hereby consents to and agrees to allow the review and copying by SAWS of any and all EAA records relating to Consenting Party and the Consenting Party’s EAA Initial Regular Permit No(s). P101-933, as contained in the files of the Edwards Aquifer Authority (“EAA”) at any location of the EAA. Such right granted hereby to SAWS includes but is not limited to files relating to permit issuance, amendment, revocation, application, adjudication or other action affecting such permit or permits, all files relating to compliance or noncompliance with the terms of such permit(s), compliance or noncompliance with EAA Acts, rules and regulations, any and all correspondence by and between Consenting Party and the EAA or involving any third party, all materials relating to fees assessed, paid, adjudicated or protested with respect to such permit(s), all information relating to pumpage, water measurement, critical period/demand management withdrawal allocation schedules, water usage or non-usage, all files relating to transfers of water rights into and/or out of Consenting Party’s EAA Initial Regular Permit No(s). P101-933 and any other data or information affecting such permit(s) as contained in the files of the EAA. Consenting Party in addition hereby requests the EAA to allow access to all such files by SAWS and its representatives without further consent or approval from Consenting Party.

This consent is effective and a written notice revoking this consent is provided by Consenting Party to both SAWS and to the EAA.

Date: ____________________

CONSENTING PARTY:

________________________
EXHIBIT “C”

MEMORANDUM OF LEASE OF GROUNDWATER
MEMORANDUM OF LEASE OF GROUNDWATER

This Memorandum of Lease of Groundwater ("MOL") is executed this _____ day of ________, 2016 by and between Robert Carl Reagan and wife Carolyn Reagan (the "Lessor") and the City of San Antonio, a Texas municipal corporation, acting by its San Antonio Water System (the "Lessee").

WITNESSETH:

1. On ______________________, Lessor and Lessee entered into a Lease of Groundwater (the "Lease") of the Water Rights described below:

Water Rights:

The Water Rights consist of the Lessor’s groundwater rights and Lessor’s permit rights from the Edwards Aquifer Authority ("EAA") to withdraw 320 acre-feet of unrestricted Edwards Aquifer groundwater per annum, under EAA Initial Regular Permit P101-933 recorded as Document No. __________________ in the Official Public Records of Uvalde County, Texas (the “Groundwater Withdrawal Permit”) (the “Water Rights”). The Groundwater Withdrawal Permit authorizes the withdrawal and beneficial use of groundwater from the Edwards Aquifer pursuant to the terms and conditions of the Groundwater Withdrawal Permit.

2. The Lease sets out the rights and obligations of the Lessor and Lessee to the Groundwater Withdrawal Permit. The Lease may also cover additional Groundwater Withdrawal Permits, and if so, a separate Memorandum of Lease of Groundwater has been recorded for each such Groundwater Withdrawal Permit.

3. The term of the Lease is for 2 years, from January 1, 2017 to December 31, 2021.

4. In accordance with the terms of the Lease, the Lessor has agreed to lease a total of 320 acre-feet per annum of Water Rights to Lessee.

5. This MOL is intended to act only as the notice of the existence of the Lease and its general terms. To the extent the terms of this MOL conflict with the terms of the Lease, the terms of the Lease shall control.
Lessor

______________________________
Robert Carl Reagan

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF _________ §

This instrument was acknowledged before me on the _____ day of ____________, 2016 by Robert Carl Reagan.

______________________________
NOTARY PUBLIC, State of Texas

(Seal)

Lessor

______________________________
Carolyn Reagan

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF _________ §

This instrument was acknowledged before me on the _____ day of ____________, 2016 by Carolyn Reagan.

______________________________
NOTARY PUBLIC, State of Texas

(Seal)
Lessee:

City of San Antonio, a Texas municipal corporation, by and through its San Antonio Water System

________________________________________
Robert R. Puente
Title: President/Chief Executive Officer

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF ___________ §

This instrument was acknowledged before me on the _____ day of ____________, 2016 by Robert R. Puente for the City of San Antonio, a Texas municipal corporation, by and through its San Antonio Water System

NOTARY PUBLIC, State of Texas

(Seal)

After recording return to:

Water Resources
Attn: Brandon Payne
San Antonio Water System
P.O. Box 2449
San Antonio, Texas 78298-2449
TO: San Antonio Water System Board of Trustees

FROM: Tamsen R. McNarie, Director, Operations Support, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF 2016 SANITARY SEWER LATERALS RENEWAL AND REPAIR CONSTRUCTION CONTRACT PACKAGE 1

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract for a period of 365 calendar days in the amount of $771,450.00 to Facilities Rehabilitation, Inc., a non-local, MBE-Hispanic firm, in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 1.

- Building/Private Property Backups are defined by the Consent Decree to be when wastewater backups into a building that are caused by blockages, or malfunctions or flow conditions in the Wastewater Collection and Transmission (a.k.a. Sanitary Sewer) System (WCTS) owned by the San Antonio Water System (SAWS), which includes sewer laterals owned by SAWS.

- SAWS takes remedial measures to resolve Building/Private Property Backups which are a result of deficiencies in the SAWS WCTS and may include repair or replacement of the portion of the lateral owned by SAWS.

- This contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary remedial measures to renew or repair laterals owned by SAWS.

- The contract will allow for work orders to be issued and managed by SAWS Collection Operations and Sewer System Improvements staff for the renewal and repair of laterals. The work orders will be charged against the contract as they are executed.

- The standard construction bidding process was used for this contract.

- Facilities Rehabilitation, Inc. has submitted the low bid of $771,450.00.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

Funds for these contract services to be provided during FY 2016 were included in the FY 2016 Annual Operating Budget and will be financed with revenues from the System Fund. The System Fund will finance the amount of $771,450.00 for contract services (Company: 1000; Accounting Unit: 5044500; Account 511220). The SAWS job number for the renewal of sewer laterals is 16-1402 (CIP). The SAWS job number for all other work is 16-0109 (O&M).

Funds for these contract services to be provided during FY 2017 will be paid from System funds budgeted in the 2017 Budget, pursuant to and contingent upon Board approval of the 2017 budget with a line item for such expenditures (Company: 1000; Accounting Unit: 5044500; Account: 511220).

SUPPLEMENTARY COMMENTS:

SAWS engineering staff prepared the specifications for this project. The engineer’s estimated construction cost was $800,000.00.

The bid opening was held on April 7, 2016 at 10:00 a.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDERS</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities Rehabilitation, Inc.*</td>
<td>$ 771,450.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Guerra Underground, LLC</td>
<td>$ 794,666.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$ 800,000.00</td>
<td></td>
</tr>
<tr>
<td>D. Guerra Construction, LLC</td>
<td>$ 803,575.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oilfield Services, Company, Inc.</td>
<td>$ 1,081,570.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

*Low Responsible Bid
The bid amount represents a 3.6% decrease from the estimated construction cost.

The construction contract will remain in full force for a period of one year (365 calendar days) from the Notice to Proceed date or until funds are exhausted from the contract.

Tamsen R. McNarrie
Director, Operations Support

Jeffrey J. Haby, P.E.
Vice President, Production and Treatment

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF FACILITIES REHABILITATION, INC. FOR A CONSTRUCTION CONTRACT IN THE AMOUNT OF $771,450.00 IN CONNECTION WITH THE 2016 SANITARY SEWER LATERALS RENEWAL AND REPAIR CONSTRUCTION CONTRACT PACKAGE 1; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $771,450.00 TO FACILITIES REHABILITATION, INC. IN CONNECTION WITH THE 2016 SANITARY SEWER LATERALS RENEWAL AND REPAIR CONSTRUCTION CONTRACT PACKAGE 1; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT NOT TO EXCEED $771,450.00 FOR THE PROJECT WORK, AND THAT THE SUBSEQUENT YEAR’S EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEAR’S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE, TO EXECUTE A CONSTRUCTION CONTRACT WITH FACILITIES REHABILITATION, INC. AND TO PAY FACILITIES REHABILITATION, INC. THE AMOUNT NOT TO EXCEED $771,450.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Building/Private Property Backups are defined by the Consent Decree to be when wastewater backups into a building that are caused by blockages, malfunctions, or flow conditions in the Wastewater Collection and Transmission (a.k.a. Sanitary Sewer) System (WCTS) owned by the San Antonio Water System (the “System”), which includes sewer laterals owned by the System; and

WHEREAS, the System requires construction services to perform the necessary remedial measures (the "project work") to resolve condition deficiencies in the System laterals; and

WHEREAS, this contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary renewal and repair of laterals; and
WHEREAS, the System solicited bids for the project work; and

WHEREAS, Facilities Rehabilitation, Inc., a non-local, MBE-Hispanic firm, submitted a bid in the amount of $771,450.00 for the project work, and this bid has been determined to be the lowest responsible bid; and

WHEREAS, the total amount of $771,450.00 is available from the System Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the bid of Facilities Rehabilitation, Inc. for a construction contract in the amount of $771,450.00 in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 1, (ii) award a construction contract in the amount of $771,450.00 to Facilities Rehabilitation, Inc. in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 1, (iii) approve the expenditure of funds in the amount not to exceed $771,450.00 for the project work, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures, and (iv) authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Facilities Rehabilitation, Inc. and to pay Facilities Rehabilitation, Inc. the amount not to exceed $771,450.00 for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of Facilities Rehabilitation, Inc. in the amount of $771,450.00 for the project work in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 1 is hereby accepted.

2. That the construction contract is hereby awarded to Facilities Rehabilitation, Inc. in the amount of $771,450.00 for the project work in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 1.

3. That the expenditure of System funds in the amount not to exceed $771,450.00 for the project work is hereby approved.

4. That a total amount not to exceed $771,450.00 consisting of project work costs is hereby made available from the System Fund, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures.

5. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Facilities Rehabilitation, Inc. for the project work and to pay an amount not to exceed $771,450.00 to Facilities Rehabilitation, Inc. for the project work in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 1.
6. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

7. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

8. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Tamsen R. McNarie, Director, Operations Support, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF 2016 SANITARY SEWER LATERALS RENEWAL AND REPAIR CONSTRUCTION CONTRACT PACKAGE 2

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract for a period of 365 calendar days in the amount of $740,150.00 to Texas Pride Utilities, LLC, a non-local, MBE-Hispanic firm, in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 2.

- Building/Private Property Backups are defined by the Consent Decree to be when wastewater backups into a building that are caused by blockages, or malfunctions or flow conditions in the Wastewater Collection and Transmission (a.k.a. Sanitary Sewer) System (WCTS) owned by the San Antonio Water System (SAWS), which includes sewer laterals owned by SAWS.

- SAWS takes remedial measures to resolve Building/Private Property Backups which are a result of deficiencies in the SAWS WCTS and may include repair or replacement of the portion of the lateral owned by SAWS.

- This contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary remedial measures to renew or repair laterals owned by SAWS.

- The contract will allow for work orders to be issued and managed by SAWS Collection Operations and Sewer System Improvements staff for the renewal and repair of laterals. The work orders will be charged against the contract as they are executed.

- The standard construction bidding process was used for this contract.

- Texas Pride Utilities, LLC has submitted the low bid of $740,150.00.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

Funds for these contract services to be provided during FY 2016 were included in the FY 2016 Annual Operating Budget and will be financed with revenues from the System Fund. The System Fund will finance the amount of $740,150.00 for contract services (Company: 1000; Accounting Unit: 5044500; Account: 511220). The SAWS job number for the renewal of sewer laterals is 16-1402 (CIP). The SAWS job number for all other work is 16-0110 (O&M).

Funds for these contract services to be provided during FY 2017 will be paid from System funds budgeted in the 2017 Budget, pursuant to and contingent upon Board approval of the 2017 budget with a line item for such expenditures (Company: 1000; Accounting Unit: 5044500; Account: 511220).

SUPPLEMENTARY COMMENTS:

SAWS engineering staff prepared the specifications for this project. The engineer’s estimated construction cost was $800,000.00.

The bid opening was held on April 7, 2016 at 2:00 p.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDERS</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Pride Utilities, LLC*</td>
<td>$ 740,150.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>D. Guerra Construction, LLC</td>
<td>$ 757,575.00</td>
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<td>Guerra Underground, LLC</td>
<td>$ 770,861.00</td>
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<tr>
<td>Engineer’s Estimate</td>
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<tr>
<td>Facilities Rehabilitation, Inc.</td>
<td>$ 839,450.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oilfield Services, Company, Inc.</td>
<td>$ 1,010,370.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

*Low Responsible Bid
The bid amount represents a 7.5% decrease from the estimated construction cost.

The construction contract will remain in full force for a period of one year (365 calendar days) from the Notice to Proceed date or until funds are exhausted from the contract.

Tamsen R. McNarie  
Director, Operations Support

Jeffrey J. Haby, P.E.  
Vice President, Production and Treatment

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF TEXAS PRIDE UTILITIES, INC. FOR A CONSTRUCTION CONTRACT IN THE AMOUNT OF $740,150.00 IN CONNECTION WITH THE 2016 SANITARY SEWER LATERALS RENEWAL AND REPAIR CONSTRUCTION CONTRACT PACKAGE 2; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $740,150.00 TO TEXAS PRIDE UTILITIES, LLC IN CONNECTION WITH THE 2016 SANITARY SEWER LATERALS RENEWAL AND REPAIR CONSTRUCTION CONTRACT PACKAGE 2; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT NOT TO EXCEED $740,150.00 FOR THE PROJECT WORK, AND THAT THE SUBSEQUENT YEAR'S EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEAR'S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT, CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE, TO EXECUTE A CONSTRUCTION CONTRACT WITH TEXAS PRIDE UTILITIES, LLC AND TO PAY TEXAS PRIDE UTILITIES, LLC THE AMOUNT NOT TO EXCEED $740,150.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Building/Private Property Backups are defined by the Consent Decree to be when wastewater backups into a building that are caused by blockages, malfunctions, or flow conditions in the Wastewater Collection and Transmission (a.k.a. Sanitary Sewer) System (WCTS) owned by the San Antonio Water System (the “System”), which includes sewer laterals owned by the System; and

WHEREAS, the System requires construction services to perform the necessary remedial measures (the "project work") to resolve condition deficiencies in the System laterals; and

WHEREAS, this contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary renewal and repair of laterals; and
WHEREAS, the System solicited bids for the project work; and

WHEREAS, Texas Pride Utilities, LLC, a non-local, MBE-Hispanic firm, submitted a bid in the amount of $740,150.00 for the project work, and this bid has been determined to be the lowest responsible bid; and

WHEREAS, the total amount of $740,150.00 is available from the System Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the bid of Texas Pride Utilities, LLC for a construction contract in the amount of $740,150.00 in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 2, (ii) award a construction contract in the amount of $740,150.00 to Texas Pride Utilities, LLC in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 2, (iii) approve the expenditure of funds in the amount not to exceed $740,150.00 for the project work, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures, and (iv) authorize the President/Chief Executive Officer or his duly appointed designee to execute a construction contract with Texas Pride Utilities, LLC and to pay Texas Pride Utilities, LLC the amount not to exceed $740,150.00 for the project work, now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of Texas Pride Utilities, LLC in the amount of $740,150.00 for the project work in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 2 is hereby accepted.

2. That the construction contract is hereby awarded to Texas Pride Utilities, LLC in the amount of $740,150.00 for the project work in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 2.

3. That the expenditure of System funds in the amount not to exceed $740,150.00 for the project work is hereby approved.

4. That a total amount not to exceed $740,150.00 consisting of project work costs is hereby made available from the System Fund, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures.

5. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with Texas Pride Utilities, LLC for the project work and to pay an amount not to exceed $740,150.00 to Texas Pride Utilities, LLC for the project work in connection with the 2016 Sanitary Sewer Laterals Renewal and Repair Construction Contract Package 2.
6. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

7. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

8. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

___________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Tamsen R. McNarie, Director, Operations Support, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF THE SANITARY SEWER CLEANING AND INSPECTION OF DESIGNATED “YEAR 4” SMALL COLLECTION SYSTEM ASSETS, PACKAGE 1 CONTRACT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a service contract for the period ending December 31, 2016, to Ace Pipe Cleaning, Inc., a local, SBE firm, in the amount of $533,154.90 to perform cleaning and inspection services within the San Antonio Water System’s (SAWS) sewer service area in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 1 Contract. The contract has an option to extend the term for a period of one calendar year during 2017.

- SAWS’ in-house crews currently clean approximately 1,400 miles of sewer mains a year and inspect approximately 300 miles of sewer mains per year using closed circuit television mostly in the smaller diameter range of less than 24 inches in diameter.

- There are approximately 4,800 miles of small diameter sewer mains in the system. This contract awards cleaning 75.4 miles and inspecting 16.9 miles of designated small mains during 2016. The option to extend the term of the contract includes cleaning 95.8 miles and inspecting 10.8 miles of designated small mains during 2017.

- This contract supplements our in-house capability to clean and inspect our small diameter sewer mains in order to improve the system hydraulic performance, to reduce sanitary sewer overflows, and to assess and document the condition of sewer mains using the National Association of Sewer Service Companies Pipeline Assessment Certification Program system.

- SAWS has established a precedent for supplementing sanitary sewer cleaning and inspection with contracted outside forces.

- The standard bidding process was used for this contract.

- Ace Pipe Cleaning, Inc. has submitted the bid most advantageous to SAWS in the amount of $533,154.90.
Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

Funds have been budgeted in 2016 from the System Fund for this maintenance work. The System Fund will finance the amount of $533,154.90 for contract services (Company: 1000; Accounting Units: 5043700 and 5044800; Account: 511312).

Expenditures for the subsequent option year are pursuant to and contingent upon Board approval of subsequent year’s budget with a line item for such expenditures (Company: 1000; Accounting Units: 5043700 and 5044800; Account: 511312.) The SAWS bid number for this project is 16-16032.

**SUPPLEMENTARY COMMENTS:**

SAWS engineering staff prepared the specifications for this project. The engineer’s estimated cost was $387,600.00.

Bids were opened for three separate contract packages simultaneously. The bid documents for each of the three contract packages stated that no contractor will be awarded more than one of the three contracts, and that if one vendor is the low bidder on two packages, the vendor will be determined non-responsive on the package deemed least advantageous to SAWS.

A bid opening was held on April 7, 2016, at 3:00 p.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDERS</th>
<th>BID AMOUNT (Initial Period 2016)</th>
<th>LOCAL/SMWB</th>
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<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$387,600.00</td>
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<td>Terra Contracting Services, LLC*</td>
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<td>Ace Pipe Cleaning, Inc.**</td>
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<td>Local/SBE</td>
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<tr>
<td>Professional Pipe Services</td>
<td>$1,086,251.90</td>
<td>Non-Local/Non-SMWB</td>
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* Successful low bidder on contract Package 2
**Bid deemed most advantageous to SAWS

Ace Pipe Cleaning, Inc.’s bid amount for the renewal option during calendar year 2017 is $696,414.19.
Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 1 Contract

Ace Pipe Cleaning, Inc.

SMWB ANALYSIS – BOARD AWARD

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<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
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<tbody>
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<td>MBE - Other</td>
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</tr>
<tr>
<td>WBE - Minority</td>
<td>0.00%</td>
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<tr>
<td>WBE - Non-Minority</td>
<td>19.00%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The bid amount represents a 37.6% increase from the estimated cost.

Tamsen R. McNarie
Director, Operations Support

Jeffrey J. Haby, P.E.
Vice President, Production and Treatment

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF ACE PIPE CLEANING, INC. IN THE AMOUNT OF $533,154.90 FOR A SERVICE CONTRACT FOR THE PERIOD ENDING DECEMBER 31, 2016, IN CONNECTION WITH THE SANITARY SEWER CLEANING AND INSPECTION OF DESIGNATED “YEAR 4” SMALL COLLECTION SYSTEM ASSETS, PACKAGE 1 CONTRACT; AWARDING A SERVICE CONTRACT FOR THE PERIOD ENDING DECEMBER 31, 2016, WITH AN OPTION TO EXTEND THE TERM FOR AN ADDITIONAL PERIOD, TO ACE PIPE CLEANING, INC. IN THE AMOUNT OF $533,154.90 FOR THE PROJECT WORK; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $533,154.90 FOR THE PROJECT WORK, AND THAT THE SUBSEQUENT YEAR’S EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEAR’S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A SERVICE CONTRACT FOR THE PERIOD ENDING DECEMBER 31, 2016 AND AN OPTION TO EXTEND THE TERM FOR AN ADDITIONAL PERIOD WITH ACE PIPE CLEANING, INC., AND TO PAY ACE PIPE CLEANING, INC. THE AMOUNT NOT TO EXCEED $533,154.90 FOR THE INITIAL TERM FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Water System (the “System”) is undertaking to clean and inspect sewer facilities within the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 1 Contract as part of its maintenance program associated with the Consent Decree; and

WHEREAS, cleaning and inspection contracts have been implemented in the past; and

WHEREAS, this project will include the cleaning and inspection of designated small diameter mains ranging in size from 6 inches to 21 inches in diameter (the “project work”); and
WHEREAS, the System has solicited bids for the project work; and

WHEREAS, Ace Pipe Cleaning, Inc., a local, SBE firm, has submitted a bid in the amount of $533,154.90 for the project work and this bid has been determined to be the bid most advantageous to the System; and

WHEREAS, System funds in the current year’s annual budget for cleaning and inspection services are required for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the bid of Ace Pipe Cleaning, Inc. in the amount of $533,154.90 for a service contract for the period ending December 31, 2016, in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 1 Contract, (ii) award a service contract for the period ending December 31, 2016, to Ace Pipe Cleaning, Inc. in the amount of $533,154.90 for the project work, with an option to extend the contract for an additional term, (iii) approve the expenditure and make available from the System Fund the amount of $533,154.90 for cleaning and inspection services, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures, and (iv) authorize the President/Chief Executive Officer or his duly appointed designee to execute a service contract for the period ending December 31, 2016, and execute an option to extend the contract for an additional term with Ace Pipe Cleaning, Inc. the amount of $533,154.90 for the initial term for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of Ace Pipe Cleaning, Inc. in the amount of $533,154.90 for a service contract for the period ending December 31, 2016, in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 1 Contract is hereby accepted.

2. That a service contract for the period ending December 31, 2016, with the option to extend the contract for an additional term, in the amount of $533,154.90 for cleaning and inspection services is hereby awarded to Ace Pipe Cleaning, Inc.

3. That the expenditure of System funds in the amount of $533,154.90 for the project work is hereby approved.

4. That the amount of $533,154.90 is hereby made available to be expended from the System Fund for the current year, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures.

5. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a service contract for the period ending December 31, 2016 and
execute an option to extend the contract for an additional term with Ace Pipe Cleaning, Inc., and to pay the amount of $533,154.90 to Ace Pipe Cleaning, Inc. for the initial term, for the project work in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 1 Contract.

6. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

7. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

8. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Tamsen R. McNarie, Director, Operations Support, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF THE SANITARY SEWER CLEANING AND INSPECTION OF DESIGNATED “YEAR 4” SMALL COLLECTION SYSTEM ASSETS, PACKAGE 2 CONTRACT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a service contract for the period ending December 31, 2016, to Terra Contracting Services, LLC, a local, non-SMWB firm, in the amount of $431,812.05 to perform cleaning and inspection services within the San Antonio Water System’s (SAWS) sewer service area in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 2 Contract. The contract has an option to extend the term for a period of one calendar year during 2017.

- SAWS’ in-house crews currently clean approximately 1,400 miles of sewer mains a year and inspect approximately 300 miles of sewer mains per year using closed circuit television mostly in the smaller diameter range of less than 24 inches in diameter.

- There are approximately 4,800 miles of small diameter sewer mains in the system. This contract awards cleaning 72.1 miles and inspecting 6.0 miles of designated small mains during 2016. The option to extend the term of the contract includes cleaning 86.7 miles and inspecting 17.0 miles of designated small mains during 2017.

- This contract supplements our in-house capability to clean and inspect our small diameter sewer mains in order to improve the system hydraulic performance, to reduce sanitary sewer overflows, and to assess and document the condition of sewer mains using the National Association of Sewer Service Companies Pipeline Assessment Certification Program system.

- SAWS has established a precedent for supplementing sanitary sewer cleaning and inspection with contracted outside forces.

- The standard bidding process was used for this contract.

- Terra Contracting Services, LLC has submitted the low responsible bid of $431,812.05.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

Funds have been budgeted in 2016 from the System Fund for this maintenance work. The System Fund will finance the amount of $431,812.05 for contract services (Company: 1000; Accounting Units: 5043700 and 5044800; Account: 511312).

Expenditures for the subsequent option year are pursuant to and contingent upon Board approval of subsequent year’s budget with a line item for such expenditures (Company: 1000; Accounting Units: 5043700 and 5044800; Account: 511312). The SAWS bid number for this project is 16-16033.

SUPPLEMENTARY COMMENTS:

SAWS engineering staff prepared the specifications for this project. The engineer’s estimated cost was $367,000.00.

Bids were opened for three separate contract packages simultaneously. The bid documents for each of the three contract packages stated that no contractor will be awarded more than one of the three contracts, and that if one vendor is the low bidder on two packages, the vendor will be determined non-responsive on the package deemed least advantageous to SAWS.

A bid opening was held on April 7, 2016 at 3:00 p.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDERS</th>
<th>BID AMOUNT (Initial Period 2016)</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$367,000.00</td>
<td></td>
</tr>
<tr>
<td>Terra Contracting Services, LLC*</td>
<td>$431,812.05</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Ace Pipe Cleaning, Inc.</td>
<td>$494,239.20</td>
<td>Local/SBE</td>
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<tr>
<td>Professional Pipe Services</td>
<td>$991,753.10</td>
<td>Non-Local/Non-SMWB</td>
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</tbody>
</table>

* Low responsible bidder.

Terra Contracting Services, LLC’s bid amount for the renewal option during calendar year 2017 is $550,415.59.
Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 2 Contract

Terra Contracting Services, LLC

<table>
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<tr>
<th></th>
<th>SMWB ANALYSIS – BOARD AWARD</th>
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<tbody>
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<td>MBE - African American</td>
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<tr>
<td>MBE - Hispanic</td>
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<tr>
<td>MBE - Other</td>
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<tr>
<td>WBE - Minority</td>
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<td>WBE - Non-Minority</td>
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<tr>
<td>SMWB Total</td>
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</table>

The bid amount represents a 17.7% increase from the estimated cost.

Tamsen R. McNarie  
Director, Operations Support

Jeffrey J. Haby, P.E.  
Vice President, Production and Treatment

APPROVED:

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF TERRA CONTRACTING SERVICES, LLC IN THE AMOUNT OF $431,812.05 FOR A SERVICE CONTRACT FOR THE PERIOD ENDING DECEMBER 31, 2016, IN CONNECTION WITH THE SANITARY SEWER CLEANING AND INSPECTION OF DESIGNATED “YEAR 4” SMALL COLLECTION SYSTEM ASSETS, PACKAGE 2 CONTRACT; AWARDING A SERVICE CONTRACT FOR THE PERIOD ENDING DECEMBER 31, 2016, WITH AN OPTION TO EXTEND THE TERM FOR AN ADDITIONAL PERIOD, TO TERRA CONTRACTING SERVICES, LLC IN THE AMOUNT OF $431,812.05 FOR THE PROJECT WORK; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $431,812.05 FOR THE PROJECT WORK, AND THAT THE SUBSEQUENT YEAR’S EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEAR’S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A SERVICE CONTRACT FOR THE PERIOD ENDING DECEMBER 31, 2016 AND AN OPTION TO EXTEND THE TERM FOR AN ADDITIONAL PERIOD WITH TERRA CONTRACTING SERVICES, LLC, AND TO PAY TERRA CONTRACTING SERVICES, LLC THE AMOUNT OF $431,812.05 FOR THE INITIAL TERM FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is undertaking to clean and inspect sewer facilities within the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 2 Contract as part of its maintenance program associated with the Consent Decree; and

WHEREAS, cleaning and inspection contracts have been implemented in the past; and

WHEREAS, this project will include the cleaning and inspection of designated small diameter mains ranging in size from 6 inches to 21 inches in diameter (the “project work”); and
WHEREAS, the System has solicited bids for the project work; and

WHEREAS, Terra Contracting Services, LLC, a local, non-SMWB firm, has submitted a bid in the amount of $431,812.05 for the project work and this bid has been determined to be the low responsible bid; and

WHEREAS, System funds in the current year’s annual budget for cleaning and inspection services are required for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the bid of Terra Contracting Services, LLC in the amount of $431,812.05 for a service contract for the period ending December 31, 2016, in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 2 Contract, (ii) award a service contract for the period ending December 31, 2016, to Terra Contracting Services, LLC in the amount of $431,812.05 for the project work, with an option to extend the contract for an additional term, (iii) approve the expenditure and make available from the System Fund the amount of $431,812.05 for cleaning and inspection services, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures, and (iv) authorize the President/Chief Executive Officer or his duly appointed designee to execute a service contract for the period ending December 31, 2016, and execute an option to extend the contract for an additional term with Terra Contracting Services, LLC, and to pay Terra Contracting Services, LLC the amount of $431,812.05 for the initial term for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of Terra Contracting Services, LLC in the amount of $431,812.05 for a service contract for the period ending December 31, 2016, in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 2 Contract is hereby accepted.

2. That a service contract for the period ending December 31, 2016, with the option to extend the contract for an additional term, in the amount of $431,812.05 for cleaning and inspection services is hereby awarded to Terra Contracting Services, LLC.

3. That the expenditure of System funds in the amount of $431,812.05 for the project work is hereby approved.

4. That the amount of $431,812.05 is hereby made available to be expended from the System Fund for the current year, and that the subsequent year’s expenditures are pursuant to and contingent upon Board approval of the subsequent year’s budget with a line item for such expenditures.
5. That the System's President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a service contract for the period ending December 31, 2016 and execute an option to extend the contract for an additional term with Terra Contracting Services, LLC, and to pay the amount of $431,812.05 to Terra Contracting Services, LLC for the initial term, for the project work in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets, Package 2 Contract.

6. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

7. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

8. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Parviz Chavol, P.E., Sr. Director, Production and Treatment, and Jeffrey J. Haby, P.E, Vice President, Production and Treatment.

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: RATIFICATION OF AWARD OF AN EMERGENCY PURCHASE ORDER FOR THE REPAIR OF RECYCLE PUMPS NO. 1 AND NO. 2 AT THE LEON CREEK WATER RECYCLING CENTER RECYCLE WATER PUMP STATION

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the actions of the Vice President of Production and Treatment in approving the award of an emergency purchase order for emergency repair services in the amount of $68,292.00 to Peerless Equipment, Ltd., a local, non-SMWB contractor, in connection with the Repair of Recycle Pumps No. 1 and No. 2 at the Leon Creek Water Recycling Center (WRC) Recycle Water Pump Station.

Leon Creek WRC, located at 1104 Mauermann Road in south San Antonio, provides a maximum 22 million gallons of recycled water daily to Lackland AFB, Microsoft, Chevron, Wells Fargo, TCC/COPT, USAA, UT Health Science Center, and Toyota Texas Manufacturing. The recycle water pump station at Leon Creek consists of five (5) pumps that generate six (6) million gallons per day.

- On November 2, 2015, Leon Creek Operations reported that Recycle Pump No. 2 had failed. Recycle Pump No. 1 had failed just two weeks prior. Upon removal, San Antonio Water System (SAWS) maintenance crews discovered that shaft bearings in each of the pumps failed and caused the pumps to seize. Maintenance also found the pump columns, pump bowls, and column fasteners were all severely corroded and in danger of failing structurally. The pump repair vendor later reported that electrolysis and the corrosive chlorine environment were the primary causes of the severe corrosion.

- The outages of Recycle Pumps No. 1 and No. 2 constituted a reduction of 40% of the available recycle capacity at the Leon Creek WRC.

- The pumps were delivered to Peerless Equipment, Ltd. for expedited repair service on November 4, 2015. Peerless Equipment, Ltd. completed the repairs and delivered both pumps to the Leon Creek WRC.

- Declaration of an emergency condition by the Vice President of Production and Treatment was due to the criticality of these pumps in delivering continuous and uninterrupted recycle
Ratification of Award of Emergency Purchase Order
Repair of Recycle Pumps 1 and 2 at Leon Creek WRC Pump Station

water supply to SAWS customers.

- Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The System Fund will finance the total amount of $68,292.00 for these services (Company: 1000; Accounting Units: 5037000; Account: 511430).

Parviz Chavol, P.E.
Sr. Director, Production and Treatment

Jeffrey J. Haby, P.E.
Vice President, Production and Treatment

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF PRODUCTION AND TREATMENT IN APPROVING THE AWARD OF AN EMERGENCY PURCHASE ORDER TO PEERLESS EQUIPMENT, LTD. IN THE AMOUNT OF $68,292.00 IN CONNECTION WITH THE EMERGENCY REPAIR OF RECYCLE PUMPS NO. 1 AND NO. 2 AT THE LEON CREEK WATER RECYCLING CENTER RECYCLE PUMP STATION; AUTHORIZING THAT AN AMOUNT NOT TO EXCEED $68,292.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY PEERLESS EQUIPMENT, LTD. AN AMOUNT NOT TO EXCEED $68,292.00 FOR THE WORK ASSOCIATED WITH THE EMERGENCY REPAIR OF RECYCLE PUMPS NO. 1 AND NO. 2 AT THE LEON CREEK WATER RECYCLING CENTER RECYCLE PUMP STATION; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System’s (the “System”) Leon Creek Water Recycling Center (WRC) Recycle Pump Station is a major recycle water production facility located at 1104 Mauermann Road in south San Antonio, and provides a maximum of 22 million gallons of recycled water daily to Lackland AFB, Microsoft, Chevron, Wells Fargo, TCC/COPT, USAA, UT Health Science Center, and Toyota Texas Manufacturing; and

WHEREAS, the recycle water pump station at Leon Creek WRC consists of five (5) pumps that generate six (6) million gallons per day; and

WHEREAS, on November 2, 2015, Leon Creek operations reported that Recycle Pump No. 1 and Recycle Pump No. 2 had failed to function; and

WHEREAS, the outages of Recycle Pumps No. 1 and No. 2 constituted a reduction of 40 percent of the available recycle capacity at the Leon Creek WRC; and

WHEREAS, the pumps were delivered to Peerless Equipment, Ltd. for expedited repair service on November 4, 2015, and Peerless Equipment, Ltd. completed the repairs and delivered both pumps to the Leon Creek WRC on January 13, 2016; and
WHEREAS, the emergency purchase order to Peerless Equipment, Ltd. allowed the System to provide continuous recycled water supply to its customers; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) ratify the actions of the Vice President of Production and Treatment in approving the award of an emergency purchase order in an amount not to exceed $68,292.00 in connection with the emergency Repair of Recycle Pumps No. 1 and No. 2 at the Leon Creek WRC Recycle Pump Station, (ii) approve the expenditure and make available from the System Fund the amount not to exceed $68,292.00 for the project work, and (iii) authorize the President/Chief Executive Officer or his duly appointed designee to pay an amount not to exceed $68,292.00 to Peerless Equipment, Ltd. for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the actions of the Vice President of Production and Treatment in approving the award of an emergency purchase order in an amount not to exceed $68,292.00 payable to Peerless Equipment, Ltd. for the project work in connection with the emergency Repair of Recycle Pumps No. 1 and No. 2 at the Leon Creek WRC Pump Station Project are hereby ratified.

2. That the expenditure of System funds in the amount not to exceed $68,292.00 for the project work is hereby approved.

3. That a total sum not to exceed $68,292.00 for the project work is hereby made available and is to be expended from the System Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay to Peerless Equipment, Ltd. an amount not to exceed $68,292.00 for the project work in connection with the emergency Repair of Recycle Pumps No. 1 and No. 2 at the Leon Creek WRC Pump Station.

5. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public, and that the public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 3rd day of May, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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Ernesto Arrellano, Jr., Secretary
TO:        San Antonio Water System Board of Trustees

FROM:     Daniel G. Myers, P.E., Director, Production and Treatment, and Jeffrey J. Haby, P.E., Vice President, Production and Treatment

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AUTHORIZATION TO REIMBURSE THE CITY OF SAN ANTONIO IN CONNECTION WITH THE EMERGENCY VALVE REPAIR AT THE CENTRAL COOLING PLANT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to reimburse the City of San Antonio (the “City”) in the amount of $134,838.14 for the emergency repair of the chilled water valve near the Central Cooling Plant.

• On February 17, 2016, staff discovered a 30-inch chilled water valve was leaking in Market Street directly across the street from the recently expanded Henry B. Gonzalez Convention Center (Convention Center).

• The leaking valve was installed on the recently completed Market Street Re-Alignment Project. The work was originally performed by a City contractor through a City joint bid contract for the San Antonio Water System (SAWS). The City was advised that the leaking valve might be under warranty.

• In order to isolate and secure the chilled water in the repair area, service to the Convention Center would have to be shut down.

• Service impacted the recently expanded Convention Center. Chilled water service to this building is critical.

• In order to facilitate the repair and minimize the disruption of service to the Convention Center, the City contractor, Capital Excavation, was instructed to proceed with the excavation and investigation of the leaking chilled water valve.

• After the excavation, it was determined that the valve was broken with a split casting on the underside of the valve. The engineer on the project recommended removing the valve and welding in a straight piece of steel pipe.

• Capital Excavation and their subcontractor extracted the valve, repaired the pipe, constructed a concrete cradle for the pipe and rebuilt the street.
The City will pay Capital Excavation for the repair of the chilled water valve. The City will pay Davila Construction for the restoration of the landscaping. SAWS will reimburse the City for their expenses, subject to Board approval.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The expense will be paid from the System Fund in the 2016 Operations and Maintenance budget from Accounting Unit: 5030100; Account: 511220 in the amount of $134,838.14.

Daniel G. Myers, P.E.  
Director, Production and Treatment  

Jeffrey J. Haby, P.E.  
Vice President, Production and Treatment  

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AUTHORIZING EXPENDITURES IN THE AMOUNT OF $134,838.14 FOR THE REIMBURSEMENT TO THE CITY OF SAN ANTONIO FOR THE EMERGENCY REPAIR OF THE CHILLED WATER VALVE AT THE CENTRAL COOLING PLANT; MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $134,838.14 FROM THE SYSTEM FUND FOR THE REIMBURSEMENT OF THE CITY OF SAN ANTONIO IN CONNECTION WITH THE VALVE REPAIR IN THE CHILLED WATER SYSTEM; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY THE CITY OF SAN ANTONIO AN AMOUNT NOT TO EXCEED $134,838.14 AS REIMBURSEMENT FOR THE EMERGENCY REPAIR OF THE CHILLED WATER VALVE AT THE CENTRAL COOLING PLANT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, in February 2016, the San Antonio Water System (the “System”) discovered a leaking 30-inch chilled water valve in Market Street near the Henry B. Gonzalez Convention Center Expansion (Convention Center); and

WHEREAS, the leaking valve was in the recently completed Market Street Re-Alignment Project and the street and pipe systems were still under warranty; and

WHEREAS, the repair procedure required that most of the Convention Center would be without chilled water service while conventions were underway; and

WHEREAS, the original work for placement of the valve was performed through a joint bid contract with the City of San Antonio (the “City”) using the City’s contractor; and

WHEREAS, the System requested the City to have their contractor of record excavate the street and make the repair; and

WHEREAS, after examination of the valve, it was determined that there was not any warranty involved and that the original installation was inconsistent with the design as planned; and

WHEREAS, the contractor was instructed to provide an estimate and proceed with the repair to accommodate the Convention Center operations; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the expenditure of funds in the amount not to exceed $134,838.14 for the emergency valve repair at the Central Cooling Plant, (ii) to approve and make available an amount not to exceed $134,838.14 from the System Fund for reimbursement to the City of San Antonio for the emergency repair, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay the City of San Antonio an amount not to exceed $134,838.14 for the emergency repair of the chilled water valve at the Central Cooling Plant; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the expenditure of funds in the amount of $134,838.14 for the reimbursement to the City of San Antonio for the emergency repair of the chilled water valve at the Central Cooling Plant is hereby approved.

2. That the funds in the amount not to exceed $134,838.14 are hereby made available and are to be expended from the System Fund.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay an amount not to exceed $134,838.14 to the City of San Antonio in connection with the emergency repair of the chilled water valve at the Central Cooling Plant.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that the public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon this passage.

PASSED AND APPROVED this 3rd day of May, 2016.

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Berto Guerra, Jr., Chairman

ATTEST:

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Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 31

TO: San Antonio Water System Board of Trustees

FROM: Agnes G. Barard, Vice President, Customer Service and Douglas P. Evanson, Senior Vice President/Chief Financial Officer

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF CUSTOMER SERVICE IN APPROVING CONTRACT AMENDMENT NO. 1 IN CONNECTION WITH METER READING SERVICES

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the actions of the Vice President of Customer Service in approving Contract Amendment No. 1 of the service contract between Olameter Corporation and the San Antonio Water System (the “System”) associated with third party meter reading. It further approves expenditures of additional funds in an amount not to exceed $98,724.15 from the System’s Fund associated with the additional project work.

- Through Field Operations, the System provides meter reading and consumption data for billing of all water and reuse water customers.

- In 2015, System staff recommended to the Board that third party meter reading would be beneficial to assist our efforts to minimize the number of estimated meter readings and to obtain more accurate data. This recommendation was approved by the Board on October 6, 2015 through Resolution No. 15-232 and provided for the transfer of work consisting of 3,000 meter per day.

- During the last several months, the organization experienced significant employee turnover in the Field Operations section, rendering their ability to maintain service levels and mitigate estimations extremely challenging.

- As a result of this potential service gap, in March 2016, the Vice President of Customer Service in consultation with the Chief Financial Officer, authorized Olameter Corporation to proceed with Contract Amendment No. 1. This was done to ensure that there was not a significant increase in the number of estimated meter reads. Contract Amendment No. 1 provides for the transfer from the System to Olameter Corporation additional project work consisting of approximately 3,500 meters per day. This brings the total number of reads being provided to Olameter Corporation to approximately 6,500 per day.
Ratification of Contract Amendment No. 1
Meter Reading Services

- Contract Amendment No. 1 also approves additional funds to the original contract of an amount not to exceed $98,724.15 which represents a 25% increase to the contract that is the maximum allowable amount for this contract.

- The current contract expires on October 31, 2016 and with the additional meter reading services, the contract will be funded until mid-July 2016. The addition of the $98,724.15 will allow the contract to continue until early September 2016.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Funds have been budgeted in 2016 in the System Fund for this work. The System Fund will finance the amount of $98,724.15, for contract services (Company: 1000, Account Unit: 5017600, Account: 511312).

Agnes G. Barard
Vice President, Customer Service

Douglas P. Evanson
Senior Vice President/Chief Financial Officer

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF CUSTOMER SERVICE IN APPROVING CONTRACT AMENDMENT NO. 1, IN AN AMOUNT NOT TO EXCEED $98,724.15 FOR METER READING WORK CONTRACTED WITH OLAMETER CORPORATION; APPROVING THE EXPENDITURES OF ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $98,724.15 FROM THE SYSTEM’S FUND PAYABLE TO OLAMETER CORPORATION FOR CONTRACT AMENDMENT NO. 1; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CONTRACT AMENDMENT NO. 1 AND TO PAY OLAMETER CORPORATION AN AMOUNT NOT TO EXCEED $98,724.15 FOR THE ADDITIONAL WORK ASSOCIATED WITH CONTRACT AMENDMENT NO. 1; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Field Operations section provides meter reading and consumption data for billing of all San Antonio Water System (the “System”) water and reuse water customers; and

WHEREAS, the System currently obtains just under approximately 500,000 manual meter readings each month. These figures are expected to increase over the next several years due to growth of the city and surrounding areas; and

WHEREAS, in 2015, the System determined that staff was unable to obtain reads on all accounts, which caused a higher number of estimated reads to be applied to customer accounts; and

WHEREAS, to mitigate estimated reads, the System solicited competitive bids to select a third party vendor to provide meter reading services in order to leverage efficiencies, obtain more accurate data, and to minimize the number of estimated meter readings; and

WHEREAS, on October 6, 2015, the Board of Trustees, through Resolution No. 15-232, awarded a services contract to Olameter Corporation in the amount of $394,897.00 for a period ending on or before October 31, 2016 for meter reading services; and

WHEREAS, Field Operations has experienced significant attrition, making it extraordinarily difficult to internally maintain service levels and mitigate estimations; and
WHEREAS, the System is in immediate need of alternatives to ensure continuity to the community we serve; and

WHEREAS, Olameter Corporation has the capability of supporting the System in maintaining service levels by taking on the workload of an additional seven (7) meter readers or the equivalent of 3,500 meters per day (“additional project work”); and

WHEREAS, Contract Amendment No. 1 in the amount of $98,724.15 provides for additional funding for this project work; and

WHEREAS, the additional project work cost exceeds the amount available in the contract; and

WHEREAS, the contractor was authorized to proceed with Contract Amendment No. 1 in the interest of ensuring one of the System’s core functions continues as seamlessly, and without interruption, as possible; and

WHEREAS, the total amount of $98,724.15 is available from the System’s Fund for related expenses; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) ratify the actions of the Vice President of Customer Service in approving Contract Amendment No. 1, in an amount not to exceed $98,724.15 for meter reading work contracted with Olameter Corporation; (ii) approve the expenditures of additional funds in an amount not to exceed $98,724.15 from the System’s Fund payable to Olameter Corporation for Contract Amendment No. 1; and (iii) authorize the President/Chief Executive Officer or his duly appointed designee to execute Contract Amendment No. 1 and to pay Olameter Corporation an amount not to exceed $98,724.15 for the additional work associated with Contract Amendment No. 1; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the actions of the Vice President of Customer Service in approving Contract Amendment No. 1, in an amount not to exceed $98,724.15, payable to Olameter Corporation for additional project work in connection with third party meter reading are hereby ratified.

2. That a sum not to exceed $98,724.15 for Contract Amendment No. 1 is hereby made available and is to be expended from the System’s Fund.

3. That that President/Chief Executive Officer or duly appointed designee is hereby authorized to execute Contract Amendment No. 1 and to pay Olameter Corporation an additional amount not to exceed $98,724.15 for the additional project work in connection with third party meter reading.
4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution shall take effect immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

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Berto Guerra, Jr., Chairman

ATTEST:

_______________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Sam Mills, P.E., Director, Development, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVAL OF CHANGE ORDER NO. 2 IN CONNECTION WITH THE SERVICE CONTRACT FOR THE INSTALLATION, METERING, AND REMOVAL OF WASTEWATER FLOW METERS THROUGHOUT BEXAR COUNTY

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 2 for the service contract with Hach Company and authorizes funds in the amount not to exceed $600,067.28 for the period of May 14, 2016 through May 14, 2017 for additional Wastewater Flow Metering Services.

- On May 14, 2013, by Resolution No. 13-142, the San Antonio Water System’s (the “System”) Board of Trustees awarded a Service Contract to Hach Company for the period of May 14, 2013 to May 14, 2017 in an amount not to exceed $4,876,715.00 to perform flow monitoring services, which included the installation of 220 flow meters and 32 rain gauges with the intent to reduce the number of flow meters to a maximum of 40 after the first three years of the contract, provided flow metering data is successfully recorded and collected.

- Change Order No. 1 provided for a modification to Section 1.04 “Relocation of Equipment” of the contract to include “resets” at a unit price in the amount of $375.00, which is 50 percent of the contract unit price of $750.00 for flow meter “relocations”.

- The proposed Change Order No. 2, in the amount of $600,067.28, will provide for the continued availability of 220 existing flow meters through the fourth year of the contract.

- The proposed Change Order No. 2 will also extend the availability of the 220 existing flow meters into the two one-year extension options included in the current contract with Hach Company at prices not to exceed those in the contract.

- The proposed Change Order No. 2 allows the System to sustain the current level of flow monitoring services by continuing to measure wet and dry weather flows at 220 locations within the existing wastewater collection system until the end of the initial contract period. While the original intent was to reduce the flow meters to a maximum of 40 after the first three years of the contract, the System identified a need to keep the number of
flow meters at the original 220 in order to more effectively track the progress of inflow/infiltration reduction efforts that were recently initiated, and field validation of hydraulic parameters at potential capacity remediation locations as part of the Basin Planning Consultant study.

- The System currently has flow meters and rain gauges installed to maintain requirements with the current Consent Decree. The data collected by these flow monitors and rain gauges will improve our understanding of dry and wet weather hydraulic conditions, enhance our ability to operate the wastewater collection system, and support the Sanitary Sewer Overflow Reduction Program.

- System staff will assess whether to extend the contract or advertise and procure flow monitoring services through a new contract before the end of the Hach Company initial contract period.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The services will be paid from the System Fund budgeted in the 2016/2017 budget (Company: 1000, Accounting Unit: 5044600, Account: 511312). Total value of this action is $600,067.28.

Expenditures for future fiscal years are hereby authorized to be made available pursuant to and contingent on Board approval of future budgets with a line item for such expenditures.

The following table summarizes authorizations:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
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<tr>
<td>Original Contract Amount (Resolution No. 13-142)</td>
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<tr>
<td>Change Order No. 1</td>
</tr>
<tr>
<td>Proposed Change Order No. 2</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>
Approval of Change Order No. 2
Service Contract for Installation, Metering, and Removal
Wastewater Flow Metering Services

Sam Mills, P.E.
Director
Development

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AUTHORIZING A SERVICE CONTRACT CHANGE ORDER NO. 2 TO HACH COMPANY, IN AN AMOUNT NOT TO EXCEED $600,067.28, FOR THE WASTEWATER FLOW METERING SERVICES PROJECT; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $600,067.28 FROM THE SYSTEM FUND FOR WASTEWATER FLOW METERING SERVICES IN CONNECTION WITH THE PROJECT WORK AND THAT EXPENDITURES FOR SUBSEQUENT YEARS BE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF SUBSEQUENT YEAR'S BUDGET WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER NO. 2 TO THE SERVICE CONTRACT WITH HACH COMPANY, AND TO PAY HACH COMPANY AN AMOUNT NOT TO EXCEED $600,067.28 FOR THE ADDITIONAL WASTEWATER FLOW METERING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the "System") endeavors to optimize the planning, engineering, operation, and maintenance of its wastewater system; and

WHEREAS, the System acknowledged the need for the Wastewater Flow Metering Services project to investigate the level of inflow and infiltration (I&I), to assist in calibrating the hydraulic model, which is used for developing growth related infrastructure, and to be used as a warning tool for main surcharging and sanitary sewer overflows (SSO's); and

WHEREAS, On May 14, 2013, by Resolution No. 13-142, the System’s Board of Trustees awarded a Service Contract to Hach Company in the amount of $4,876,715.00 for the period of May 14, 2013 to May 14, 2017, with the availability of two one-year options to extend, to perform flow monitoring services, which included the installation of 220 flow meters and 32 rain gauges with the intent to reduce the number of flow meters to a maximum of 40 after the first three years of the contract provided flow metering data is successfully recorded and collected; and

WHEREAS, Change Order No. 1 provided for a modification to Section 1.04 “Relocation of Equipment” of the contract to include “resets” at a unit price in the amount of $375.00, which is 50 percent of the contract unit price of $750.00 for flow meter “relocations” and
WHEREAS, the proposed Change Order No. 2, in the amount of $600,067.28, will provide for the continued availability of 220 existing flow meters through the fourth year of the contract; and

WHEREAS, the proposed Change Order No. 2 will also extend the availability of the 220 existing flow meters into the two one-year extension options included in the current System’s contract with Hach Company at prices not to exceed those quoted in the contract; and

WHEREAS, the System desires to authorize the expenditure for services to the Hach Company in connection with Change Order No. 2, in an amount not to exceed $600,067.28 for the continued availability of 220 existing flow meters through the final year of the regular contract, currently scheduled to reduce availability from 220 down to 40 meters; and

WHEREAS, the amount not to exceed $600,067.28 is available from the System Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to authorize approval of Change Order No. 2 to Hach Company in an amount not to exceed $600,067.28 for the Wastewater Flow Metering Services Contract, (ii) to authorize expenditures in an amount not to exceed $600,067.28 from the System Fund for services in connection with the project work, and that expenditures for subsequent years be pursuant to and contingent upon Board approval of subsequent year’s budget with a line item for such expenditures, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Change Order No. 2 with Hach Company, and to pay Hach Company an amount not to exceed $600,067.28 for the additional services in connection with the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Change Order No. 2 is hereby authorized to Hach Company, in an amount not to exceed $600,067.28 to provide for service, in connection with the Wastewater Flow Metering Services project.

2. That the sum not to exceed $600,067.28 for Change Order No. 2 services in connection with the project work is hereby made available and is to be expended from the System Fund, and that expenditures for subsequent years be pursuant to and contingent upon Board approval of subsequent year’s budget with a line item for such expenditures.

3. That the President/Chief Executive Officer, or his duly appointed designee, is hereby authorized to execute Change Order No. 2 with Hach Company, and to pay Hach Company an amount not to exceed $600,067.28 for additional services in connection with the Wastewater Flow Metering Services project.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as
required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May 2016.

__________________________________
Berto Guerra Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees  
FROM: Margarita Hubbard, Interim Chief of Information Systems, and Douglas P. Evanson, Senior Vice President/Chief Financial Officer  
THROUGH: Robert R. Puente, President/Chief Executive Officer  
SUBJECT: AUTHORIZING EXPENDITURES FOR A ONE TIME PURCHASE OF ARUBA WIRELESS EQUIPMENT AND SERVICES FOR THE NORTH AND WEST SERVICE OPERATIONS CENTERS  

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the one time purchase for Aruba Wireless Equipment and Services through the State of Texas Department of Information Resources (DIR) Contract, DIR-TSO-2701, for the North and West Service Operations Centers from Solid IT Networks for an amount not to exceed $77,474.76.

This purchase will provide the wireless access points, controllers and services required to provide wireless network access at the new North and West Service Operation Centers.

FINANCIAL IMPACT:

Funds will be made available from the System Fund. The one time purchase amount is not to exceed $77,474.76. This equipment is for the new North and West Service Operations Centers and will provide a $25,000.00 cost savings over the next five years by reducing our support and licensing cost verse purchasing equivalent Cisco Wireless equipment and services. These cost savings are based just on the replacement of the wireless equipment at the new service centers, but an additional cost saving of up to $20,000.00 a year could be realized as our existing wireless equipment is replaced with Aruba over the next few years.

The item will be paid from System funds budgeted in the 2016 budget:

- Company: 1400, Accounting Unit: 1000095, Account: 150000 - $22,880.69
- Company: 1400, Accounting Unit: 1000096, Account: 150000 - $22,880.69
- Company: 1000, Accounting Unit: 1000005, Account: 140001 - $19,760.12
- Company: 1000, Accounting Unit: 5021700, Account: 511381 - $11,953.26

For a total not to exceed $77,474.76.

Margarita Hubbard  
Interim Chief of Information Systems

Douglas P. Evanson  
Sr. Vice President/Chief Financial Officer
Authorization of the Expenditures  
For Aruba Wireless Equipment and Services

APPROVED:

[Signature]

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING EXPENDITURES FOR THE ONE TIME PURCHASE OF ARUBA WIRELESS EQUIPMENT AND SERVICES THROUGH THE STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES CONTRACT, DIR-TSO-2701, THROUGH RESELLER SOLID IT NETWORKS FOR THE NORTH AND WEST SERVICE OPERATIONS CENTERS FOR AN AMOUNT NOT TO EXCEED $77,474.76. FROM THE SYSTEM FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH SOLID IT NETWORKS AND TO PAY AN AMOUNT NOT TO EXCEED $77,474.76 FOR THE ONE TIME PURCHASE OF ARUBA WIRELESS EQUIPMENT AND SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the State of Texas Department of Information Resources (DIR) provides statewide leadership and oversight for management of government information and communications technology; and

WHEREAS, contracts may be used by state and local government, public education, other public entities in Texas, as well as public entities outside the state; and

WHEREAS, Solid IT Networks offers Aruba Wireless equipment and services, through the DIR-TSO-2701 contract with purchase orders going directly to authorized reseller; and

WHEREAS, the DIR-TSO-2701 contract specifies minimum pricing and discounts off of Aruba Price List; and

WHEREAS, the San Antonio Water System’s (the “System”) Information Systems Department will use Aruba Wireless equipment and services to provide wireless network connectivity to the North and West Service Operations Centers, which includes wireless controllers, wireless access points, security authorization, and guest services for indoor and outdoor client connectivity; and

WHEREAS, the total purchase is not to exceed $77,474.76 and is available from the System Fund; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to authorize the one time purchase from Solid IT Networks in an amount not to exceed $77,474.76 for Aruba Wireless equipment and services, (ii) to authorize the expenditures in an amount not to exceed $77,474.76 from the 2016 System Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Solid IT Networks and to make payment to Solid IT Networks in the amount of $77,474.76 for the Aruba Wireless equipment and services; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the one time purchase of Aruba Wireless equipment and services from Solid IT Networks in an amount not to exceed $77,474.76 is hereby authorized.

2. That the expenditure of funds in the amount not to exceed $77,474.76 for the one time purchase of Aruba Wireless equipment and services from the 2016 System Fund is hereby authorized.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with Solid IT Networks and to pay Solid IT Networks an amount not to exceed $77,474.76 for the one time purchase of Aruba Wireless equipment and services for the North and West Service Operations Center.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This Resolution is effective immediately upon passage of this resolution.

PASSED AND APPROVED this on the 3rd day of May, 2016.

Berto Guerra, Jr., Chairman
ATTEST:

Ernesto Arrellano Jr., Secretary
TO: San Antonio Water System Board of Trustees
FROM: Nancy Belinsky, Vice President and General Counsel
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AUTHORIZATION TO FILE AN AMICUS BRIEF IN PUC DOCKET NO. 42862 AT THE PUBLIC UTILITY COMMISSION OF TEXAS REGARDING THE APPEAL OF THE WATER AND SEWER RATES OF THE TOWN OF WOODLOCH

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the filing of an Amicus Brief in the subject administrative matter pending before the Public Utility Commission (PUC).

- On March 7, 2016, the PUC entered an order in Docket 42862, which is an appeal of water and sewer rates charged by the Town of Woodloch.

- On March 28, 2016, the Town of Woodloch filed a motion for rehearing complaining that the PUC order improperly directs the Town of Woodloch to change its inside the city limit (ICL) rates.

- The parties have been directed to brief the issue regarding the PUC's jurisdiction over ICL rates.

- Pursuant to Texas Water Code Section 13.042, the PUC has no inherent jurisdiction over ICL rates and services.

- The San Antonio Water System (the “System”) is not currently a party in this administrative proceeding; however, staff believes that the matter poses a potential risk to the interests of the City of San Antonio and the System.

- Staff believes that the System’s interests can be best protected in these proceedings by filing an Amicus Brief. Staff will also pursue the cooperative participation by other cities and the Texas Municipal League.

Staff recommends approval of the resolution.
FINANCIAL IMPACT:

Staff anticipates nominal expenditures for legal services to file an Amicus Brief. Funds for this expenditure are available in the Legal Department’s current budget.

Nancy Belinsky  
Vice President and General Counsel  

APPROVED:

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AUTHORIZING THE FILING OF AN AMICUS BRIEF IN PUC DOCKET NO. 42862 AT THE PUBLIC UTILITY COMMISSION OF TEXAS REGARDING THE APPEAL OF THE WATER AND SEWER RATES OF THE TOWN OF WOODLOCH; FURTHER AUTHORIZING THE SYSTEM’S GENERAL COUNSEL TO TAKE ALL NECESSARY ACTION RELATING TO SUCH AMICUS BRIEF; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on March 7, 2016, the Public Utility Commission of Texas (PUC) entered an order in Docket 42862, which is an appeal of water and sewer rates charged by the Town of Woodloch (the “Administrative Matter”); and

WHEREAS, on March 28, 2016, the Town of Woodloch filed a motion for rehearing complaining that the PUC order improperly directs the Town of Woodloch to change its inside the city limit (ICL) rates; and

WHEREAS, the parties have been directed to brief the issue regarding the PUC’s jurisdiction over ICL rates; and

WHEREAS, pursuant to Texas Water Code Section 13.042, the PUC has no inherent jurisdiction over ICL rates and services; and

WHEREAS, the San Antonio Water System (the “System”) is not currently a party in this proceeding; however, staff believes that this administrative matter poses a potential risk to the interest of the City of San Antonio and the System; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) authorize the filing of an Amicus Brief in this Administrative Matter, (ii) authorize the System’s General Counsel to take all necessary legal action relating the filing of the Amicus Brief, and (iii) authorize staff to pursue the cooperative participation by the Texas Municipal League or other cities; now therefore;

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That an Amicus Brief by the System in PUC Docket No. 42862, regarding the appeal of water and sewer rates charged by the Town of Woodloch, at the Public Utility Commission of Texas, is hereby authorized to be filed.
2. That the System’s General Counsel or her designee is hereby further authorized to take all necessary action relating to the filing of the Amicus Brief in the Administration Matter, and any future appeal or other administrative or judicial proceeding related thereof, as may be required.

3. That the System’s staff is hereby authorized to pursue the cooperative participation of the Texas Municipal League or any other city that could be adversely impacted by a Commission decision in the Administrative Matter.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Douglas P. Evanson, Senior Vice President/Chief Financial Officer

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: RESOLUTION ESTABLISHING SAWS RATE SET DATE FOR DETERMINATION OF THE FINAL BENCHMARK RATE PURSUANT TO THE WATER TRANSMISSION AND PURCHASE AGREEMENT BETWEEN SAN ANTONIO WATER SYSTEM AND ABENGOA VISTA RIDGE, LLC

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution requests authorization to deliver a notice of intent to establish the Final Benchmark Rate to Abengoa Vista Ridge, LLC ("AVR") in accordance with the provisions of the Water Transmission and Purchase Agreement ("WTPA") between San Antonio Water System ("SAWS" or "System") and AVR as well as to establish such Final Benchmark Rate.

- On November 4, 2014, SAWS and AVR executed the WTPA under which AVR would design and develop a wellfield and pipeline from the Carrizo and Simsboro Aquifers in Burleson County to transport and deliver up to 50,000 acre-feet of water per year to San Antonio.

- The WTPA provides that the Capital and Raw Groundwater Unit Price for each Contract Year is to be $1,852 per acre-foot, with such amount to be adjusted based on the Final Benchmark Rate established pursuant to the terms of the WTPA. The Final Benchmark Rate is calculated based upon prevailing market rates of interest at the time of the determination of such rate.

- The WTPA allows SAWS to designate the date for the determination of the Final Benchmark Rate during a "SAWS Decision Period" which runs from May 4, 2016 to May 4, 2017 subject to the provision of at least 7 business days advance written notice.

- Given the historically low interest rate environment which exists at present, staff believes it to be financially prudent to determine the Final Benchmark Rate as quickly as possible under the WTPA.

- In order to carry out the steps necessary to determine the Final Benchmark Rate as
quickly as possible, it is also being requested that the Board delegate authority to the Board Chairman, as well as the System's President/Chief Executive Officer and the Senior Vice President/Chief Financial Officer, to take such actions necessary to effectuate the determination of the Final Benchmark Rate.

- While there may be some level of interest rate volatility prior to the ultimate determination of the Final Benchmark Rate, it is likely that this rate will be significantly lower than the originally contemplated 5.54% which corresponded to the $1,852 per acre-foot Capital and Raw Groundwater Unit Price cited in the WTPA. In order to provide some sense as to the potential range of the Final Benchmark Rate and the corresponding Capital and Raw Groundwater Unit Price the table below summarizes the maximum and contract rate and price stipulated in the WTPA as well as the approximate calculated rate and price as of various points in time:

<table>
<thead>
<tr>
<th>DATE/CONTRACTUAL</th>
<th>DETERMINED RATE</th>
<th>UNIT PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum</td>
<td>6.04%</td>
<td>$1,959</td>
</tr>
<tr>
<td>Contract</td>
<td>5.54%</td>
<td>$1,852</td>
</tr>
<tr>
<td>2/18/2015</td>
<td>4.55%</td>
<td>$1,695</td>
</tr>
<tr>
<td>7/22/2015</td>
<td>4.97%</td>
<td>$1,760</td>
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<tr>
<td>2/19/2016</td>
<td>4.45%</td>
<td>$1,680</td>
</tr>
<tr>
<td>3/7/2016</td>
<td>4.59%</td>
<td>$1,702</td>
</tr>
<tr>
<td>4/28/2016</td>
<td>4.23%</td>
<td>$1,645</td>
</tr>
</tbody>
</table>

- Assuming delivery of the full 50,000 acre-feet of water, the total annual cost of the water before O&M and Power would currently (as of 4/28/2016) be $15,700,000 less than the maximum and $10,350,000 less than the contract amount referenced in the WTPA. Over the projected 30 year life of the contract, this represents total savings of approximately $471 million and $311 million, respectively.

Staff recommends approval of this Resolution.

**FINANCIAL IMPACT:**

- There is no current year financial impact as a result of this action.

**SUPPLEMENTAL INFORMATION:**

The System's co-financial advisory team of Public Financial Management and Estrada Hinojosa, as well as the System's primary bond counsel Norton Rose Fulbright, assisted staff in the formulation of this recommendation.
Establishment of SAWS Rate Set Date

Douglas P. Evanson
Senior Vice President/Chief Financial Officer

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO. ____________

A RESOLUTION OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ESTABLISHING SAW'S RATE SET DATE FOR DETERMINATION OF THE FINAL BENCHMARK RATE PURSUANT TO AND DESCRIBED IN THE WATER TRANSMISSION AND PURCHASE AGREEMENT BETWEEN THE CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES, AND ABENGOA VISTA RIDGE, LLC AND ADDRESSING OTHER MATTERS RELATING TO THE FOREGOING

WHEREAS, the City Council (the City Council) of the City of San Antonio, Texas (the City) previously established a component unit of the City known as the San Antonio Water System (the SAWS or the System) for the purpose of operating and maintaining the City’s water and wastewater utility system, which component unit is under the management and control of the Board of Trustees (the Board) established and created pursuant to the provisions of Ordinance No. 75686, adopted by the City Council on April 30, 1962; and

WHEREAS, the City and the Board have long been aligned in the belief that diversification of the City’s water supply is essential to the continued preservation of the health, safety, and welfare of the residents of the City; and

WHEREAS, in an effort to achieve significant diversification of the City’s water supply, the Board, on January 14, 2011, solicited requests for competitive sealed proposals for the provision and delivery of alternative water supplies for the purpose of meeting the System’s water supply needs (the Solicitation); and

WHEREAS, in response to the Solicitation, the Board received nine responses, from which three finalists were selected and reviewed prior to determining that the proposal of the Vista Ridge Consortium presented the most advantageous possibility for the City obtaining an alternative water source; and

WHEREAS, by Resolution No. 14-181, on July 1, 2014, the Board formally selected the water supply proposal of the Vista Ridge Consortium as the most advantageous to the System, subject to negotiation of an acceptable contract and receipt of City Council support; and

WHEREAS, at the conclusion of a series of publically-held negotiation meetings of a committee of the Board, a final Water Transmission and Purchase Agreement (the WTPA), between Abengoa Vista Ridge, LLC (Abengoa Vista Ridge) and the City, acting by and through the Board, was approved by the Board by Resolution No. 14-249 and No. 14-269 adopted on September 29, 2014 and October 15, 2014, respectively (together, the Board Resolution); and

WHEREAS, the Board Resolution authorizes the Board Chairman and/or the System’s President and Chief Executive Officer to further execute all other documents and agreements required by the WTPA after the City Council’s approval, and the System is further directed, pursuant to the Board Resolution, to carry out all of its duties, obligations, and requirements.
under any ancillary agreements and any other documents and agreements required under the WTPA; and

WHEREAS, in the Board Resolution, the Board requested the City Council’s approval of the WTPA; and

WHEREAS, the WTPA authorized commencement of the exploration, design, and development of a wellfield and pipeline from the Carrizo and Simsboro Aquifers located in Burleson County to Bexar County (the Project), to transport and deliver up to 50,000 acre-feet of water per year to City residents and, thereby, decreasing the region’s reliance on the Edwards Aquifer and providing an additional source of water for System customers generally over a 30-year time span; and

WHEREAS, at the Board’s request, the City Council, by Ordinance No. 2014-10-30-0818 (the Ordinance) adopted on October 30, 2014, approved the WTPA and the terms contained therein, and City Council officials executed the WTPA on November 4, 2014 (the Contract Date); and

WHEREAS, the WTPA provides that the Capital and Raw Groundwater Unit Price for each Contract Year shall be $1,852 per acre foot, such amount to be adjusted based on the Final Benchmark Rate established pursuant to the terms of the WTPA; and

WHEREAS, the WTPA permits S. Wes during the SAWSS Decision Period (being a period of time commencing on May 4, 2016 and concluding on May 4, 2017), and after delivery of requisite notice to Abengoa Vista Ridge, to establish the Final Benchmark Rate in accordance with the applicable terms of the WTPA; and

WHEREAS, the Board, after careful consideration of the municipal capital market currently experiencing historically low interest rates, the importance of the System’s related goals of protecting the Edwards Aquifer, while continuing to serve as a national leader in conservation, and minimizing the impact of the Project on ratepayers (particularly those in need), along with the commencement of the SAWSS Decision Period, now desires to establish the Final Benchmark Rate as quickly as permissible under the WTPA; and

WHEREAS the Board hereby finds and determines that the adoption of this Resolution is in the best interests of the residents of the City and the System’s customers; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM THAT:

SECTION 1. Final Benchmark Rate Prerequisites. In recognition of the commencement of the SAWSS Decision Period and the Board’s desire to expeditiously establish the Final Benchmark Rate, the Board hereby authorizes delivery of notice of its intent to establish the Final Benchmark Rate to Abengoa Vista Ridge, in substantially the form attached hereto as Exhibit A, pursuant to and in accordance with the provisions of the WTPA.
SECTION 2. Establishment of Final Benchmark Rate. The Board hereby authorizes and directs that its authority to establish the Final Benchmark Rate under the WTPA be exercised pursuant to and in accordance with the applicable terms of the WTPA.

SECTION 3. Delegation Authority. The Board hereby delegates to each of the Board Chairman, the President and Chief Executive Officer of the System, and the Senior Vice President and Chief Financial Officer of the System (each, an Authorized Official) the authority to take such action, including the authority to execute any necessary documentation, to effectuate the authorizations and directives of the Board made in Sections 1 and 2 above. Any action taken by an Authorized Official to effectuate such provisions shall serve as the act and deed of the Board for any and all purposes.

SECTION 4. Time of the Essence. Because of the significant financial impact to the System and its ratepayers that may result from interest rate movement, and the volatility of the municipal capital markets pursuant to which those interest rates are established, the Board hereby directs that the actions hereunder approved be taken in such a manner that will permit the establishment of the Final Benchmark Rate on the earliest possible date during the SAWS Decision Period that is permitted under and in accordance with the applicable terms and provisions of the WTPA.

SECTION 5. Essentiaity of Water Resources. The Board hereby affirms its position that the Project water to be made available pursuant to the WTPA is necessary and essential to the present and future operation and planning of the System, in order to produce water resources to meet the current and projected needs of the System’s customers.

SECTION 6. Inconsistent Provisions. All resolutions and ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters ordained herein.

SECTION 7. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 8. Severability. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 9. Definition of Terms. Capitalized terms used herein without definition shall have the meaning ascribed thereto in the WTPA.

SECTION 10. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals and other statements therein are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.
SECTION 11. **Public Meeting.** It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 12. **Effective Date.** This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

* * *

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36180820.5

-4-
PASSED AND APPROVED this 3rd day of May, 2016.

Berto Guerra, Jr., Chairman

ATTEST:

Ernesto Arrellano Jr., Secretary
EXHIBIT A

Form of Notice to Abengoa Vista Ridge
NOTICE TO ABENGOA VISTA RIDGE, LLC
REGARDING ESTABLISHMENT OF THE SAWS RATE SET DATE
FOR THE PURPOSE OF DETERMINING THE FINAL BENCHMARK RATE

DATED MAY __, 2016

NOTICE IS HEREBY GIVEN that the San Antonio Water System (SAWS), under the
Water Transmission and Purchase Agreement (the WTPA), executed November 4, 2014, between
the City of San Antonio, Texas, acting by and through the SAWS Board of Trustees (the Board),
intends to exercise its right to determine the Final Benchmark Rate on ___ day, ______, 2016
(which is a date that (i) occurs during the SAWS Decision Period that commences on May 4,
2016 and concludes on May 4, 2017, (ii) is at least seven (7) Business Days from the date of this
Notice, and (iii) shall constitute the SAWS Rate Set Date under the WTPA).

This Notice is provided pursuant to Board resolution thereby adopted on May 3, 2016, as
required under and in accordance with the applicable terms and provisions of the WTPA, and
serves as the requisite notification to the Abengoa Vista Ridge, LLC, as the “Project Company”
under the WTPA, of SAWS’ intent to determine the Final Benchmark Rate on the established
SAWS Rate Set Date. Reference is made to the WTPA for definition of capitalized, but
undefined, terms used in this Notice, as well as for operative provisions concerning the
establishment of the Final Benchmark Rate and the impacts thereof (any and all of which
provisions of the WTPA are incorporated herein by reference for all purposes).

This Notice is revocable by SAWS, in its sole and absolute discretion, by delivery of
written notice of such revocation to the Project Company at any time up to the establishment of
the Final Benchmark Rate (notice of which revocation may occur on the SAWS Rate Set Date
identified above). For the avoidance of doubt, the delivery of this Notice to the Project Company
does not obligate SAWS to establish the Final Benchmark Rate on the SAWS Rate Set Date
identified herein (determination of which remains within the discretion of SAWS, pursuant to the
WTPA).

/s/
Chairman, Board of Trustees
San Antonio Water System

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A-2
AGENDA ITEM NO. __36__

TO: San Antonio Water System Board of Trustees

FROM: Sam Mills, P.E., Director, Development, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AUTHORIZATION TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS FOR THE DEVELOPMENT OF INTERCONNECTIONS FOR WATER SERVICES TO JOINT BASE SAN ANTONIO

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves an Interlocal Agreement with the Alamo Area Council of Governments (AACOG) to reimburse the San Antonio Water System (the “System”) in connection with the development of water services to Joint Base San Antonio (JBSA) in support of military value due to increased and changed military missions, and in support of existing and future potential additional military missions. The project work includes providing infrastructure improvements and interconnection opportunities for Camp Bullis, Fort Sam Houston, Lackland AFB, Lackland Training Annex (also known as Medina Annex), and Security Hill.

- On October 6, 2015, the System’s Board of Trustees, by Resolution No. 15-234, gave support of a plan to partner with various entities to support the development of water services to JBSA in support of the military. Staff was directed to continue to refine the plan and to present any agreements to the System’s Board of Trustees for consideration and approval.

- The System, the City of San Antonio, and JBSA have been working with other partners over the past year to develop a comprehensive approach to bringing adequate infrastructure and water supplies to the bases and have developed solutions that can be executed quickly.

- Five projects have been identified and are estimated to have a maximum water use of 4,598 acre-feet. This amount of water is planned to be made available in the System’s Water Management Plan.

- The total for all five projects is estimated to be $10.1 million of infrastructure costs, and over $5 million in impact fees.
AACOG, with the assistance of all parties, successfully obtained a state grant through the Texas Military Preparedness Commission (TMPC) called the Defense Economic Adjustment Assistance Grant (DEAAG) to help pay up to $5 million for some of these projects.

These important projects have been lauded by the military community and the JBSA commander, and they have expressed great support for the projects, their added military value, and the approach to achieve State assistance through the DEAAG fund.

An Interlocal Agreement between the System and AACOG is required for construction work costs and design fees to be reimbursed to the System.

Staff recommends that the Board approve this resolution.

**SUPPLEMENTARY COMMENTS:**

Camp Bullis has state of the art training and operational support functions. The System proposes to install about 1,700 feet of water main. JBSA will build infrastructure on base to interconnect to the system to begin serving as their primary source of water securing the base’s water future. The approximate cost would be $1.2 million, with about half of the costs to be covered through other entities.

Fort Sam Houston is a critical part of San Antonio, particularly with a Level One Trauma Center and with the nation’s leading burn center. The System proposes to build 2,900 feet of water main to four interconnection points around the base at a cost of about $1.2 million. This will allow JBSA the ability to interconnect their system in the future, provide a redundant source, and ensure that drought restrictions do not hinder any military mission.

Lackland Training Annex, or Medina Annex, is very similar to Camp Bullis. The System proposes to build about 250 feet of water main to one interconnection point at a cost of about $300,000.00.

Lackland AFB is the gateway to the Air Force, hosting all enlisted personnel through basic training. The System proposes to build about 1,600 feet of water main to three interconnections around the base at a cost of about $870,000.00.

Security Hill Project is home to critical cybersecurity and intelligence missions, and also impacts Port San Antonio. The entire project will build 14,000 feet of water main at a cost of about $6.6 million, about $2.1 million of which is directly for Security Hill.

The total estimated infrastructure cost for all five projects is approximately $10.1 million. AACOG will purchase approximately $200,000.00 in infrastructure for on-base construction, leaving $4.8 million available to reimburse the System for off-base design and construction expenses.
The System will pay to AACOG from System funds separate and distinct from grant funds an amount not to exceed $125,000 for AACOG’s monitoring, consultation, and accounting review related to the performance of this Agreement and the grant agreement with the State of Texas.

These connections are estimated to generate impact fees of $5.5 million. These fees are a barrier for JBSA, as they have not been budgeted, particularly given sequestration and reductions in spending by Congress. The San Antonio City Council on November 19, 2015, under Ordinance number 2015-11-19-0972, approved for the System to waive the impact fees.

While each project is multi-faceted, and will involve more than one entity, the System’s portion of each newly-proposed project is planned to be built within the public right of way and to be used for public benefit. Newly-proposed JBSA owned projects built inside the fence line of the military bases are planned to be built by other entities and are not planned to be funded by the System.

**FINANCIAL IMPACT:**

Expenditures for the proposed infrastructure for these projects will be paid with funds budgeted in the Capital Improvement Program in 2016 and 2017, and reimbursed up to $4.8 million from the DEAAG grant. Grants through the DEAAG are capped at $5 million, and require a 50/50 match. System funds and the impact fee waivers will be used to match the DEAAG funds.

The System Fund will finance the expenditures included in the 2016 budget in the amount up to $125,000.00 for the monitoring, consultation, and accounting review related to the performance of this Agreement.

Sam Mills, P.E.
Director
Development

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN INTERLOCAL AGREEMENT WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS FOR REIMBURSEMENT TO THE SAN ANTONIO WATER SYSTEM FOR THE CONSTRUCTION WORK COSTS AND DESIGN FEES IN CONNECTION WITH THE DEVELOPMENT OF WATER SERVICES TO JOINT BASE SAN ANTONIO IN SUPPORT OF THE MILITARY; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $125,000.00 FROM THE SYSTEM FUND TO PAY AACOG FOR MONITORING, CONSULTATION, AND ACCOUNTING REVIEW RELATED TO THE PERFORMANCE OF THIS AGREEMENT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS AND TO PAY AACOG UP TO $125,000.00 FOR MONITORING, CONSULTATION, AND ACCOUNTING REVIEW RELATED TO THE PERFORMANCE OF THIS AGREEMENT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on October 6, 2015, the Board of Trustees by Resolution No. 15-234, gave support of a plan to partner with various entities to support the development of water services to Joint Base San Antonio (JBSA) in support of the military. Staff was directed to continue to refine the plan and to present any agreements to the Board of Trustees for consideration and approval; and

WHEREAS, the San Antonio Water System (the “System”), the City of San Antonio, and JBSA have been working with other partners over the past year to develop a comprehensive approach to bringing adequate infrastructure and water supplies to the bases and have developed solutions that can be executed quickly; and

WHEREAS, five projects have been identified and are estimated to have a maximum water use of 4,598 acre-feet, which is planned to be made available in the System’s Water Management Plan; and
WHEREAS, the total infrastructure cost for all five projects is estimated at over $10.1 million, and over $5 million in Impact Fees; and

WHEREAS, the San Antonio City Council approved for the System to waive the $5 million in impact fees; and

WHEREAS, the Alamo Area Council of Governments (AACOG), with the assistance of all parties, has obtained a state grant through the Texas Military Preparedness Commission called the Defense Economic Adjustment Assistance Grant (DEEAG) to help pay for some of these projects up to $5 million; and

WHEREAS, these important projects have been lauded by the military community, and the JBSA Commander, and they have expressed great support for the projects, their added military value, and the approach to achieve State assistance through the DEAAG fund; and

WHEREAS, an Interlocal Agreement between the System and AACOG is required for construction work costs and design fees to be reimbursed to the System; and

WHEREAS, the amount of $125,000.00 is available from the System Fund to pay AACOG for monitoring, consultation, and accounting review related to the performance of this Agreement; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Interlocal Agreement with AACOG for the reimbursement of the construction work costs and design fees in connection with the development of water services to Joint Base San Antonio, (ii) to make available the amount up to $125,000.00 from the System Fund to pay AACOG for monitoring, consultation, and accounting review related to the performance of this Agreement, and (iii) to authorze the President/Chief Executive Officer or his duly appointed designee to execute an Interlocal Agreement with AACOG and to pay AACOG up to $125,000.00 for monitoring, consultation, and accounting review related to the performance of this Agreement; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the Interlocal Agreement with AACOG for the reimbursement to the System for the construction work costs and design fees, in connection with the development of water services to JBSA in support of the military, is hereby approved in substantially the form attached hereto as Attachment I.

2. That the expenditure of funds up to $125,000.00 be made available from the System Fund to pay AACOG for monitoring, consultation, and accounting review related to the performance of this Agreement.
3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an Interlocal Agreement with AACOG and to pay AACOG up to $125,000.00 for monitoring, consultation, and accounting review related to the performance of this Agreement.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary
INTERLOCAL AGREEMENT BETWEEN
THE SAN ANTONIO WATER SYSTEM AND
THE ALAMO AREA COUNCIL OF GOVERNMENTS RELATED TO THE
JOINT BASE SAN ANTONIO PROJECT

This Interlocal Agreement (the “Agreement”) is entered into this ___ day of __________, 2016, by and between SAN ANTONIO WATER SYSTEM, a wholly owned municipal water, wastewater and water recycling utility (“SAWS”) and THE ALAMO AREA COUNCIL OF GOVERNMENTS (“AACOG”), a political subdivision of the State of Texas, pursuant to the Interlocal Cooperation Act, Chapter 791 Government Code.

I. PURPOSE

1.01 SAWS is in the process of constructing several water mains to supply water to the various military facilities collectively known as Joint Base San Antonio (“JBSA”), and herein referred to and identified as the Project. In coordination with SAWS, AACOG successfully obtained a grant from the State of Texas through the Office of the Governor to assist in financing the construction of these mains. All of the SAWS Work is identified in Exhibit A, AACOG’s agreement with the State of Texas, which is attached hereto and made a part of this Agreement as it relates to the work to be performed by, and reimbursed to SAWS. SAWS and AACOG have agreed, as set forth herein, on the terms and conditions pursuant to which the design and construction of SAWS Work on the Project will be completed, and the costs and reimbursements, all as set forth below.

1.02 The purpose of this Agreement is to facilitate the construction of the Project by establishing a reimbursement process whereby AACOG will use the grant funds to reimburse SAWS as the portions of the Project are designed and constructed and the work accepted according to the terms of AACOG’s agreement with the State of Texas.

II. SERVICES

2.01 SAWS Responsibilities.

2.01.1 SAWS or its contractor shall be responsible for obtaining all necessary environmental and other applicable permits, including, without limitation, the City of San Antonio, and the City tree preservation permit for the Project.

2.01.2 SAWS at its expense shall be responsible for obtaining all necessary easement rights for the Project. SAWS shall provide review, coordination, assistance and recommendations regarding all clarifications and change orders to the Project pertaining to or affecting the Project. SAWS shall use its best efforts to avoid change orders affecting the SAWS Work.

2.01.3 SAWS shall be required to obtain AACOG’s prior written approval on any material change in the scope of the Project.

2.01.4 SAWS shall be responsible for having the Project inspected and accepted by all applicable authorities, including the acceptance by the State of Texas as required in Exhibit A.

2.01.5 The SAWS Scope of Work shall be described in such a manner that the payment items for SAWS Work can be distinguished.
2.01.6 SAWS shall include in its Specifications for the Project, the plans and specifications for the Project and shall contract for the performance of the Project.

2.01.7 SAWS shall validate the installed quantities and unit prices on the contractor invoice for the SAWS Work prior to paying the contractor.

2.01.9 SAWS shall submit for reimbursement to AACOG the agreed upon construction cost for the SAWS Work after SAWS has paid the contractor.

2.01.10 SAWS shall ensure compliance with any and all applicable procurement statutes and SAWS rules, regulations and specifications related to the construction of infrastructure. Insofar as the Project concerns the use of AACOG’s grant funds that are reimbursable to SAWS, SAWS agrees to accept all of AACOG’s duties, obligations, and responsibilities as contained in Exhibit A, except for those responsibilities specifically set out below in Section 2.02 of this Agreement and entitled “AACOG Responsibilities”.

2.01.11 SAWS shall cooperate with AACOG to the extent necessary for AACOG to meet its obligations to the State of Texas as contained in Exhibit A. This cooperation includes any post construction review, audits, and inspections.

2.01.13 In the event AACOG has paid grant funds to SAWS for work performed on the Project and such work is subsequently disallowed or for any other reason AACOG is required to refund grant funds to the State of Texas then, SAWS shall promptly refund to AACOG the same amount of money that AACOG was required to refund. To the extent permitted by the State of Texas, AACOG shall give SAWS the opportunity to meaningfully and timely respond to any administrative findings or disallowances issued by the State of Texas. AACOG shall promptly notify SAWS of any administrative findings or disallowance requiring a disallowance, refund, or denial of payment of grant funds. The parties agree they shall fully cooperate with each other to respond to or appeal any disallowance, denial of payment, or finding requiring a refund of grant funds in an effort to preserve AACOG’s contractual right to the grant funds.

2.02 AACOG Responsibilities.

2.02.1 AACOG shall diligently work to prepare all reports and documentation necessary to obtain grant funds from the State of Texas once all required documentation has been received from SAWS for work performed on the Project and for which grant funds are requested.

2.02.2 To the extent grant funds are available, AACOG shall reimburse SAWS all agreed upon design and construction cost for the SAWS Work. In no event shall AACOG’s obligation to reimburse SAWS exceed the amount of grant funds awarded to AACOG in Exhibit A minus grant funds used by AACOG to supply the backflow prevention and pressure reducing valves for the Project, and the pipe, including appurtenances, and all other materials to be used within the Camp Bullis property.

2.03 Design and Construction. SAWS agrees to allow AACOG and its designees access to the Project site to (i) inspect and witness testing of the Project and to determine if the Project is in conformity with the plans, specifications and special provisions applicable thereto and is in good working order, and (ii) verify all quantities used in connection with the Project.

III. COSTS AND FEES
3.01 The amount available to AACOG in grant funds to reimburse SAWS for work performed on the Project shall not exceed $5,000,000.00, however, AACOG shall be entitled to grant fund reimbursements related to AACOG’s purchase of the backflow prevention and pressure reducing valves for the Project, and the pipe, including appurtenances and all other materials and supplies, to be used within the Camp Bullis property, which will be deducted from the $5,000,000.00 in grant funds that are reimbursable to SAWS.

3.02 In consideration of the grant reimbursements that may be received by SAWS, SAWS shall pay to AACOG from its general fund or from funds separate and distinct from grant funds received from AACOG an amount not to exceed $125,000.00 for AACOG’s monitoring, consultation, and accounting review related to the performance of this Agreement. Payment shall be made to AACOG in six quarterly payments as set out in Section 3.04, and in proportion to each SAWS payment in relation to the total amount reimbursable to SAWS, except that SAWS shall pay AACOG within ten (10) days after receiving payment from AACOG. SAWS agrees that no payments to AACOG shall be made from any grant funds that are reimbursed to SAWS for the Project under this Agreement.

3.03 Both Parties find that these amounts fairly compensate the performing party for the services or functions performed hereunder and that those payments are from revenues currently available to SAWS and to AACOG with AACOG’s revenue availability subject to the requirements of Exhibit A.

3.04 SAWS will submit timely and accurate invoices quarterly and shall make every reasonable effort to submit quarterly billings to AACOG, which cover the previous quarter’s expenses, so that they are received by AACOG on or before the tenth (10th) day after the end of each quarter, or if the 10th falls on a weekend or holiday, the next business day. Quarterly reimbursement requests are due: (1) First Quarter – December 10; (2) Second Quarter – March 10; (3) Third Quarter – June 10; (4) Fourth Quarter – September 10. Each invoice provided to AACOG by SAWS shall include copies of contractor’s supporting documentation as required under the contract documents for the construction of the Project and evidence of SAWS prior payment for SAWS Work performed by the contractor.

V. FORCE MAJEURE

5.01 Neither party shall be required to perform any obligation under this Agreement or be liable or responsible for any loss or damage resulting from its failure to perform so long as performance is delayed by force majeure or acts of God, including but not limited to strikes, lockouts or labor shortages, embargo, riot, war, revolution, terrorism, rebellion, insurrection, flood, natural disaster, unforeseen environmental conditions, or interruption of utilities from external causes.

VI. INSURANCE

6.01 Unless otherwise noted in this Agreement, and to the extent that SAWS does not have or maintain insurance or does not have or maintain sufficient insurance, SAWS acknowledges and agrees that SAWS will be solely responsible for any losses or damages related to or caused by the SAWS’s performing its duties and obligations under this Agreement. AACOG will have no obligation to reimburse or otherwise pay SAWS for any costs incurred related to any such losses or damages.

VII. INDEPENDENT CONTRACTOR

7.01 SAWS or SAWS’s employees, representatives, agents and any subcontractors shall serve as an independent contractor in performing the services under this Agreement and shall not be employees of AACOG, the Office of the Governor (“OOG”) or the State of Texas.
VIII. TERMINATION
8.01 Either Party to this Agreement shall have the right to terminate this Agreement in the event the other Party fails to comply with any obligation required pursuant to this Agreement. The terminating Party shall send a written notice of termination to the defaulting Party detailing the obligation with which the defaulting Party failed to comply. The Party in receipt of such notice of termination for cause shall have a period of sixty (60) days to cure the default and perform the obligation as required in the Agreement, failing which, this Agreement shall terminate.

IV. ENTIRE AGREEMENT
9.01 This Agreement supersedes any and all other agreements, either oral or in writing.

X. TEXAS LAW TO APPLY
10.01 This Agreement is performable in Bexar County, Texas and the validity of any of its terms or provisions, as well as the rights and duties of the parties, will be governed by the laws of the State of Texas and venue shall be in Bexar County.

X. SEVERABILITY
11.01 If any provision contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provision and this Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained the Agreement.

XI. AMENDMENT
12.01 In order to be binding, any amendment to this Agreement must be in writing, dated subsequent to the date of this Agreement and duly executed by both parties.

EXECUTED IN DUPLICATE ORIGINALS, this _____ day of ________________, 2016.

SAN ANTONIO WATER SYSTEM

BY: ____________________________
ROBERT R. PUENTE
President/ Chief Executive Officer

ALAMO AREA COUNCIL OF GOVERNMENTS

BY: ____________________________
DIANE RATH,
Executive Director
AGREEMENT FOR THE
DEFENSE ECONOMIC ADJUSTMENT ASSISTANCE GRANT
BETWEEN THE
OFFICE OF THE GOVERNOR,
TEXAS MILITARY PREPAREDNESS COMMISSION
AND
ALAMO AREA COUNCIL OF GOVERNMENTS

STATE OF TEXAS
COUNTY OF TRAVIS

THIS AGREEMENT is between the Office of the Governor, Texas Military Preparedness Commission, P.O. Box 12428, Austin, Texas 78711 (“OOG” or “Grantor”), and Alamo Area Council of Governments, 8700 Tesoro Dr., Suite 700, San Antonio, TX 78217 (“Grantee”). OOG and Grantee are referred to collectively as the “parties.” The parties hereto have severally and collectively agreed and by the execution of this Agreement are bound to the mutual obligations and to the performance and accomplishment of the tasks described herein.

SECTION 1. PURPOSE. This Grant is awarded pursuant to Texas Government Code, Chapter 436, which authorizes OOG to administer the Defense Economic Adjustment Assistance Grant (“DEAAG”) program. The DEAAG program provides state funds to defense communities that have been or may be affected by a base realignment and closure action for the purposes of purchasing property, sharing the costs of infrastructure or redevelopment projects, and the purchase or lease of equipment, including equipment for the training of defense workers.

SECTION 2. TERM OF AGREEMENT. This Agreement will commence February 1, 2016 and will terminate on August 31, 2017, or upon the completion of the Grant Project as described herein, whichever occurs first, unless terminated earlier pursuant to Section 16 of this Agreement.

SECTION 3. PROJECT REQUIREMENTS. Consistent with Section 436.203 of the Texas Government Code, grant proceeds may be used for the purchase of property, new construction, rehabilitation or renovation of facilities or infrastructure, or purchase of capital equipment or facilities insurance, and if applicable, to purchase or lease equipment to train certain workers. Subject to the requirements of applicable law and this Agreement, Grantee may use grant proceeds as cost reimbursement for certain actual, reasonable, and allowable costs that are directly allocable to the Project in accordance with the Grant Project, as further described in Exhibit A (Grant Budget), Exhibit B (Grant Narrative), and the Grantee's DEAAG Grant Application.

SECTION 4. OOG OBLIGATIONS.

A. The OOG shall reimburse the Grantee for the actual and allowable allocable costs incurred by Grantee during the term of this Agreement, subject to the requirements and limitations set forth herein.
B. OOG shall not be liable to Grantee for any costs incurred by Grantee that are not strictly in accordance with the terms of this Agreement.

SECTION 5. MAXIMUM AMOUNT OF GRANT. Notwithstanding any other provision of this Agreement, the total of all grant reimbursement payments and other obligations incurred by OOG under the terms of this Agreement shall not exceed the FIVE MILLION AND NO/100 ($5,000,000.00) DOLLARS. The parties stipulate and agree that any act, action or representation by either party, their agents or employees that purport to increase the liability of the OOG is voidable by the OOG, unless this Agreement is amended.

SECTION 6. GENERAL REQUIREMENTS APPLICABLE TO THE GRANT.

A. Grant funds may be used only for the actual, reasonable, and allowable costs incurred during the term of this Agreement and that are directly allocable to the Project. Grant funds may not be used for the payment of taxes, overtime, overhead, debt repayment, indirect expenses, or administrative expenses.

B. All grant funds will be disbursed on a cost reimbursement basis only. Only costs that have been incurred and paid by the Grantee are eligible for reimbursement. Grant funds are not eligible for use to provide an advance payment to a Grantee or subgrantee.

C. In no case shall the payments made to a Grantee exceed the actual, reasonable, and allowable costs that are directly allocable to the Project costs as identified in the Grant Budget, or the Maximum Amount of Grant as set forth in Section 6 of this Agreement.

D. Pre-award costs incurred prior to the effective date of the Agreement may be allowable only with the written approval of the OOG, and only to the extent that they would have been allowable if they had been incurred after the date of the award.

E. All costs must be allowable in accordance with the purposes authorized by Texas Government Code, Chapter 436, the DEAAG Administrative Rules (Title I, Texas Administrative Code, Subchapter B), this Agreement, the Grant Budget, and other applicable law.

F. The grants are subject to the requirements of applicable state law, regulations, and policies, including, but not limited to, Texas Government Code Chapter 783, the administrative rules of the Texas Comptroller of Public Accounts at Title 34, Chapter 20, Subchapter I of the Texas Administrative Code, and the State Uniform Grant Management Standards (UGMS). The UGMS is available for download at: http://comptroller.texas.gov/procurement/prog/grant-management/. The 2004 version of the UGMS is the current version as of the date of this Agreement, however the UGMS may be updated by the Comptroller of Public Accounts from time-to-time.

G. Grantees agree to comply with the Uniform State Grant Assurances as set forth in Exhibit C.

H. The OOG agrees that the waiver of impact fees as provided by Ordinance No. 2015-11-19-0972 of the City of San Antonio will satisfy Grantee's obligation under the Texas Government
Code, Section 436.202 to provide matching funds as a condition for the receipt of grant funds awarded pursuant to this Grant Agreement.

SECTION 7. CONDITIONS PRECEDENT TO REIMBURSEMENT. Grant funds shall be disbursed on a cost reimbursement basis, subject to the terms of this Agreement. All of the following conditions precedent must be met to the satisfaction of OOG prior to any reimbursement payments:

A. All costs incurred by Grantee for which Grantee seeks reimbursement must be for the actual, reasonable, and allowable costs that are directly allocable to the Project costs described in the Grant Budget.

B. OOG must have received from Grantee a request for reimbursement specifying the amount of the Grant being requested, along with invoices showing all such costs. **No requests for the reimbursement of expenditures incurred by the Grantee after August 31, 2017 will be considered by OOG.** The total amount already disbursed plus the amount requested shall not exceed the maximum amount of the Grant set forth in Section 6 of this Agreement.

C. Grantee must be in compliance with all terms of this Agreement.

D. Grantee must have supplied to OOG all reports and other items that OOG requires or has requested.

SECTION 8. STRUCTURE FOR REIMBURSEMENT PAYMENTS.

A. **Reimbursement Request.** The OOG will make a reimbursement payment to the Grantee only in response to an approved request for reimbursement from the Grantee for the payment of actual, reasonable, and allowable costs that are directly allocable to the Project. The Grantee's reimbursement request will be submitted to the OOG in the form and manner as approved by the OOG and will specify the detailed and total expenses for the reimbursement request. All requests for the reimbursement of allowable costs will be submitted to the OOG in accordance with the schedule as set forth in Section 8.C.

All reimbursement requests and payment inquiries shall be submitted directed to:

Office of the Governor
Texas Military Preparedness Commission
Attn: Alexandra Taylor
P.O. Box 12428
Austin, Texas 78711
alexandra.taylor@gov.texas.gov

B. **Required Documentation.** Each Request for Reimbursement presented must include: (1) identification of the specific OOG Agreement; (2) the Grantee’s federal tax identification number; (3) the name and division of the OOG contact; (4) description of the services/costs/expenses and the dollar amount attributable to each; (5) the name of the entity or person providing the service
and the cost(s) charged by such entity or person; and (6) an itemization of charges with sufficient
detail to permit the OOG to determine if the costs are allowable.

Requests for Reimbursement must include documentation of proof of payment as evidence of
actual expenditures. Acceptable proof of payment includes, but is not necessarily limited to, a
receipt or other documentation of a paid invoice, a general ledger detailing the specific revenue
and expenditures, a monthly bank statement evidencing payment of the specific expenditure, a
check register or transaction register, bank reconciliation detail, copies of voided checks, or a
printed copy of an electronic payment confirmation evidencing payment of the specific
expenditure(s) to which the reimbursement relates.

Each item of expenditure shall be specifically attributed to the eligible project cost category as
identified in the Grant Budget. By submission of a reimbursement request, Grantee is warranting
the following: (1) all invoices have been carefully reviewed to ensure that all invoiced services or
goods have been performed or delivered; (2) that the services or goods have been performed or
delivered in compliance with all terms of this Agreement; (3) that the amount of each new invoice
added together with all previous invoices does not exceed the Maximum Amount of Grant as stated
in Section 5 of this Agreement; and (4) the charges and expenses shown on the invoice are
reasonable, necessary, and that all supporting documentation is attached.

C. Timing of Submission of Request for Reimbursement to the OOG; Close-Out Invoice.
Grantee is responsible for submitting bills in an accurate and timely manner, and shall make every
reasonable effort to submit quarterly billings to the OOG, which cover the previous quarter’s
expenses, so that they are received by the OOG on or before the twentieth (20th) day after the end
of each quarter, or if the 20th falls on a weekend or holiday, the next business day. Quarterly
reimbursement requests are due: (1) First Quarter – December 20; (2) Second Quarter – March 20;
(3) Third Quarter – June 20; (4) Fourth Quarter – September 20.

The OOG will make all reasonable efforts to promptly process and make payments on properly
completed billings. Grantee may submit a final invoice not later than the earlier of (1) forty-five
(45) calendar days after termination of this Agreement; or (2) forty-five (45) calendar days after
the end of each state fiscal year.

D. Final Deadline for Reimbursement Requests. All requests for reimbursement must be
received by the OOG no later than October 15, 2017 (i.e., forty-five (45) calendar days after
termination of this Agreement). An Agreement amendment must be executed by the OOG and the
Grantee in order to extend this deadline. Any extension of the deadline is within the sole discretion
of the OOG and subject to the availability of appropriated funds.

E. Disclosure of Reimbursement Information under the Public Information Act. All
reimbursement documentation submitted to the Office of the Governor (OOG) is subject to
disclosure under the Texas Public Information Act, Chapter 552 of the Texas Government Code
("the Act"), whether created or produced by the Grantee or by any third-party. If it is necessary
for the Grantee to include proprietary or otherwise confidential information in the documents
submitted, that particular information should be clearly identified as such. Merely making a
blanket claim that the all documents are protected from disclosure because they may contain some
proprietary or confidential information is not acceptable, and will not render the whole of the information confidential. Any information, which is not clearly identified as proprietary or confidential is subject to release in accordance with the Act.

F. Right to Request Additional Documentation. Upon the request of the OOG, the Grantee must submit to the OOG any additional documentation or explanation the OOG may require to support or document any requested payment under the Agreement.

G. Allowable Costs. The OOG shall reimburse the Grantee only for actual, reasonable, and allowable costs that are directly allocable to the Project as determined by the OOG in accordance with the Texas Government Code, Chapter 436, the DEAAG Administrative Rules (Title I, Texas Administrative Code, Subchapter B), this Agreement, the Grant Budget, and in conformity with the UGMS.

SECTION 9. BUDGET ADJUSTMENT. Prior written approval from the OOG is required if Grantee anticipates altering the scope of the grant, adding funds to previously un-awarded budget items or categories, changing funds in any awarded budget item or category by more than 10% of the annual budget, and/or adding new line items to any awarded budget category.

SECTION 10. PURCHASE OF EQUIPMENT; MAINTENANCE AND REPAIR; TITLE UPON TERMINATION. Grantee shall not give any security interest, lien or otherwise encumber any item of equipment purchased with grant funds. The parties understand and agree that a portion of the grant funds will be used to purchase materials for the construction of a water main within Joint Base San Antonio—Camp Bullis. Grantee shall transfer title of the supplies and/or equipment to the United States military via the Secretary of the U. S. Air Force, to be installed by military engineers and contractors. The parties further understand and agree that the use of these funds for this purpose provides a public benefit to the State of Texas. Grantee shall identify all equipment purchased under this Agreement by appropriate tags or labels affixed to the equipment. Grantee shall maintain a current inventory of all equipment, which shall be available to the OOG at all times upon request, however, as between the OOG and Grantee title for equipment will remain with Grantee. Grantee will maintain, repair, and protect all equipment purchased in whole or in part with grant funds so as to ensure the full availability and usefulness of such equipment. In the event Grantee is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to the equipment purchased under this Agreement, Grantee shall use the proceeds to repair or replace said equipment. Upon termination of this Agreement, title, use, and disposal of equipment shall be in conformity with the UGMS to the extent applicable.

SECTION 11. REPORTING REQUIREMENTS.

A. Until Grantee has submitted a Project Completion Report to OOG, Grantee shall submit a Quarterly Project Status Report to OOG, using the form attached hereto as Exhibit D, no later than twenty (20) calendar days after the end of each calendar quarter summarizing grant expenditures and detailing the progress on grant requirements.

B. After Grantee has completed the Grant Project as set forth in this Agreement, but in no case more than one hundred twenty (120) calendar days after termination of this Agreement, Grantee shall submit to OOG a Project Completion Report, using the form attached hereto as Exhibit E,
describing all activities performed under this Agreement. Grantee shall provide to OOG a Certification of Delivery, certifying that Grantee has received delivery of all equipment purchased pursuant to this Agreement.

C. No later than sixty (60) calendar days after the date on which Grantee submits its Project Completion Report to OOG, Grantee shall provide to OOG a DEAAG Project Impact Report, using the form attached hereto as Exhibit F. A DEAAG Project Impact Report must contain information concerning jobs generated and retained, and individuals trained as a result of the Project. For purposes of this Agreement, job creation, retention, and training rates may be evidenced by satisfactory documentation, such as copies of payroll documents, human resource documents, or training enrollment records.

E. Grantee shall provide to OOG additional information regarding the status of the Project at any time upon request from OOG.

F. Grantee shall cooperate with OOG and provide all requested assistance to OOG in connection with the preparation of any reports required from time to time to be made by OOG to the Texas Legislature or any relevant governmental entity regarding Grantee, the Grant, the Project, or the Grant Application.

G. All reports provided to OOG must be signed by the duly authorized representative of Grantee.

I. Failure to Provide Required Reports and Other Documentation. If after a written request by the OOG, Grantee fails to provide required reports, information, documentation or other information as required by this Agreement, then the OOG may require corrective action or consider this act a possible default under this Agreement.

SECTION 12. CORRECTIVE ACTION.

A. Failure to Progress with Grant Project. If after written notice by the OOG to the Grantee, Grantee fails to make progress on the grant project, then the OOG may consider this act a possible default under this Agreement.

B. Notice of Possible Default. The parties agree to make a good faith effort to identify, communicate and resolve problems found by either the OOG or Grantee. The OOG, in its sole discretion, will determine whether Grantee has acted or failed to act in such a manner that gives rise to an act of possible default under this Agreement. The OOG shall give written notice to Grantee setting out the circumstances that support the OOG’s determination of possible default.

C. Opportunity to Cure. The OOG will give the Grantee at least thirty (30) calendar days to cure the possible default and to provide the OOG sufficient information that supports a finding of cure by the OOG.

D. Cure. If the OOG is satisfied that the Grantee has cured the possible default event, the OOG shall give written notice to the Grantee. The OOG will be guided by good faith and reasonableness
in determining, in the sole discretion of the OOG, whether the Grantee has cured the possible default.

E. Default. If the OOG is not satisfied that the Grantee has cured the possible default, the Grantee shall be in default hereunder, and the OOG shall give written notice to the Grantee declaring such default. Any default may result in termination of this Agreement in accordance with Section 16.

F. Corrective Action Plans. If the OOG finds deficiencies in Grantee’s performance under this Agreement, the OOG, at its sole discretion, may impose one or more of the following remedies as part of a corrective action plan: increase monitoring visits; require that additional or more detailed financial and/or programmatic reports be submitted; require prior approval for expenditures; require additional technical or management assistance and/or make modifications in business practices; reduce the grant award amount; and/or terminate this Agreement. The foregoing are not exclusive remedies, and the OOG may impose other requirements that the OOG determines will be in the best interest of the State.

G. Financial Hold. Failure to comply with submission deadlines for required reports, invoices, or other requested information may result in the OOG, at its sole discretion, placing Grantee on immediate financial hold without further notice to Grantee and without first requiring a corrective action plan. No reimbursements will be processed until the requested information is submitted. If Grantee is placed on financial hold, the OOG, at its sole discretion, may deny reimbursement requests associated with expenses incurred during the time Grantee was placed on financial hold.

H. Sanctions. In addition to financial hold, the OOG, at its sole discretion, may impose other sanctions without first requiring a corrective action plan. The OOG, at its sole discretion, may impose sanctions, including but not limited to, withholding or suspending funding, requiring return or offset of previous reimbursements, requiring repayment, disallowing claims for reimbursement, reducing funding, terminating this Agreement and/or any other appropriate sanction.

I. No Waiver. Notwithstanding the imposition of corrective actions, financial hold and/or sanctions, Grantee remains responsible for complying with the Agreement terms and conditions. Corrective action plans, financial hold and/or sanctions do not excuse or operate as a waiver of prior failure to comply with this Agreement.

SECTION 13. NOTICES. Any notice required or permitted to be given under this Agreement by the either party shall be in writing and shall be deemed to have been given immediately if delivered by e-mail, or in person as set forth in this section. Any notice required or permitted to be given under this Agreement may be given by regular first class mail and/or email and shall be deemed to have been given on the date of attempted or actual delivery to the recipient if addressed to the receiving party at the address specified in this section:

Office of the Governor 
Texas Military Preparedness Commission
Grantee 
Alamo Area Council of Governments
SECTION 14. GRANTEE CERTIFICATIONS. By executing this Agreement, Grantee hereby makes the following certifications and warranties:

A. Delinquent Child Support Obligations. Under Texas Family Code, Section 231.006(d), regarding child support, Grantee certifies that the individual or business entity named in this Agreement is not ineligible to receive the specified payment and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.

B. Prohibited Bids and Agreements. Under Section 2155.004 of the Texas Government Code (relating to prohibited bids and agreements), Grantee certifies that the individual or business entity named in this Agreement is not ineligible to receive the specified agreement and acknowledges that this Agreement may be terminated and payment withheld if this certification is inaccurate.

C. Gift to Public Servant. Grantee warrants that it has not given, nor does it intend to give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the award of this Agreement.

D. Former Executive Head and Employees of the Agency. Grantee certifies that this Agreement is compliant, and will remain in compliance during the Agreement term, with the following Sections of the Texas Government Code: Section 669.003 (Contracting with Executive Head of State Agency); Section 572.069 (Prohibiting employment of state officers and employees who participated in the procurement of services); and Section 2252.901 (Contracts with Former or Retired Agency Employees).

E. Conflicts of Interest. Grantee certifies that neither it nor the personnel or entities employed in rendering services under this Agreement have, nor shall they knowingly acquire, any interest that would be adverse to or conflict in any manner with the performance of Grantee’s obligations under this Agreement, including but not limited to compliance with Section 19. Grantee has a continual and ongoing obligation to immediately notify the OOG in writing, upon discovery of any actual or potential conflict.

F. Corporate Franchise Tax. Grantee certifies that, if applicable, its Texas franchise tax payments are current, or that it is exempt from, or not subject to, such tax.

G. No Claims. Grantee certifies that Grantee does not have any potential or existing claims against or unresolved audit exceptions with the State of Texas or any agency of the State of Texas.

H. Debt to State. Grantee acknowledges and agrees that, to the extent Grantee owes any debt or delinquent taxes to the State of Texas, any payments Grantee is owed under this Agreement may be applied by the Comptroller of Public Accounts toward any debt or delinquent taxes Grantee owes the State of Texas until the debt or delinquent taxes are paid in full.
I. Suspension/Debarment. Grantee certifies that Grantee and Grantee’s principals are, to the best of its knowledge and belief, not on the specially-designated nationals list or debarred, suspended, declared ineligible, or voluntarily excluded from participation in this solicitation or any resulting contract. Grantee certifies that it will not knowingly enter into any subcontract with an entity who is, or whose principals are, on the specially designated nationals list or debarred, suspended, declared ineligible, or voluntarily excluded from participation in this solicited transaction. Grantee will ensure that this section regarding debarment, suspension, ineligibility, and voluntary exclusion, and the specially-designated nationals list without modification in any subcontracts or solicitations for subcontracts.

J. Deceptive Trade Practices/Unfair Business Practices. Grantee represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that the Respondent has not been found to be liable for such practices in such proceedings. Grantee certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit, and that such officers have not been found to be liable for such practices in such proceedings.

K. False Statements. By signature to this Agreement, Grantee makes all the representations, warranties, guarantees, certifications and affirmations included in this Agreement. If Grantee signs this Agreement with a false statement or it is subsequently determined that Grantee has violated any of the representations, warranties, guarantees, certifications or affirmations included in this Agreement, Grantee shall be in default under this Agreement and the OOG may terminate or void this Agreement for cause and pursue other remedies available to the OOG under this Agreement and applicable law.

L. Felony Criminal Convictions. Grantee represents and warrants that Grantee and its employees who will perform services under this Agreement have not been convicted of a felony criminal offense, or that, if such a conviction has occurred, Grantee has fully advised the OOG as to the facts and circumstances surrounding the conviction.

M. Immigration and Employment Verification. Grantee represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Acts of 1986 and 1990 ("IRCA") regarding employment verification and retention of verification forms for any individuals hired on or after November 6, 1986, who will perform any labor or services in the United States of America under this RFP or resulting Contract, if any, and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA") enacted on September 30, 1996. The Grantee further certifies and ensures that it has determined (such as through the use of the U.S. Department of Homeland Security’s E-Verify system), and will continue to verify for the term of the Agreement, the lawful employment eligibility of all persons employed to perform duties within Texas during the term of the Agreement. If this certification is falsely made, the Agreement may be terminated at the discretion of the State and at no fault to the State.
N. Certification Concerning Hurricane Relief. The OOG is prohibited from awarding an Agreement to any person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a Agreement involving relief for any disaster as defined by Section 418.004 Texas Government Code occurring after September 24, 2005. Under Section 2155.006, Texas Government Code, Grantee certifies that it is not ineligible to receive the Agreement and acknowledges that the Agreement may be terminated and payment withheld if this certification inaccurate.

O. Technology Access Clause. If applicable, Grantee will comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 TAC Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation. Likewise, if applicable, Grantee shall provide DIR with the URL to its Voluntary Product Accessibility Template (VPAT) for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration “Buy Accessible Wizard” (http://www.buyaccessible.gov). A company not listed with the “Buy Accessible Wizard” or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the “Buy Accessible Wizard” or obtaining a copy of the VPAT is located at http://www.section508.gov.

P. Buy Texas. With respect to all services, if any, purchased pursuant to this Agreement, Grantee represents and warrants that it will buy Texas products and materials for use in providing the services authorized herein when such products and materials are available at a comparable price and within a comparable period of time when compared to non-Texas products and materials.

Q. Liability for Taxes. Grantee represents and warrants that it shall pay all taxes or similar amounts resulting from this Agreement, including, but not limited to, any federal, State, or local income, sales or excise taxes of Grantee or its employees. The OOG shall not be liable for any taxes resulting from this Agreement.

SECTION 15. GENERAL TERMS AND CONDITIONS.

A. Independent Contractor Grantee or Grantee’s employees, representatives, agents and any subcontractors shall serve as an independent contractor in performing the services under this Agreement shall not be employees of the OOG or the State of Texas.

B. Subcontracting. In the event that the Grantee should determine that it is necessary or expedient to subcontract for any of the performances herein, Grantee understands and agrees that it will be responsible to the OOG for any subcontractor’s performance under this Agreement. In no event shall this section or any other provision of this Agreement be construed as relieving the Grantee of the responsibility for ensuring that performance under this Agreement, and any subcontract thereeto, is rendered in compliance with all of the terms of this Agreement. If Grantee uses a subcontractor for any or all of the work required, the following conditions will apply: (1) The Grantee, in subcontracting for any performances specified herein, expressly understands and
agrees that subcontracting will be solely at Grantee’s expense and the OOG shall not be liable in any manner to the Grantee’s subcontractor(s); (2) Grantee will be the sole contact for the OOG; and (3) Pursuant to Chapter 2251 of the Texas Government Code, Grantee will make any payments owed to subcontractors within ten (10) calendar days of Grantee’s receipt of funds from the OOG.

C. **No Assignment.** This Agreement is not assignable by Grantee. Notwithstanding any attempt to assign the Agreement, Grantee shall remain fully liable on this Agreement and shall not be released from performing any of the terms, covenants, and conditions herein. Grantee shall be held responsible for all funds received under this Agreement.

D. **Records Retention.** Records shall be maintained and made available to the OOG or its authorized representatives upon request during the entire performance period of this Agreement and until seven (7) years from date of final payment by the OOG for the services provided under this Agreement. In addition, those records relating to any dispute, litigation, or the settlement of claims arising out of such performance, or costs or items to which an audit exception has been taken, shall be maintained and made available to the OOG or its assignee until completion of such action and resolution of all issues which arise from it, or until the end of the aforementioned seven (7) year period, whichever is later. Failure to provide reasonable access to authorized OOG representatives shall give OOG the right to terminate this Agreement pursuant to Section 16 of this Agreement, or any portion thereof, for reason of default.

E. **Right to Audit.** Grantee will cooperate fully in any review conducted by the OOG or its authorized representatives related to the services provided under this Agreement. The OOG has the authority to monitor, inspect, assess, and review the fiscal, contractual, or performance of the Grantee with respect to the Agreement, including all information related to any services provided under this Agreement or billed to the OOG. Grantee will remedy in a timely manner, any weaknesses, deficiencies, Agreement noncompliance, or audit exceptions found as a result of a review by the OOG or its authorized representatives. Such remedy can include a refund or offset of Agreement payments, or any other appropriate actions deemed necessary by the OOG. Acceptance of funds under this Agreement acts as acceptance of the authority of the State Auditor’s Office to audit or investigate the expenditure of funds under this Agreement or any subcontract. Grantee will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Grantee and the requirement to cooperate is included in any subcontract it awards.

F. **Texas Public Information Act.** Notwithstanding any provisions of this Grant Agreement to the contrary, Grantee acknowledges that the State of Texas, OOG, and this Grant Agreement are subject to the Texas Public Information Act, Texas Government Code Chapter 552, (the "Act"). Grantee acknowledges that the OOG will comply with the Act, as interpreted by judicial opinions and opinions of the Attorney General of the State of Texas.

Grantee acknowledges that information created or exchanged in connection with this Grant Agreement is subject to the Act, and Grantee agrees that information not otherwise excepted from disclosure under the Act, will be available in a format that is accessible by the public at no additional charge to the OOG or State of Texas. Grantee will cooperate with the OOG in the production of documents or information responsive to a request for information.
Information provided by or on behalf of Grantee under, pursuant to, or in connection with this Grant Agreement that Grantee considers proprietary, financial, or trade secret information (collectively “Confidential Information”) shall be designated as such when it is provided to the OOG or State of Texas or any other entity in accordance with this Grant Agreement. The OOG agrees to notify Grantee in writing within a reasonable time from receipt of a request for information covering Grantee’s Confidential Information. The OOG will make a determination whether to submit a request for a ruling under the Public Information Act to the Attorney General.

Grantee agrees to maintain the confidentiality of information received from the OOG or State of Texas during the performance of this Grant Agreement to the extent allowed by the Act, including information which discloses confidential personal information particularly, but not limited to, personally identifying information, personal financial information and social security numbers. Grantee will notify the OOG within twenty-four (24) hours of receipt of any third party requests for information that was provided to the Grantee by the OOG or the State of Texas.

G. Media Releases or Pronouncements. Grantee understands that the OOG does not endorse any vendor, commodity good, or service. The Grantee, its employees, representatives, subcontractors, or other agents may not issue any media release, advertisement, publication, or public pronouncement which pertains to this Agreement or the services or project to which this Agreement relates, or which mentions the OOG, without the prior written approval of the OOG.

H. Indemnification. TO THE EXTENT ALLOWED BY LAW, GRANTEE WILL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE STATE OF TEXAS, THE OOG, AND ITS OFFICERS AND EMPLOYEES FROM ANY CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS, COSTS, DAMAGES, AND LIABILITIES, INCLUDING, WITHOUT LIMITATION, ATTORNEYS’ FEES AND COURT COSTS CONNECTED WITH ANY ACTS OR OMISSIONS OF GRANTEE OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. GRANTEE WILL COORDINATE ITS DEFENSE WITH THE TEXAS ATTORNEY GENERAL AS REQUESTED BY THE OOG. THIS PARAGRAPH IS NOT INTENDED TO AND WILL NOT BE CONSTRUED TO REQUIRE GRANTEE TO INDEMNIFY OR HOLD HARMLESS THE STATE OR THE OOG FOR ANY CLAIMS OR LIABILITIES RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF THE OOG OR ITS EMPLOYEES.

I. Intellectual Property. TO THE EXTENT ALLOWED BY LAW, THE GRANTEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE OOG, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, GRANTEE S, ASSIGNEES, AND/OR DESIGNEES AGAINST ANY CLAIM OF COPYRIGHT, TRADEMARK, OR PATENT INFRINGEMENT, OR OTHER INTELLECTUAL PROPERTY INFRINGEMENT ARISING IN CONNECTION WITH THE PERFORMANCES OR ACTIONS OF GRANTEE PURSUANT TO THIS AGREEMENT. THE GRANTEE SHALL BE LIABLE TO PAY ALL COSTS, DAMAGES, AND ATTORNEYS’ FEES INCURRED BY THE OOG RESULTING FROM SUCH CLAIMS INCLUDING ANY CLAIM FOR THE INFRINGEMENT OF ANY UNITED STATES OR
INTERNATIONALLY PROTECTED PATENTS OR COPYRIGHTS ARISING FROM
THE USE BY THE GRANTEE OR THE OOG, THE STATE OF TEXAS AND/OR THEIR
EMPLOYEES, AGENTS, REPRESENTATIVES, GRANTEES, ASSIGNEES, AND/OR
DESIGNEES OF ANY EQUIPMENT, MATERIALS, INFORMATION, OR IDEAS
EMPLOYED OR FURNISHED BY THE GRANTEE IN CONNECTION WITH THE
PERFORMANCES CALLED FOR IN THIS AGREEMENT

J. Taxes/Workers’ Compensation/Unemployment Insurance. GRANTEE IS FULLY
RESPONSIBLE FOR ITS OWN FEDERAL, STATE, AND LOCAL TAXES. GRANTEE
AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS
AGREEMENT, GRANTEE SHALL BE ENTIRELY RESPONSIBLE FOR THE
LIABILITY AND PAYMENT OF GRANTEE’S AND GRANTEE’S EMPLOYEES’
taxes of whatever kind, arising out of the performances in this
agreement. GRANTEE AGREES TO COMPLY WITH ALL STATE AND FEDERAL
LAWs APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING
wages, taxes, insurance, and workers’ compensation. THE OOG, THE
BANK AND/OR THE STATE OF TEXAS SHALL NOT BE LIABLE TO THE GRANTEE,
ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE
PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS’
COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR
EMPLOYEE OF THE OOG.

K. Tax Identification Information Required. As a prerequisite to the OOG’s ability to process
any payments to Grantee under this Agreement, Grantee shall provide the OOG with required tax
and payee identification information in the form of a completed “Application for Texas
Identification Number” (available on the Comptroller of Public Accounts’ website at
http://www.window.state.tx.us/taxinfo/taxforms/ap-152.pdf). If Grantee has previously completed
the required documentation to obtain a Texas Identification Number (TIN) prior to the effective
date of this Agreement, Grantee may satisfy this requirement by providing the OOG with Grantee’s
current TIN, name, and address to permit the OOG to verify registration in the TINS System with
the Texas Comptroller of Public Accounts.

L. Insurance. Unless otherwise noted in this Agreement, and to the extent that Grantee does not
have or maintain insurance or does not have or maintain sufficient insurance, Grantee
acknowledges and agrees that Grantee will be solely responsible for any losses or damages related
to or caused by the Grantee’s performing its duties and obligations under this Agreement. The
OOG will have no obligation to reimburse or otherwise pay Grantee for any costs incurred related
to any such losses or damages.

M. Fraud, Waste and Abuse. Grantee understands that the OOG does not tolerate any type of
fraud, waste, or misuse of funds received from the OOG. The OOG’s policy is to promote
consistent, legal, and ethical organizational behavior, by assigning responsibilities and providing
guidelines to enforce controls. Any violations of law, OOG policies, or standards of ethical conduct
will be investigated, and appropriate actions will be taken. In the event Grantee becomes aware
of any allegation or a finding of fraud, waste, or misuse of funds received from the OOG that is
made against Grantee, Grantee is required to immediately notify the OOG of said allegation or
finding. Grantee is also obliged to inform the OOG of the status of any on-going investigations regarding allegations of fraud, waste, or abuse. Grantee is expected to report any possible fraudulent or dishonest acts, waste, or abuse to the OOG’s Fraud Coordinator or Ethics Advisor at (512) 463-1788 or in writing to: Ethics Advisor, Office of the Governor, P.O. Box 12428, Austin, Texas 78711.

N. Saturdays, Sundays, Holidays. If the last or appointed day for the taking of any action or the expiration of any right required or granted in this Agreement is a Saturday or a Sunday or a scheduled State of Texas or national holiday, then such action may be taken or such right may be exercised on the next succeeding business day that is not a Saturday, Sunday or holiday. A schedule of State of Texas holidays is located at: http://www.hr.sao.state.tx.us/compensation/holidays.html

O. Applicable Law and Venue. This Agreement is governed by the laws of the State of Texas. Grantee agrees that any action, suit, litigation or other proceeding (collectively “litigation”) arising out of or in any way relating to this Agreement, or the parties referred to therein, shall be commenced exclusively in the Travis County District Court, and hereby irrevocably and unconditionally consents to the exclusive jurisdiction of those courts for the purpose of prosecuting and/or defending such litigation. Grantee hereby waives and agrees not to assert by way of motion, as a defense, or otherwise, in any suit, action or proceeding, any claim that: (a) Grantee is not personally subject to the jurisdiction of the above-named court; (b) the suit, action or proceeding is brought in an inconvenient forum; or (c) the venue of the suit, action or proceeding is improper.

P. No Waiver. The Parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the OOG, the State of Texas, and their officials and staff of any immunities from suit or from liability that the OOG or the State may have by operation of law.

SECTION 16. TERMINATION.

A. Convenience. Either party may terminate this Agreement, in whole or in part, without penalty, by providing notice to the other party at least thirty (30) days in advance of the anticipated termination date.

B. Cause/Default. Subject to Section 12, in the event that Grantee fails to provide the agreed upon services according to the provisions of this Agreement, or fails to comply with any of the terms or conditions of this Agreement, the OOG may, upon written notice of default to Grantee, immediately terminate all or any part of this Agreement. Termination is not an exclusive remedy, but will be in addition to any other rights and remedies provided in equity, by law, or under this Agreement.

C. Rights upon Termination or Expiration. In the event that the Agreement is terminated for any reason, or upon its expiration, the OOG shall be obligated to pay Grantee only for actual allowable costs incurred up to the effective date of termination. Termination is not an exclusive remedy, but will be in addition to any other rights and remedies as provided in equity, by law or under the Agreement. OOG will not be liable to Grantee or to Grantee’s creditors for any costs.
incurred subsequent to receipt of a Notice to Terminate or any unacceptable or disallowed costs as determined by OOG.

D. Notwithstanding any exercise by OOG of its right of early termination pursuant to this section, Grantee shall not be relieved of any liability to OOG for damages due to OOG by virtue of any breach of this Agreement by Grantee. OOG may withhold payments to Grantee until such time as the exact amount of damages due to OOG from Grantee is agreed upon or is otherwise determined.

E. In the event Grantee fails to comply with any provision as specified in this Agreement, the Grantee may be liable for damages under this Agreement and barred from applying for or receiving additional funding under the DEAAG program until repayment is made and any other compliance or audit findings are resolved and/or any issue of non-compliance is cured to the satisfaction of OOG pursuant to this section.

F. Grantee shall refund to OOG any sum of money paid to Grantee by OOG, which OOG determines is an overpayment to Grantee, or in the event OOG determines funds spent by Grantee were not an allowable cost of this Project. No refund payment(s) may be made from local, state, or federal grant funds unless statute or regulation specifically permits repayment with grant funds. Such refund shall be made by Grantee to OOG within thirty (30) calendar days after such refund is requested in writing by OOG, or within thirty (30) calendar days of a notice from OOG indicating the request is the result of a final determination that the refund is owed.

SECTION 17. AVAILABILITY OF FUNDS. This Agreement is subject to the availability and receipt of funds appropriated by the Texas Legislature that the OOG has allocated to this Agreement. If funds for this Agreement become unavailable during any budget period, the OOG may terminate this Agreement, without penalty, or reduce the amount of this Agreement at the discretion of the OOG. Grantee will have no right of action against the OOG if the OOG cannot perform its obligations under this Agreement as a result of lack of legislative appropriations in amounts sufficient to fund any activities or functions contained within the scope of this Agreement.

SECTION 18. MONITORING. OOG or its designee may perform periodic on-site monitoring of Grantee’s compliance with the terms and conditions of this Agreement and of the adequacy and timeliness of Grantee’s performance. After each monitoring visit, OOG will provide Grantee with a written report of the monitor’s findings. If the monitoring report notes deficiencies in Grantee’s performances under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by Grantee. Failure by Grantee to take action specified in the monitoring report may be cause for termination of this Agreement in accordance with Section 16 of this Agreement.

SECTION 19. CONFLICT OF INTEREST

A. Grantee shall ensure that no employee, officer, or agent of Grantee shall participate in the selection, award, or administration of a subcontract supported by funds provided hereunder if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise
when: (1) the employee, officer, or agent; (2) any member of his or her immediate family; (3) his or her partner; or, (4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract. Grantee shall comply with Texas Local Government Code, Chapter 171.

B. No employee, agent, consultant, officer, or elected or appointed official, of either Grantee or of a subcontractor, who exercises or has exercised any functions or responsibilities or is in a position to participate in decision-making or gain inside information in regard to the activities involved in the Project, shall be permitted to have or obtain a financial interest in or benefit from the Project or any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties.

SECTION 20. LITIGATION AND CLAIMS

A. Grantee shall give OOG immediate notice in writing of any action, including any proceeding before an administrative agency, filed against Grantee arising out of the performance of this Agreement. Except as otherwise directed by OOG, Grantee shall immediately furnish to OOG copies of all pertinent papers received by Grantee with respect to such action or claim. Grantee shall notify OOG immediately of any legal action filed against the Grantee or any subcontractor, or of any proceeding filed under the federal bankruptcy code. Grantee shall submit a copy of such notice to OOG within thirty (30) calendar days after receipt. No funds provided under this Agreement may be used in the payment of any costs incurred as the result of any claims, judgments, fines, or settlements.

B. OOG and Grantee acknowledge that they are political subdivisions of the State of Texas and are subject to, and shall comply with, the applicable provisions of the Texas Tort Claims Act, as set out in the Texas Civil Practice and Remedies Code, Section 101.001 et. seq.

C. Grantee acknowledges that OOG, the State of Texas, and their employees shall not be held liable for any claims or causes of action whatsoever which may occur in the course of performing the services described in this Agreement, or from the award, cancellation, or withdrawal of this Grant.

SECTION 21. NOTICE OF MATERIAL EVENTS. The parties understand and agree the scope of the Grant Project includes installation of water supply pipeline to various military facilities each of which is an individual phase of the Grant Project subject to, among other things, the uncertainties of weather, material and supply availability, engineering complexities, and regulatory and environmental requirements as yet unknown. Grantee shall furnish to OOG prompt written notice upon becoming aware or having knowledge of the occurrence of any event or development that has, or would reasonably be expected to have, a material adverse effect on the completion of the Project as described under this Agreement. Under no circumstances shall notice under this section occur more than fifteen (15) calendar days following Grantee receiving knowledge of such event or development.

Subject to the availability of funds as set forth in Section 17, the OOG may, with good cause, extend the term of this Grant Agreement for a reasonable period of time to provide for completion
of the Grant Project to satisfy the purposes of the Grant Project in accordance with Chapter 436, Texas Government Code.

SECTION 22. FORCE MAJEURE. Neither party shall be required to perform any obligation under this Agreement or be liable or responsible for any loss or damage resulting from its failure to perform so long as performance is delayed by force majeure or acts of God, including but not limited to strikes, lockouts or labor shortages, embargo, riot, war, revolution, terrorism, rebellion, insurrection, flood, natural disaster, unforeseen environmental conditions, or interruption of utilities from external causes.

SECTION 23. DISPUTE RESOLUTION

A. Informal Meetings. The parties’ representatives shall meet as needed to implement the terms of this Agreement and shall make a good faith attempt to informally resolve any disputes.

B. Alternative Dispute Resolution at State Office Administrative Hearings. The parties may agree, but are not required, to utilize the non-binding alternative dispute resolution services of the State Office of Administrative Hearings (SOAH) to attempt to resolve their disagreements, claims or disputes under this Agreement. Grantee and the OOG, in the event they determine to utilize SOAH, agree to share equally the costs of the alternative dispute resolution service. The purpose of this subsection is to reasonably ensure that the OOG and Grantee shall, in good faith, utilize mediation. The Parties’ participation in, or the results of, any mediation under the subsection or the provisions of this Section shall not be construed as a waiver by the OOG or the Grantee of any rights, privileges, defenses, remedies or immunities available to the Parties.

C. Dispute Resolution. The dispute resolution process provided for in Chapter 2260 of the Texas Government Code shall be used, as further described herein, by the parties to attempt to resolve any claim for breach of this Agreement made by Grantee.

Grantee’s claims for breach of this Agreement that the Parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 2260, Subchapter B, of the Government Code. To initiate the process, Grantee shall submit written notice, as required by Subchapter B, to the OOG’s Director of Administration. Said notice shall specifically state that the provisions of Chapter 2260, Subchapter B, are being invoked. Compliance by Grantee with Subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, Subchapter C, of the Government Code.

The contested case process provided in Chapter 2260, Subchapter C, of the Texas Government Code is Grantee’s sole and exclusive process for seeking a remedy for any and all alleged breaches of this Agreement by the OOG if the Parties are unable to otherwise informally resolve their disputes.

Compliance with the contested case process provided in Chapter 2260, Subchapter C, of the Texas Government Code is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Texas Civil Practices and Remedies Code. Neither the execution of this
Agreement by OOG nor any other conduct of any representative of OOG relating to this Agreement shall be considered a waiver of sovereign immunity.

The submission, processing, and resolution of Grantee’s claim is governed by the published rules, if any. If no OOG rules have been published, then Title 1, Chapter 68 of the Texas Administrative Code, shall govern.

SECTION 24. CHANGES AND AMENDMENTS.

A. Any alterations, additions, or deletions to the terms of this Agreement shall be by a written amendment executed by both parties.

B. During the term of this Agreement, OOG may issue policy directives to establish, interpret, or clarify requirements under this Agreement. Policy directives from OOG shall be binding upon Grantee.

SECTION 25. SEVERABILITY.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained therein.

SECTION 26. ENTIRE AGREEMENT. This Agreement is intended as a full and complete expression of and constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior and contemporaneous understandings, agreements, promises, representations, terms and conditions, both oral and written, are superseded and replaced by this Agreement.

SECTION 27. CONSTRUCTION. The language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning. The parties acknowledge that each party and its counsel have reviewed this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Any vague, ambiguous or conflicting terms shall be interpreted and construed in such a manner as to accomplish the purpose of the Agreement.

SECTION 28. HEADINGS. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof.

SECTION 29. SURVIVAL OF CERTAIN PROVISIONS. Notwithstanding any expiration, termination or cancellation of this Agreement, the rights and obligations Sections 5-7, 8, 10-13, 15-17, 20, 23-28, and any other provision implying survivability shall remain in effect after this Agreement ends.
SECTION 30. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

IN TESTIMONY HEREOF, Grantee and OOG have executed this Defense Economic Adjustment Assistance Agreement in duplicate originals, effective as of the last date contained on the signature lines below.

OFFICE OF THE GOVERNOR

_________________________________  ____________________________
Chief of Staff or Designee    Diane Rath, Executive Director
Alamo Area Council of Governments

_________________________________  ____________________________
Date        Date

ALAMO AREA COUNCIL OF GOVERNMENTS

DRAFT
GRANT AGREEMENT BETWEEN
THE OFFICE OF THE GOVERNOR
AND
LEGAL NAME

EXHIBIT A

_________AMOUNT (DOLLARS).

Budget. Subject to the limitations within this Agreement, the OOG will reimburse Grantee for actual and allowable allocable costs paid according to the following amounts and budget categories:

<table>
<thead>
<tr>
<th>Budget Category</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure – Purchase of property</td>
<td></td>
</tr>
<tr>
<td>Infrastructure - Professional &amp; Consultant Services</td>
<td></td>
</tr>
<tr>
<td>Infrastructure – New Construction</td>
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<tr>
<td>Infrastructure - Rehabilitation and Renovation</td>
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<tr>
<td>Infrastructure – Capital Equipment</td>
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<tr>
<td>Infrastructure – Facilities Insurance</td>
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<tr>
<td>Training Equipment</td>
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<tr>
<td>Training Supplies</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

1 Per UGMS, "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and a per unit acquisition cost of $5,000 or more.

2 Id.

3 Per UGMS, items of equipment with a per unit acquisition cost of less than $5,000 are considered to be supplies.
GRANT AGREEMENT BETWEEN
THE OFFICE OF THE GOVERNOR
AND
LEGAL NAME

EXHIBIT B

GRANT NARRATIVE

UNLESS OTHERWISE LIMITED, DEEMED INAPPROPRIATE BY SPECIAL CONDITIONS OR ALTERED BY APPROVED BUDGET ADJUSTMENTS/BUDGET MODIFICATIONS, the following narrative provided by Grantee in its DATED grant application applies to this Agreement:

JBSA PROJECT DESCRIPTIONS

Camp Bullis:

*Outside the Fence Line*
SAWS will construct approximately 1,700 feet of 12-inch water main from an existing SAWS water main that terminates on Camp Bullis Road near Tejas Trails East to the Camp Bullis fence line. After the completion of this project, SAWS will be the primary [and sole] source of water for Camp Bullis. The project includes a Pressure Reducing Valve (PRV), backflow preventer, and an 8-inch water meter.

*Inside the Fence Line*
The Air Force’s 502d ABW personnel has committed to perform work inside the fence line at Camp Bullis. The project will connect with SAWS infrastructure by way of constructing approximately 4,100 feet of 12-inch water main from an existing water main on Camp Bullis, to the fence line. The project includes: pipe fittings, reinforced concrete box (vault), 12” Reduced pressure zone (RPZ) back flow preventer, 12” pressure reducing valve, 12” gate valves, valve boxes, meter box, temporary blow down, limestone base, sand, Hot mix asphalt (HMA), Vermeer model T-655 rock trencher with operator for (16” to 20”) trench, density test, hydrostatic test, and Storm Water Pollution Prevention Plan (SWPPP). AACOG anticipates purchasing the materials with DEAAG funding and then gift to the Air Force.

The project cost is estimated at $1.2 million plus impact fees of $620,597 for a total of $1,820,597. The $1.2 million includes the $288,857 portion for inside the fence line at Camp Bullis. The project will be designed by June of 2016, and construction will be complete by December 2016.
Ft. Sam Houston:

SAWS will construct approximately 2,900 feet of 8-inch and 6-inch water mains from existing SAWS water mains at four points around the base to the fence line. The base will be served from SAWS pressure zones (PZ) 3 and 4. The project includes PRVs, backflow preventers, and water meters.

The new water mains will include:

- 100 feet of 12-inch main underneath Harry Wurzbach near Winans Road, with a PRV, backflow preventer, and an 8-inch meter, served from PZ 3
- 1,000 feet of 12-inch main near Harry Wurzbach and W. Hathaway Dr., served from PZ 4, with a PRV, backflow preventer, and an 8-inch meter
- 1,700 feet of 12-inch main along Cunningham to Road S-3, served from PZ 4, with a PRV, backflow preventer, and an 8-inch meter
- 100 feet of 12-inch main under Binz-Engleman Road, served from PZ 4, with a PRV, backflow preventer, and an 8-inch meter.

The project cost is estimated at $1.2 million plus impact fees of $2,482,385 for a total of $3,682,385. The project will be designed by September 2016, and construction will be complete by July 2017.

Lackland AFB:

SAWS will construct approximately 1,600 feet of 12-inch water main from existing SAWS water mains at three points around the base to the fence line. The base will be served from SAWS pressure zone 4. The project includes PRVs, backflow preventers, and water meters.

The new water mains include:

- 1,000 feet of main along Castroville Road to near Wilford Hall Loop, with a PRV, backflow preventer, and an 8-inch meter. The base will need to construct about 500 feet of 12-inch onsite main for this connection.
- 400 feet of mains along Valley Hi Drive, with a PRV, backflow preventer, and an 8-inch meter
- 200 feet of main under W. Military Dr. to Kellack St., with a PRV, backflow preventer, and an 8-inch meter.

The project cost is estimated at $870,000 plus impact fees of $1,861,789 for a total of $2,731,789. The project will be designed by September 2016, and construction will be complete by July 2017.

Lackland AFB Training Annex:

SAWS will construct approximately 250 feet of 12-inch water main under Ray Ellison Boulevard to the fence line at Medina Base Road. The base will need to construct about 700 feet of onsite main for this connection. The base will be served from SAWS pressure zone 4. The project includes a PRV, backflow preventer, and an 8-inch water meter. The project cost is
estimated at $300,000 plus impact fees of $620,597 for a total of $920,597. The project will be
designed by September 2016, and construction will be complete by July 2017.

**Security Hill 16-inch Water Main:**

SAWS will install 2,650 linear feet of 16-inch water main from Billy Mitchell Blvd to General
Hudnell Drive along Paul Wagner Drive and Clarence Tinker Drive that will connect to the
SAWS system.

The project will also construct eight sections of 6-inch to 12-inch water mains and additional
metering and Supervisory Control & Data Acquisition (SCADA) system on the Port of San
Antonio and segments of Lackland AFB to provide additional capacity to distribute water in
these areas. The existing water distribution system on the former Kelly AFB does not meet the
city fire codes for industrial and commercial areas.

The new water mains are along the following streets:
Security Hill & W Military, Dominguez St, Andrews St, Calgary Ave, Lackell & Croydon, Gen
Hudnell & Billy Mitchell Rd, Citrus Rd/Perez Circle, and Deligon, Beech, and Barney Ave.
The project also includes installing meters and pressure reducing valves on Security Hill and a
meter and SCADA system at the 36th Street PRV.

This project is one of several improvements SAWS has built or plans to build with a goal of
abandoning the older inefficient infrastructure acquired from the Air Force. Abandoning the
infrastructure will save money by eliminating the need to rehabilitate the old infrastructure. The
total cost is $6,600,000. The proportionate share of the project that is on LAFB is $2.4 million.

For all projects identified as “Outside the Fence Line”, AACOG anticipates entering into an
Interlocal Agreement with SAWS for materials and labor authorized under the Interlocal
Cooperation Act, Title 7, Chapter 791 Subchapter A - Texas Government Code.
JBSA is committed to providing all labor associated with the project “inside the fence line” at
Camp Bullis. AACOG will provide or gift the necessary materials to JBSA, contingent on
approval by the Secretary of the Air Force. This process will commence shortly after approval
of DEAAG grant funding.

<table>
<thead>
<tr>
<th>Base</th>
<th>Estimated Acre Feet / Year</th>
<th>Impact Fee* based on Assumed Meter Size</th>
<th>Infrastructure Estimated Cost</th>
<th>Total Estimated Cost for Potable Service</th>
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<td>$620,597</td>
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<tr>
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<td>Security Hill</td>
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<td>Construction</td>
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<tr>
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<td>-----------------</td>
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<tr>
<td>Camp Bullis</td>
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<td>Ft. Sam Houston</td>
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<td>$5,610,000</td>
<td>$ 6,600,000</td>
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<td><strong>$1,017,000</strong></td>
<td><strong>$8,644,500</strong></td>
<td><strong>$10,170,000</strong></td>
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<table>
<thead>
<tr>
<th>Design Start</th>
<th>Construction Start</th>
<th>Construction Complete</th>
<th>Purchase Equipment</th>
<th>Begin Operations</th>
</tr>
</thead>
</table>

* The waiver of Impact Fees pursuant to Ordinance # 2015-11-19-0972 as passed by the City of San Antonio on December 10, 2015 is Grantee’s match for grant funds as set out in its’ application.
EXHIBIT C

UNIFORM STATE GRANT ASSURANCES

The Grantee must assure and certify compliance with any and all applicable federal and state statutes, regulations, policies, guidelines and requirements, including, but not limited to, the Uniform Grant Management Standards (UGMS); and Title 1, Part 1, Chapter 4 of the Texas Administrative Code, that govern the application, acceptance and use of Federal and State funds for this project. In instances where multiple requirements apply to a Grantee, the more restrictive requirement applies. By accepting the grant award, the Grantee certifies and assures that it complies and will continue to comply with the following:

1. Grantee possesses legal authority to apply for the grant. A resolution, motion or similar action has been duly adopted or passed as an official act of the applicant’s governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative, or their designee of the organization to act in connection with the application and to provide such additional information as may be required. State agencies are not required to adopt a resolution.

2. A grantee must comply with Texas Government Code, Chapter 573, Vernon’s 1994, by ensuring that no officer, employee, or member of the applicant’s governing body or of the applicant’s contractor shall vote or confirm the employment of any person related within the second degree of affinity or the third degree of consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years, or such other period stipulated by local law, prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.

3. A grantee must insure that all information collected, assembled or maintained by the applicant relative to a project will be available to the public during normal business hours in compliance with Texas Government Code, Chapter 552, Vernon’s 1994, unless otherwise expressly prohibited by law.

4. A grantee must comply with Texas Government Code, Chapter 551, Vernon’s 1994, which requires all regular, special or called meeting of governmental bodies to be open to the public, except as otherwise provided by law or specifically permitted in the Texas Constitution.

5. A grantee must comply with Section 231.006, Texas Family Code, which prohibits payments to a person who is in arrears on child support payments.

6. No health and human services agency or public safety or law enforcement agency may contract with or issue a license, certificate or permit to the owner, operator or administrator of a facility if the license, permit or certificate has been revoked by another health and human services agency or public safety or law enforcement agency.

7. A grantee that is a law enforcement agency regulated by Texas Government Code, Chapter 415, must be in compliance with all rules adopted by the Texas Commission on Law Enforcement Officer Standards and Education pursuant to Chapter 415, Texas Government Code or must provide the grantor agency with a certification from the Texas Commission on Law Enforcement Officer Standards and Education that the agency is in the process of achieving compliance with such rules.

8. When incorporated into a grant award or contract, standard assurances contained in the application package become terms or conditions for receipt of grant funds. Administering state agencies and local grantees shall maintain an appropriate contract administration system to insure that all terms, conditions. and specifications are met.

9. A grantee must comply with the Texas Family Code, Section 261.101 which requires reporting of all suspected cases of child abuse to local law enforcement authorities and to the Texas Department of Child Protective and Regulatory Services. Grantees shall also ensure that all program personnel are properly trained and aware of this requirement.

10. Grantees will comply with all federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps and the Americans With Disabilities Act of 1990; (d) the Age Discrimination Act of 1974, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive

12. Grantees will comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P. L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

13. Grantees will comply with the provisions of the Hatch Political Activity Act (5 U.S.C. § 7321-29) which limit the political activity of employees whose principal employment activities are funded in whole or in part with Federal funds.

14. Grantees will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act and the Intergovernmental Personnel Act of 1970, as applicable.

15. Grantees will insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency’s (EPA) list of Violating Facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA (EO 11738).

16. Grantees will comply with the flood insurance purchase requirements of 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234. Section 102 (a) requires the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition proposed for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards.

17. Grantees will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) identification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11988; (d) evaluation of flood hazards in floodplains in accordance with EO 11990; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972, 16 U.S.C. §§ 1451 et seq.; (f) conformity of federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

18. Grantees will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

19. Grantees will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).

20. Grantees will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

21. Grantees will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residential structures.

22. Grantees must adopt and implement applicable provisions of the model HIV/AIDS work place guidelines of the Texas Department of Health as required by the Texas Health and Safety Code, Ann., Sec. 85.001, et seq.

23. Grantees will comply with Public Law 103-277, also known as the Pro-Children Act of 1994 (Act), which prohibits smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

24. Grantees will comply with all federal tax laws and are solely responsible for filing all required state and federal tax forms.
25. Grantees will comply with all applicable requirements of all other federal and state laws, executive orders, regulations and policies governing this program.

26. The applicant must certify that they are not debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs.
EXHIBIT D

QUARTERLY PROJECT STATUS REPORT
[PROJECT NAME]
TMPC [PROJECT NUMBER]

Expenditures for Quarter Ending (DATE)

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Description</th>
</tr>
</thead>
</table>

Percentage of Project Completed:

Summary of Expenditures to Date:

Quarter Ending | Expenditures

Brief Narrative Explaining Expenditures:

Project Status:

Grantee’s Duly Authorized Representative: _____________ Date: ________
EXHIBIT E

PROJECT COMPLETION REPORT
[PROJECT NAME]
TMPC [PROJECT NUMBER]

Locality:
DEAAG Grant Number:
Percent Completed:

The **GRANTEE** has successfully completed, and in a satisfactory manner, the **PROJECT**. The purpose of the grant was to **GRANT PURPOSE**.

The total cost for the project is as follows:

  - Project Total $  
  - Total $  

The following is a brief project scope summary:

This is to certify that an inspection of 100% of the completed project described below was conducted on the ___ day of ________, 20__.

Contracts were entered into for **PROJECT** between the **GRANTEE** and the following subcontractors: [SUBCONTRACTORS].

This is to further certify that any and all Equipment included as part of the grant budget has been purchased with the specified grant purpose, timeline, budget, and all addenda, change orders, and supplemental agreements thereto.

**NAME OF GRANTEE:**

_____________________________________________
Signature of Grantee’s Duly Authorized Representative

_____________________________________________
Print Name

_____________________________________________
Title

_____________________________________________ Date
Exhibit F
DEAAG PROJECT IMPACT REPORT REPORT

Project Name: DEAAG Grant Number: 

Grantee Name: 

Address: 

Telephone: Fax: 

Contact Person: Email: 

Time Period Covered by Report: __________ to __________ 

Project Performance Measures: 

• Create, retain, or train _____ Jobs by the completion of the project 

• Project Description: 

• Project Address: 

Jobs Created

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Active Full Time Jobs Created, Retained or Students Trained</th>
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<tbody>
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<tr>
<td></td>
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<tr>
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Breakdown of Jobs Created

<table>
<thead>
<tr>
<th>Job Type</th>
<th>Jobs Created or Retained This Reporting Period</th>
<th>Total Jobs Created to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Permanent Jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Permanent Jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals Trained</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Businesses assisted or created this period: _____________________
Businesses assisted or created to date: ________________

Project Financial Impact

- Narrative summary of Impact:
- Update on current Project Status (include curriculum updates):

THE SIGNATURE BELOW CERTIFIES THAT THE INFORMATION SUBMITTED IN THIS REPORT IS TRUE AND CORRECT TO THE BEST KNOWLEDGE OF THE GRANTEE.

FOR THE GRANTEE:

______________________________  ______________________________  ______________________________
Signature                      Print Name                       Title

______________________________
Date
TO: San Antonio Water System Board of Trustees

FROM: Sam Mills, P.E., Director, Development, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: UTILITY SERVICE AGREEMENT FOR WATER AND/OR WASTEWATER SERVICES TO TRACTS REQUIRING THE SAN ANTONIO WATER SYSTEM FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH OVERSIZING OR IMPACT FEE CREDITS AND/OR ARE LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Utility Service Agreements (USA) to provide water and/or wastewater services to the specified tracts of land requiring San Antonio Water System’s (the “System”) financial participation in the development of infrastructure through oversizing or impact fee credits, and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity (CCN).

- This board item consists of two tracts, which total 606.23 acres; 2,462 water Equivalent Dwelling Units (EDUs); and 2,462 wastewater water Equivalent Dwelling Units (EDUs).

- Board approval is required since the tracts require the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or are located outside the System’s water and/or wastewater CCN.

- The Fischer Tract is located within the City of San Antonio Extraterritorial Jurisdiction, inside the System’s water CCN and inside the wastewater CCN. The USA provides 500 EDUs of water and 500 EDUs of wastewater services and consists of oversized infrastructure.

- The Mission Del Lago Tract is located within the City of San Antonio Limits, inside the System’s water CCN and inside the wastewater CCN. The USA provides 1,962 EDUs of water and 1,962 EDUs of wastewater services and consists of oversized infrastructure.

- The Developers are required to install all necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.
Utility Service Agreement to the Specified Tract Requiring Oversizing
And/or Outside the System’s Water and/or Wastewater CCN

• The Developers are responsible for the construction and engineering costs associated with all required water and/or wastewater mains to serve the tract (on-site and off-site).

Staff recommends that the Board approve this resolution.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ/ CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fischer Tract</td>
<td>KB HOME Lone Star Inc., a Texas Corporation</td>
<td>141.23</td>
<td>500</td>
<td>500</td>
<td>CoSA ETJ</td>
<td>Inside</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
<tr>
<td>2</td>
<td>Mission Del Lago Tract</td>
<td>Southstar Mission Del Lago Developer, LLC</td>
<td>465</td>
<td>1,962</td>
<td>1,962</td>
<td>CoSA</td>
<td>Outside</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>606.23</strong></td>
<td><strong>2,462</strong></td>
<td><strong>2,462</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Acronyms:
EARZ = Edwards Aquifer Recharge Zone  
OVR = Oversizing  
CCN=Certificate of Convenience and Necessity  
CZ = Edwards Aquifer Contributing Zone  
WW = Wastewater  
IFC = Impact Fee Credits  
CoSA = City of San Antonio limits  
ETJ = Extraterritorial Jurisdiction

**EXTENT AND CONDITIONS OF UTILITY SERVICE AGREEMENT:**

Upon approval by the System of this USA, the Developer Customers have 36 months to complete the required utility master plan and to start construction. If a Developer Customer fails to complete these requirements within the 36-month period, the USA will expire and a request for a new agreement must be submitted to the System. During the effective term of this USA, capacity in the System’s water and wastewater systems will be set aside. The Developer Customers are not guaranteed capacity until all required off-site infrastructure is built by the Developer, accepted by the System, and all impact fees are paid.

**FINANCIAL IMPACT:**

In compliance with the System’s Board of Trustees water extension policy, Developer Customer applicants are responsible for financing all required local benefit facilities and for payment of all applicable impact fees. The Developers will contribute all impact fees in effect at the time of plat recordation or the latest date allowable by law for each subdivision unit. The fees to be collected by the System will be recorded in the Service Recovery Account and are estimated as follows, based on current charges and full build out of the tracts:

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Water Impact Fees</th>
<th>Wastewater Impact Fees</th>
<th>Total Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fischer Tract</td>
<td>$2,388,500.00</td>
<td>$1,653,000.00</td>
<td>$4,041,500.00</td>
</tr>
<tr>
<td>2</td>
<td>Mission Del Lago Tract</td>
<td>$9,019,314.00</td>
<td>$2,952,810.00</td>
<td>$11,972,124.00</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td><strong>$11,407,814.00</strong></td>
<td><strong>$4,605,810.00</strong></td>
<td><strong>$16,013,624.00</strong></td>
</tr>
</tbody>
</table>
The System is responsible for providing access to existing general benefit facilities and/or financing the construction of additional general benefit facilities.

**OVERSIZING AND/OR IMPACT FEE CREDITS:**

The following USAs have recommendations for the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or facilities based on the System’s Master Plan.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Oversize SAWS</th>
<th>Oversize Developer</th>
<th>Oversize Total</th>
<th>Oversize Developer (%)</th>
<th>Oversize System (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fischer Tract – Booster Station</td>
<td>$4,045,200</td>
<td>$255,000</td>
<td>$4,300,200</td>
<td>6.00%</td>
<td>94.00%</td>
</tr>
<tr>
<td>1</td>
<td>Fischer Tract – 24-inch water main (off-site)</td>
<td>$3,168,000</td>
<td>$1,056,000</td>
<td>$4,224,000</td>
<td>25.00%</td>
<td>75.00%</td>
</tr>
<tr>
<td>1</td>
<td>Fischer Tract – 12-inch water main (on-site)</td>
<td>$0</td>
<td>$748,440*</td>
<td>$748,440*</td>
<td>100.00%</td>
<td>0%</td>
</tr>
<tr>
<td>2</td>
<td>Mission Del Lago Sewer (Option I) 27-inch main:</td>
<td>$3,601,400</td>
<td>$1,210,000</td>
<td>$4,811,400</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>2</td>
<td>Mission Del Lago Sewer (Option II) 27-inch main:</td>
<td>$2,102,467</td>
<td>$540,833</td>
<td>$2,643,300</td>
<td>20.5%</td>
<td>79.5%</td>
</tr>
</tbody>
</table>

**Total (with MDL Option I)**: $10,814,600 | $2,521,000 | $13,335,600

**Total (with MDL Option II)**: $9,315,667 | $1,851,833 | $11,167,500

*Note: The Developer is eligible for impact fee credits for their share of the cost for the on-site 12-inch main.

The Developer is required to install all other necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.
Utility Service Agreement to the Specified Tract Requiring Oversizing
And/or Outside the System's Water and/or Wastewater CCN

Sam Mills, P.E.
Director
Development

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachment:
1. Table 1, Tract Information

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction
## Table 1
### Tract Information

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Principal</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>PZ</th>
<th>Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
<th>Watershed</th>
<th>Board Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fischer Tract</td>
<td>KB HOME Lone Star Inc., a Texas Corporation</td>
<td>Joseph Hernandez</td>
<td>CoSA ETJ</td>
<td>Inside</td>
<td>10</td>
<td>141.23</td>
<td>500</td>
<td>500</td>
<td>Mud Creek</td>
<td>OVR</td>
</tr>
<tr>
<td>2</td>
<td>Mission Del Lago Tract</td>
<td>Southstar Mission Del Lago Developer, LLC</td>
<td>Thad Rutherford</td>
<td>CoSA</td>
<td>Outside</td>
<td>790</td>
<td>465</td>
<td>1,962</td>
<td>1,962</td>
<td>Palo Blanco Creek - Medina River</td>
<td>OVR</td>
</tr>
</tbody>
</table>

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- CZ = Edwards Aquifer Contributing Zone
- CoSA = City of San Antonio limits
- ETJ = Extraterritorial Jurisdiction
- OVR = Oversizing
- WW = Wastewater
- IFC = Impact Fee Credits
- PZ = Pressure Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A UTILITY SERVICE AGREEMENT TO PROVIDE WATER AND/OR WASTEWATER SERVICES TO THE SPECIFIED TRACTS OF LAND REQUIRING THE SAN ANTONIO WATER SYSTEM’S FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH Oversizing OR Impact Fee Credits AND/OR ARE LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM’S WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN), SUBJECT TO THE EXPIRATION OF SUCH AGREEMENTS IF NOT EXERCISED IN THIRTY-SIX MONTHS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Developer Customers, specified in the table below, have requested the San Antonio Water System (the “System”) to provide water and/or wastewater service(s), and have satisfied the requirements of the Board’s Regulations for Developer Customers Applicant; and

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EABZ / CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fischer Tract</td>
<td>KB HOME Lone Star, Inc., a Texas Corporation</td>
<td>141.23</td>
<td>500</td>
<td>500</td>
<td>CoSA ETJ</td>
<td>Inside</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
<tr>
<td>2</td>
<td>Mission Del Lago Tract</td>
<td>Southstar Mission Del Lago Developer, LLC</td>
<td>465</td>
<td>1,962</td>
<td>1,962</td>
<td>CoSA Outside</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
<td>In</td>
</tr>
</tbody>
</table>

**Totals**: 606.23  2,462  2,462

WHEREAS, the Developer Customer’s provisions to acquire water and/or wastewater services within the System’s jurisdiction is generally illustrated in the attached Project Site Maps; and

WHEREAS, the Developer Customer is obligated to pay the prescribed fees and to comply with other applicable requirements as set forth in the Regulations for Water and/or Wastewater Service; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Utility Service Agreements and to provide water and/or wastewater services to tracts of land
requiring the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity, and (ii) to provide that the Utility Service Agreements will be honored for a period of thirty-six months, and that if not exercised during this period, the Utility Service Agreements will expire; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the System hereby approves the Utility Service Agreements and agrees to provide water and/or wastewater services to tracts of land requiring the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity as generally illustrated in the attached Project Site Maps hereto, on a Developer Customer basis as provided for in the Board’s Regulations, applicable amendments to the Regulations, and any other applicable federal, state or local regulations.

2. That the Utility Service Agreements shall be honored for a period of thirty-six months, and if not exercised during this thirty-six-month period, the Utility Service Agreements will expire.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

5. This resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_______________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________________
Ernesto Arrellano, Jr., Secretary
Entire tract area within:
- Edwards Aquifer Recharge Zone

Developer will construct series of on-site looped 12-inch mains and 16-inch stub out in lieu of MP 16-inch main.

Fischer Tract
500 Water EDUs
500 Sewer EDUs
141.23 Acres
USA-12129

Legend
- Existing Water Main
- USA Tract
- Parcelo Update
- CIP MP SAWS Water
- Proposed Water Main

Project Location
Tract within: Edwards Aquifer Recharge Zone

Oversize approx. 3.0 Miles of 12-inch main to 24-inch main

Green Mountain Pump Station (Oversized)

Existing PZ 9 infrastructure
Entire tract area within:
- Edwards Aquifer Recharge Zone

Fischer Tract
500 Water EDUs
500 Sewer EDUs
141.23 Acres
USA-12129

Proposed 8-inch gravity main

Existing 8-inch force main

Lift Station (LS) 260
Option I:

Approx. 3 Miles of 15-inch gravity main Oversized to a 27-inch
TO: San Antonio Water System Board of Trustees

FROM: Sam Mills, P.E., Director, Development, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: NEW 30-YEAR UTILITY SERVICE AGREEMENT WITH THE VERANO LAND GROUP AND TEXAS A&M UNIVERSITY-SAN ANTONIO FOR WATER AND/OR WASTEWATER SERVICES TO TRACTS REQUIRING THE SAN ANTONIO WATER SYSTEM FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH OVERSIZING AND IMPACT FEE CREDITS SUPERSEDED AND REPLACING PREVIOUS RELATED UTILITY SERVICE AGREEMENTS; ACKNOWLEDGING THE SATISFACTION OF OBLIGATIONS IN CERTAIN OTHER AGREEMENTS; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE AN AMENDED AND RESTATATED CONSENT AGREEMENT WITH THE CITY OF SAN ANTONIO, TEXAS, VERANO LAND GROUP, AND THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER TWENTY-EIGHT; AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE AN AMENDMENT AND RESTATEMENT OF ASSIGNMENT OF RIGHT TO RECEIVE REIMBURSEMENTS WITH THE VERANO LAND GROUP

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves a Utility Service Agreement (USA) to provide water and/or wastewater services to the specified tract of land requiring the San Antonio Water System’s (the “System”) financial participation in the development of infrastructure through oversizing and impact fee credits, and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity (CCN), and authorizes the President/Chief Executive Officer to execute an amended and restated consent agreement with the City of San Antonio, Texas, Verano Land Group, and the Board of Directors of Reinvestment Zone Number Twenty Eight, San Antonio, Texas.

- This board item consists of one tract, which totals 2,455.14 acres; 12,371 water Equivalent Dwelling Units (EDUs); and 13,832 wastewater EDUs.
- Board approval is required since the tract requires the System’s financial participation in the development of infrastructure through oversizing and impact fee credits.
- The Verano Tract is located within the City of San Antonio Limits, inside the System’s water CCN and inside the wastewater CCN. The USA provides 12,371 EDUs of water and
Utility Service Agreement to the Specified Tract Requiring Oversizing and/or Outside the System’s Water and/or Wastewater CCN

13,832 EDUs of wastewater services, and requires oversizing of water mains and the Zarzamora facility.

- This USA supersedes and replaces the existing 2009 BexarMet and System USAs, and acknowledges the satisfaction of obligations in other related BexarMet agreements.
- The Developers are required to install all necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.
- The Developers are responsible for the construction and engineering costs associated with all required water and/or wastewater mains to serve the tract (on-site and off-site).
- This resolution authorizes the President/Chief Executive Officer to execute an amended and restated consent agreement with the City of San Antonio, Texas, Verano Land Group, and the Board of Directors of Reinvestment Zone Number Twenty Eight, San Antonio, Texas.
- This resolution also authorizes the President/Chief Executive Officer to execute the Amendment and Restatement of Assignment of Right to Receive Reimbursements between the Verano Land Group, LP, assignor, and the San Antonio Water System, as assignee.

Staff recommends that the Board approve this resolution.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Verano Tract</td>
<td>Texas A&amp;M University System (TAMUS) &amp; Verano Land Group, LP</td>
<td>2,455.14</td>
<td>12,371</td>
<td>13,832</td>
<td>CoSA</td>
<td>Outside</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
</tbody>
</table>

| Totals | 2,455.14 | 12,371 | 13,832 |

Acronyms:
EARZ = Edwards Aquifer Recharge Zone   OVR = Oversizing          AC = Acreage
CZ = Edwards Aquifer Contributing Zone WW = Wastewater          BMWD = Bexar Metropolitan Water
CoSA = City of San Antonio limits     ETJ = Extraterritorial Jurisdiction   District

**EXTENT AND CONDITIONS OF UTILITY SERVICE AGREEMENT:**

During the effective term of this USA, capacity in the System’s water and wastewater systems will be set aside. The Developer Customers are not guaranteed capacity until all required off-site infrastructure is built by the Developer, accepted by the System, and all impact fees are paid.
FINANCIAL IMPACT:

The System has funded approximately $2.7 million for wastewater infrastructure to serve the tract, of which approximately $2.1 million will be reimbursed from Reinvestment Zone Number 28. This revised USA eliminates the System’s previous remaining obligation to fund approximately $2.3 million to construct additional on-site wastewater infrastructure to serve the tract.

In compliance with the System’s Board of Trustees water extension policy, Developer Customer applicants are responsible for financing all required local benefit facilities and for payment of all applicable impact fees. The Developers will contribute all impact fees in effect at the time of plat recordation or the latest date allowable by law for each subdivision unit. The fees to be collected by the System will be recorded in the Service Recovery Account and are estimated as follows, based on current charges and full build out of the tracts:

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Water Impact Fees</th>
<th>Wastewater Impact Fees</th>
<th>Total Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Verano Tract</td>
<td>$56,869,487</td>
<td>$20,817,160</td>
<td>$77,686,647</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td>$56,869,487</td>
<td>$20,817,160</td>
<td>$77,686,647</td>
</tr>
</tbody>
</table>

The System is responsible for providing access to existing general benefit facilities and/or financing the construction of additional general benefit facilities.

OVERSIZING AND/OR IMPACT FEE CREDITS:

The following USAs have recommendations for the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or facilities based on the System’s Master Plan:
Utility Service Agreement to the Specified Tract Requiring Oversizing and/or Outside the System’s Water and/or Wastewater CCN

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Oversize SAWS</th>
<th>Oversize Developer</th>
<th>Oversize Total</th>
<th>Oversize Developer (%)</th>
<th>Oversize SAWS (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Water:</td>
<td>$0.00</td>
<td>$607,200*</td>
<td>$607,200</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>24-inch main</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Water:</td>
<td>$3,268,740</td>
<td>$2,179,160*</td>
<td>$5,447,900</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>Zarzamora Tank 1.0 MG to 2.5 MG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Sewer:</td>
<td>$0.00</td>
<td>$4,138,200*</td>
<td>$4,138,200</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Off-Site Gravity Main</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$3,268,740</td>
<td>$6,924,560</td>
<td>$10,193,300</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: The Developer is eligible for impact fee credits for their share of the cost for this infrastructure.

The Developer is required to install all other necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.

Sam Mills, P.E.
Director
Development

Genoveva G. Gomez, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachment:
1. Table 1, Tract Information
Table 1
Tract Information

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Principal</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>PZ</th>
<th>Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
<th>Watershed</th>
<th>Board Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Verano Tract</td>
<td>Texas A&amp;M University System (TAMUS) &amp; Verano Land Group, LP</td>
<td>Joseph M DeSimone Jr.</td>
<td>CoSA Outside 790 (DSP) &amp; 2 (System)</td>
<td>2,455.14</td>
<td>12,371</td>
<td>13,832</td>
<td>Lower Leon Creek &amp; Palo Blanco Creek - Medina River</td>
<td>OVR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Totals | 2,455.14 | 12,371 | 13,832 |

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- CZ = Edwards Aquifer Contributing Zone
- CoSA = City of San Antonio limits
- OVR = Oversizing
- WW = Wastewater
- AC = Acreage
- BMWD = Bexar Metropolitan Water District
- ETJ – Extraterritorial Jurisdiction
- PZ = Pressure Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A NEW 30-YEAR UTILITY SERVICE AGREEMENT WITH THE VERANO LAND GROUP, LP AND TEXAS A&M UNIVERSITY-SAN ANTONIO TO PROVIDE WATER AND/OR WASTEWATER SERVICES TO THE SPECIFIED TRACT OF LAND REQUIRING THE SAN ANTONIO WATER SYSTEM FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE AND IMPACT FEE CREDITS; SUPERSEDING AND REPLACING PREVIOUS RELATED UTILITY SERVICE AGREEMENTS; ACKNOWLEDGING THE SATISFACTION OF OBLIGATIONS IN CERTAIN OTHER AGREEMENTS; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE AN AMENDED AND RESTATATED CONSENT AGREEMENT WITH THE CITY OF SAN ANTONIO, TEXAS, VERANO LAND GROUP, LP, AND THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER TWENTY EIGHT, SAN ANTONIO, TEXAS; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE AN AMENDMENT AND RESTATEMENT OF ASSIGNMENT OF RIGHT TO RECEIVE REIMBURSEMENTS WITH THE VERANO LAND GROUP, LP; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Developer Customer, specified in the table below, has requested the San Antonio Water System (the “System”) to provide water and/or wastewater service(s), and have satisfied the requirements of the Board’s Regulations for Developer Customers Applicant; and

<table>
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<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ/CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
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<tr>
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<td>2,455.14</td>
<td>12,371</td>
<td>13,832</td>
<td>CoSA Outside</td>
<td>OVR</td>
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<td></td>
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<td></td>
<td><strong>Totals</strong></td>
<td><strong>2,455.14</strong></td>
<td><strong>12,371</strong></td>
<td><strong>13,832</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WHEREAS, the Developer Customer’s provisions to acquire water and/or wastewater services within the System’s jurisdiction is generally illustrated in the attached Project Site Maps; and

WHEREAS, the Developer Customer is obligated to pay the prescribed fees and to comply with other applicable requirements as set forth in the Regulations for Water and/or Wastewater Service; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Utility Service Agreements and to provide water and/or wastewater services to tracts of land requiring the System’s financial participation in the development of infrastructure through oversizing and impact fee credits and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity, (ii) to provide that the Utility Service Agreements will be honored for a period not to exceed thirty years, (iii) authorizes the President/Chief Executive Officer to execute an amended and restated consent agreement with the City of San Antonio, Texas, Verano Land Group, LP, and the Board of Directors of Reinvestment Zone Number Twenty Eight, San Antonio, Texas, and (iv) authorizes the President/Chief Executive Officer to execute an amendment and restatement of assignment of right to receive reimbursements with the Verano Land Group, LP; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the new Utility Service Agreement with the Verano Land Group, LP and Texas A&M University-San Antonio, that agrees to provide water and/or wastewater services to tracts of land requiring the System’s financial participation in the development of infrastructure through oversizing and impact fee credits as generally illustrated in the attached Project Site Maps hereto is hereby approved and attached hereto in substantially final form as Attachment I.

2. That the maximum term of this new Utility Service Agreement shall be extended for a term not to exceed 30 years.

3. That the Amended and Restated Consent Agreement among the City of San Antonio, the San Antonio Water System, Verano Land Group, LP and the Board of Directors of Reinvestment Zone Number Twenty-Eight is hereby approved and attached hereto in substantially final form as Attachment II.

4. That the Amendment and Restatement of Assignment of Right to Receive Reimbursements between the Verano Land Group, LP and the San Antonio Water System is hereby approved and attached hereto in substantially final form as Attachment III.

5. That the 2009 San Antonio Water System Utility Service Agreement and the 2009 Bexar Metropolitan Water District Utility Service Agreement shall be superseded and replaced by the new Utility Service Agreement, and acknowledging that the obligations in the Bexar Metropolitan Water District Memorandum of Understanding, the Bexar Metropolitan Water District Support Agreement, the Bexar Metropolitan Water District University Way Agreement and the Bexar
Metropolitan Water District East-West Agreement have been satisfied except as may be specifically carried forward in the new Utility Service Agreement.

6. That the President/Chief Executive Officer is authorized to execute an amended and restated consent agreement with the City of San Antonio, Texas, Verano Land Group, LP, and the Board of Directors of Reinvestment Zone Number Twenty Eight, San Antonio, Texas.

7. That the President/Chief Executive Officer is authorized to execute an amendment and restatement of assignment of right to receive reimbursements with the Verano Land Group, LP.

8. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

9. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

10. This resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Ernesto Arrellano, Jr., Secretary
UTILITY SERVICE AGREEMENT

STATE OF TEXAS §

COUNTY OF BEXAR §

This Utility Service Agreement (“Agreement”) is entered into by and between the San Antonio Water System Board of Trustees, through Resolution Number __________, acting by and through its President/Chief Executive Officer (“SAWS”), The Texas A&M University System (“A&M Developer”), for the benefit of The Texas A&M University – San Antonio (“TAMU-SA”), and Verano Land Group, LP, a Nevada limited partnership (formally a Texas limited partnership) (“Verano Developer” and together with the A&M Developer, the “Developers” where plural and a “Developer” where singular) acting by and through Joseph M DeSimone Jr., as managing member of it general partner, all of the foregoing entities being referred to together as the “Parties” and each separately as a Party.

Recitals

Whereas, Verano Developer and A&M Developer have requested that SAWS provide water and wastewater service (the “Services”) to their portion of an approximate 2,455.14 - acre tract of land, (the “Tract”), which is located inside SAWS’ water and wastewater CCN; and

Whereas, portions of the Tract are owned by Verano Developer (the “Verano Tract”), and portions of the Tract are owned by A&M Developer (the “TAMU-SA Tract”);

Whereas, the TAMU-SA Tract consists of approximately 694.5 acres, being comprised of (i) approximately 590 acres, being two 5 acre parcels along South Loop 410 and one contiguous 580 acre parcel north of Mauermann Road (collectively, the “Texas A&M-SA Campus”) and (ii) one 104.5 acre parcel south of Mauermann Road to be used for an Irrigation Technology Center (the “TAMU – ITC Tract”); and

Whereas, the Verano Tract consists of approximately 1,760.64 acres, being comprised of (i) approximately 1,715.26 acres, essentially surrounding the contiguous 580 acres of the Texas A&M-SA Campus (said approximately 1,715.26 acres being referred to herein as the “Main Verano Tract”), and (ii) approximately 45.38 acres adjacent to the TAMU-SA – ITC Tract south of Mauermann Road (“Verano South Tract”); and

Whereas, the Tract is not located over the Edwards Aquifer Recharge or Contributing Zone, and is not located within the 5-mile Awareness Zone of Camp Bullis, such Tract being more particularly described in Attachment VI hereto, as accepted by SAWS; and

Whereas, SAWS desires to provide the Services to the Developers pursuant to this Agreement, the SAWS Utility Service Regulations, and all applicable local, state, and federal regulations, as amended; and
Whereas, Bexar Metropolitan Water District (SAWS being the successor to Bexar Metropolitan Water District), Verano Developer and A&M Developer entered into a Memorandum of Understanding dated as of January 28, 2008 (the “Memorandum of Understanding”);

Whereas, Bexar Metropolitan Water District and Verano Developer entered into a Texas A&M University Support Agreement for the benefit of A&M Developer dated as of July 31, 2008 (the “Support Agreement”);

Whereas, Bexar Metropolitan Water District and VTLM TEXAS LP, a Texas limited partnership (“VTLM”) entered into a University Way Funding Agreement dated February 1, 2009 (“University Way Agreement”);

Whereas, Bexar Metropolitan Water District and VTLM entered into an East-West Street Funding Agreement dated August 7, 2009 (“East-West Agreement”);

Whereas, the Parties and VTLM entered into a Utility Services Agreement dated October 15, 2009 (the “2009 SAWS USA”);

Whereas, VTLM and Bexar Metropolitan Water District entered into a Utility Services Agreement dated January 26, 2009 (the “2009 BexarMet USA”);

Whereas, VTLM has assigned its rights to Verano Developer, and Verano Developer has assumed VTLM’s obligations, under the University Way Agreement, the East-West Agreement, the 2009 SAWS USA and the 2009 BexarMet USA;

Whereas, this Agreement supersedes and replaces the 2009 SAWS USA and the 2009 BexarMet USA;

Whereas, this Agreement confirms that the respective obligations of SAWS and Verano Developer under the Memorandum of Understanding, the Support Agreement, the University Way Agreement and the East-West Agreement have been satisfied, except as may be specifically set forth or carried forward in this Agreement;

Now Therefore, The Parties Hereto Agree To The Following Terms and Conditions:

1.00 Interpretation of Agreement.

1.01 The Parties acknowledge that the Services contemplated by this Agreement shall be provided in accordance with the SAWS Utility Service Regulations, Design Criteria, Schedules, Attachments and Instruments thereto, as amended (together “USR”). In the event the specific terms of this Agreement are in conflict with the USR, the specific terms of this Agreement shall apply. The Parties further acknowledge that this Agreement is subject to future acts of the City Council of the City of San Antonio with respect to the adoption or amendment of impact fee ordinances/resolutions.
1.02 The Parties agree that the purpose of this Agreement is the reservation of the designated water supply and/or wastewater discharge capacity for the Tract. Any rights that either of the Developers claims arise under Chapter 245, Texas Local Government Code, that are related to this Agreement shall comply with the Unified Development Code Article IV, Division 1, Chapter 35-410 and applicable requirements in Article VII, Division 2 Vested Rights, which are dependent upon the provision of written information that provides the City of San Antonio fair notice of the project, provided that such written information includes a description of each land use (residential, multi-family, commercial or industrial) by acreage. If either of the Developers intends to rely on this USA as its application for the purposes of vested rights under Chapter 245, then please contact Development Services Department, Land Entitlement team at 210-207-1111 or 1901 S. Alamo, San Antonio, TX. 78204. Further, this information must be included in the supporting engineering report in conformance with the Utility Service Regulations, which may be amended, or repealed and replaced, from time to time. In no event shall those Utility Service Regulations replace or conflict with the City’s Unified Development Code, Article IV, Division 1, Chapter 35-410 and applicable requirements in Article VII, Division 2 Vested Rights.

2.00 Obligation Conditioned.

The obligation of SAWS to provide the Services is conditioned upon present rules, regulations and statutes of the United States of America and the State of Texas and any court order that directly affects the SAWS’ Regional Water Production and Distribution System and/or Regional Wastewater Transportation and Treatment System and/or the utility infrastructure directly servicing the Tract. Each of the Developers acknowledges that if the rules, regulations and statutes of the United States of America and/or the State of Texas that are in effect upon the execution date of this Agreement are repealed, revised or amended to such an extent that SAWS becomes incapable of, or prevented from, providing the Services, then no liability of any nature is to be imposed upon SAWS as a result of SAWS’ compliance with such legal or regulatory mandates. SAWS agrees that it will use its best efforts to prevent the enactment of such legal or regulatory mandates.

3.00 Term.

3.01 The term of this Agreement shall be seven (7) years from the Effective Date if the Verano Developer complies with the requirements set out in G.C. 19.00 (attached) within the time period therein stated. This Agreement shall automatically expire if Verano Developer fails to comply with the requirements of G.C. 19.00 within the time period therein provided. The term of this Agreement will be extended to fifteen (15) years from the Effective Date, if Verano Developer complies with the requirements to extend the term set forth in G.C. 19.00 within the time period therein stated. Certain obligations of SAWS (described in Section 3.03 below) may survive the expiration of the term of this Agreement, to the extent that Developers have (i) paid all applicable impact fees for the Services at the then-current rate (except as provided in S.C.WW.1.01.(4)D of the Special Conditions for wastewater service attached and made a part of this Agreement), and (ii) complied with all On-Site and Off-Site utility infrastructure requirements of this Agreement (described in the Special Conditions), including over-sizing requirements. The term may be further extended as provided in the Special Conditions and G.C.19.00.
3.02 To the extent that SAWS’ obligations do not survive the expiration of this Agreement, Developers understand and agree that a new Utility Service Agreement must be entered into with SAWS to receive the Services for the development project that is the subject of this Agreement.

3.03 To the extent that all applicable impact fees are timely paid (or covered pursuant to S.C.WW.1.01.(4)D of the Special Conditions for wastewater service) and Verano Developer complies with all On-Site utility infrastructure requirements for the Verano Tract and all Off-Site utility infrastructure requirements for the Tract, and A&M Developer complies with all utility infrastructure requirements for the TAMU-SA Tract, all prior to the expiration of this Agreement, the following obligations will survive expiration of this Agreement:

   (i) SAWS’ recognition of the EDUs referenced as the subject of this agreement as Guaranteed Capacity.
   (ii) SAWS’ continued recognition of impact fee credits previously earned by the Verano Developer pursuant to Sections 15.8 and 15.9 of the USR and/or pursuant to this Agreement.
   (iii) SAWS’ continued provision of the Services to retail customers located in the Tract, so long as such customers pay for the services and comply with the regulations applicable to individual customers.

3.04 Verano Developer’s obligations to pay SAWS all sums set forth in this Agreement shall survive the expiration of the term of this Agreement.

4.00 Entire Agreement.

The following documents attached hereto and incorporated herein are as fully a part of this Agreement as if herein repeated in full, together with this Agreement, comprise the Agreement in its entirety:

Attachment I: General Conditions
Attachment II: Special Conditions
Attachment III: Description of Proposed Water and/or Wastewater Infrastructure
Attachment IV: Board Summary & Recommendation and Resolution (if necessary)
Attachment V: Verano Developer Water and/or Wastewater Master Plan (if necessary)
Attachment VI: Engineering Study Including Description of the Tracts and Subtracts
Attachment VII: Lift Station & Force Main Supplemental Agreement (if necessary)
Attachment VIII: Water Recycling and Conservation Plan (if necessary)

Any of the above attachments that are created and submitted by the Developers as an attachment to this USA shall be limited to providing relevant engineering, planning or managing information for the purposes of setting aside or reserving water and/or wastewater service capacity as specified in the body of this USA, the General Conditions and the Special Conditions. Developers agree that they will not attempt to rely on, and SAWS does not authorize, any of the contents of any attachments created and submitted by the Developers as a basis for claiming rights under Chapter
245 of the Texas Local Government Code, except as specifically required by Section 1.02 of this USA.

Developers understand that this Agreement, including, its General Conditions, Special Conditions and Attachments, is subject to the Texas Public Information Act; and, therefore, agrees that it will not claim that any of the information contained herein is subject to any third party exception under that Act.

5.00 Developers’ Obligations.

The Developers acknowledge and agree that the capacity provided by this Agreement runs with the land and shall be an appurtenance to the Tract. The Developers acknowledges that recordation of this Agreement in the Real Property Records of the County in which the Tract is located within three (3) years of the Effective Date of this Agreement is required; otherwise, this Agreement will automatically terminate. Verano Developer shall record the Agreement and the delivery of a recorded copy to the Director within three (3) years of the Effective date of this Agreement or before any transfer of property or EDUs as specified in G.C. 20.00, whichever is sooner, is required. The Verano Developer shall maintain records of EDUs remaining on the Tract pursuant to the approved Verano Developer Master Plan. Verano Developer shall provide SAWS with such records upon SAWS written request. Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that the rights herein regarding the Texas A&M-SA Campus and the TAMU-SA – ITC Tract are personal to and are the exclusive benefit of A&M Developer, and are not assignable.

6.00 Indemnity.

TO THE EXTENT ALLOWED BY LAW AND TEXAS CONSTITUTION, THE VERANO DEVELOPER FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS SAWS AND ITS SUCCESSOR AND ASSIGNS FROM THE CLAIMS OF THIRD PARTIES ARISING OUT OF SAWS’ RECOGNITION OF THE TRANSFER OF CAPACITY UNDER THIS AGREEMENT TO VERANO DEVELOPER’S SUBSEQUENT PURCHASERS, SUCCESSORS AND ASSIGNS.

7.00 Notices.

Any notice, request, demand, report, certificate or other instrument which may be required or permitted to be furnished to or served upon the parties shall be deemed sufficiently given or furnished or served if in writing and deposited in the United States mail, registered or certified, return receipt requested, addressed to such party at the address set forth below:

**If to San Antonio Water System:**

San Antonio Water System
Post Office Box 2449
San Antonio, Texas 78298-2449
Attn: Sam Mills, P.E., Director, Infrastructure Planning
IF TO VERANO DEVELOPER:

Verano Land Group, LP
_________________________
_________________________
Attn: _________________________
with a copy to:
_________________________
_________________________
Attn: _________________________

If to A&M Developer:

SYSTEM REAL ESTATE OFFICE
THE TEXAS A&M UNIVERSITY SYSTEM
301 TARROW, 6TH FLOOR
COLLEGE STATION, TEXAS 77840-7896
ATTN: TIMOTHY V. COFFEY
EMAIL: SREO@TAMUS.EDU
TELEPHONE: (979) 458-6350
FACSIMILE: (979)458-6359

with a copy to:

GENERAL COUNSEL
THE TEXAS A&M UNIVERSITY SYSTEM
301 TARROW, 6TH FLOOR
COLLEGE STATION, TEXAS 77840-7896
ATTN: RAY BONILLA
EMAIL: RBONILLA@TAMUS.EDU
TELEPHONE: (979) 458-6150
FACSIMILE: (979)458-6150

8.00 Severability.

If for any reason any one or more paragraph of this Agreement are held legally invalid, such judgment shall not prejudice, affect impair or invalidate the remaining paragraphs of the Agreement as a whole, but shall be confined to the specific sections, clauses, or paragraphs of this contract held legally invalid.

9.00 Effective Date.

The Effective Date of this Agreement shall be the date signed by the authorized representative of the San Antonio Water System.
10.00 Ownership.

By signing this Agreement the Verano Developer represents and warrants that it is the owner of the Verano Tract or has the authority of the Verano Tract owner to develop the area covered by the Verano Tract. By signing this Agreement the A&M Developer represents and warrants that it is the owner of the TAMU-SA Tract or has the authority of the TAMU-SA Tract owner to develop the area covered by the TAMU-SA Tract. Any misrepresentation of authority or ownership by Verano Developer or A&M Developer shall make this Agreement voidable by SAWS. If the Verano Developer or A&M Developer does not own the respective part of the Tract, then the Verano Developer or A&M Developer, as the case may be, must provide documentation from the owner of the respective part of the Tract to show that it has the proper authority to develop the respective part of the Tract.

11.0 Controlling Provisions.

To the extent of any irreconcilable conflict between the Agreement, the Attachments, and/or the General Conditions and the Special Conditions, the provisions of the Special Conditions shall apply.

12.0 Counterparts.

This Agreement may be executed in multiple counterparts with the same effect as if all signatory parties had signed the same Agreement. All counterparts will be construed together and will constitute one and the same document. The signature page from each counterpart document may be removed and attached to the same document for purposes of recording in the Real Property Records of Bexar County, Texas.
ACCEPTED AND AGREED TO IN ALL THINGS:

San Antonio Water System

Signature: __________________________

Print Name: Genoveva G. Gomez, P.E.

Title: Vice-President, Engineering & Construction

Date: __________________________

ACKNOWLEDGEMENT

STATE OF TEXAS, COUNTY OF BEXAR §

BEFORE ME, the undersigned Notary Public, on this day personally appeared __________________________ known to me to be the person whose name is subscribed to the foregoing instrument and that he has executed the same as __________________________ for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____day of ____________, 2016.

(seal) ____________________________________________

Notary Public
VERANO LAND GROUP, LP, a Nevada limited partnership

By: South San Antonio Management, LLC, a Nevada limited liability company, its General Partner

By: ____________________________
Print Name: ______________________
Title: ____________________________
Date: ____________________________

ACKNOWLEDGMENT

STATE OF TEXAS, COUNTY OF BEXAR §

BEFORE ME, the undersigned Notary Public, on this day personally appeared __________________________ known to me to be the person whose name is subscribed to the foregoing instrument and that he has executed the same as __________________________ for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____day of ____________, 2016.

(seal)

____________________________________
Notary Public
A&M DEVELOPER JOINS IN THE EXECUTION OF THIS AGREEMENT SOLELY FOR THE PURPOSE OF RESERVING CAPACITY FOR THE TAMU-SA TRACT AND ACKNOWLEDGING THE TERMS AND CONDITIONS OF SERVICE AND ALL REQUIREMENTS RELATED TO OFF-SITE AND ON-SITE INFRASTRUCTURE FOR THE TAMU-SA TRACT. NOTHING IN THIS AGREEMENT SHALL CREATE AN OBLIGATION FOR A&M DEVELOPER OR TAMU-SA TO PAY ANY COSTS FOR OR PERFORM ANY OF THE DESIGN OR CONSTRUCTION OBLIGATIONS OF VERANO DEVELOPER SET FORTH IN THIS AGREEMENT.

The Texas A&M University System, and agency of the State of Texas

By: __________________________
Print Name: ____________________
Title: __________________________
Date: __________________________

ACKNOWLEDGEMENT

STATE OF TEXAS, COUNTY OF BRAZOS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared ______________________ known to me to be the person whose name is subscribed to the foregoing instrument and that he/she executed the same as __________________________ for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ___ day of ___________, 2016.

(seal)

__________________________________

Notary Public
GENERAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

G.C.1.00 Definitions.

G.C.1.01 Developers.
Owners of the Tract, their subsequent purchasers, successors, and/or assigns.

G.C.1.02 Director of Infrastructure Planning.
The Director of Infrastructure Planning of the San Antonio Water System or his/her designated representative.

G.C.1.03 Definition of Terms.
Unless defined in the Utility Service Agreement (the “Agreement”), the terms used in this General Conditions of the Utility Service Agreement (the “General Conditions”) shall have the same definitions and meaning as those set out in Chapter 2, Definitions, of the Utility Service Regulations ("USR"). In the event a term is specifically defined in the General Conditions, and the definition is in conflict with the found in the USR, and such conflict is acknowledged in the General Conditions, the definition set out in the General Conditions shall apply.

G.C.2.00 Required Submittals.
If determined to be necessary by the Director of Infrastructure Planning (“Director”), the Verano Developer hereby agrees to submit the following documents prior to the execution of the Agreement: Verano Developer Master Plan, Verano Developer Utility Layout, Water Recycling and Conservation Plan (not highly detailed), and Engineering Report. The Parties agree that such documents are included instruments to the Agreement. The submittal of such documents, if determined to be necessary by the Director, is a condition precedent to plat recordation and initiation of Services. Verano Developer shall modify such documents as may be reasonably required by the Director. Such documents shall be updated as required by the Director and the USR.

G.C.3.00 Dedication to SAWS.
The Verano Developer agrees to dedicate, grant, and convey to SAWS all rights, title and interest of Verano Developer in both the Off-Site and On-Site utility infrastructure that the Verano Developer is required to construct under the Special Conditions of the Utility Service Agreement (the “Special Conditions”), and to dedicate, grant, and convey to SAWS easements for such utility infrastructure. Upon written acceptance of Off-Site and On-Site utility infrastructure by SAWS, such infrastructure shall be owned, operated and maintained by SAWS.
G.C.4.00 Design and Construction Requirements.

The design and construction of all Off-Site and On-Site utility infrastructure shall, at a minimum, comply with the requirements established by SAWS, including the USR, the City of San Antonio, the County of Bexar, the State of Texas, and any agency thereof with jurisdiction, including but not limited to the Texas Commission on Environmental Quality and the Texas Department of Health. Off-Site and On-Site utility infrastructure shall be constructed under the inspection of SAWS. Provision of the Services to the Tract shall not commence until the Director has accepted and approved Off-Site and On-Site utility infrastructure in writing.

G.C.5.00 Joint Venture Agreements.

In the event either of the Developers enters into a Joint Venture Agreement covering the costs for supplying the Services to the Tract, the Verano Developer or the A&M Developer (as the case may be) shall send a copy of such agreement to the attention of the Director.

G.C.6.00 Assignment.

This Agreement may not be assigned by Verano Developer or A&M Developer in whole or in part without the written consent of SAWS; however, Verano Developer may assign, convey or transfer EDU capacity (“EDU capacity transfer”) to buyers of portions of the Tract in accordance with the terms in G.C. 20.00.

G.C.7.00 Event of Foreclosure.

In the event Verano Developer’s interest in the Verano Tract or a portion thereof is extinguished by an act of foreclosure, and the foreclosing party has supplied sufficient evidence to SAWS that they are the successor in interest to the Verano Tract or a portion thereof as a result of such foreclosure, and that there are no lawsuits pending concerning the Verano Tract or such portion thereof, SAWS shall consider the foreclosing party a successor in interest if the foreclosing party executes a utility service agreement with SAWS after the Director determines that the execution of such an agreement will not be adverse to SAWS’ interest.

G.C.8.00 Payment for Provision of Utility Service.

In the event payment for the Services provided to a subdivision plat within the Tract is not billed by SAWS, the amount of the monthly fees for the provision of the Services will be those charged to the various customer classifications as set by City Ordinances, with the billing and collection thereof on behalf of SAWS being the responsibility of the billing utility purveyor. To facilitate this arrangement, Verano Developer is to insert into any utility agreement with whatever utility purveyor is to bill for utility services to a subdivision plat within the Tract, a provision requiring said purveyor to enter into a Contract with SAWS to bill and collect SAWS’ monthly utility services fees and transmit said fees to SAWS. The billing utility purveyor shall advise customers that delinquent non-payment of any of SAWS’ fees will result in interruption and/or termination of the Services provided by SAWS, in accordance with applicable interruption and termination policies and procedures, as amended. SAWS shall not be obligated to provide the Services to any plat within the Tract unless and until the utility purveyor has executed a contract with SAWS to provide for the billing and collection of the Services provided by SAWS.

G.C.9.00 Enforcement of Industrial Waste Ordinance if Required by SAWS.
If any of the Tract is located outside the corporate limits of the City of San Antonio, the Verano Developer shall cause to be recorded in the Deed and Plat Records of the counties in which the Tract is located, a restrictive covenant covering the portion of the Tract outside the City limits. This restrictive covenant shall run with the land in the portion of the Tract outside the City limits. Such covenant shall contain language expressly granting to SAWS the right, should SAWS so elect, to enforce and or otherwise pursue to the extent provided at law or in equity, the provisions of the City’s Industrial Waste Ordinance No. 57214, as amended or as may be amended (codified as Chapter 34, Article V, Division 3 of the City Code). SAWS’ right shall include, to the extent provided at law or in equity, the right to inspection, sampling and monitoring of the collection system to assure ordinance compliance.

Recordation of the Covenant shall be a condition precedent for SAWS’ provision of the Services to any portion of said Tract outside the City limits.

**G.C.10.00 Oversizing.**

Verano Developer must pay for all mains and other utility facilities needed to serve the Verano Tract, and A&M Developer must pay for all mains and other utility facilities needed to serve the TAMU-SA Tract (except to the extent this Agreement provides that Verano Developer is to pay for infrastructure facilities that are off-site as to the TAMU-SA Tract). SAWS may require the installation of oversized water mains and wastewater mains and related facilities. SAWS’ requirements for over-sizing, if any, are set forth in the Special Conditions. SAWS will execute a trilateral contract with Verano Developer and a contractor for the construction of oversized facilities. Contracts for the construction of oversized facilities must be competitively bid as required by law. SAWS will reimburse the Verano Developer for the oversize construction cost differential upon completion of the approved facility installation and SAWS’ acceptance of such facility. Except as otherwise specifically set forth in this Agreement, SAWS will determine whether to provide such reimbursement in the form of a cash reimbursement or in credits to be applied to impact fees. All oversizing shall be done in accordance with the USR.

**G.C.11.00 Off-Site/On-Site Facilities.**

Verano Developer shall construct and install all required Off-Site (as to the Verano Tract and as to the Tract) and On-Site (as to the Verano Tract) utility infrastructure for the Verano Tract in accordance with the USR and Special Conditions, at no cost to SAWS. A&M Developer shall construct and install all required Off-Site (as to the TAMU-SA Tract, but not as to the Tract) and On-Site (as to the TAMU-SA Tract) utility infrastructure for the TAMU-SA Tract in accordance with the Special Conditions, and to the extent such infrastructure is to be dedicated to SAWS (no duty or agreement to accept any such dedication being implied by this or any other provision in this Agreement), in accordance with the USR, at no cost to SAWS. Any specific requirements related to the facilities are set forth in the Special Conditions. Except as may be expressly and specifically set forth in this Agreement, SAWS has no obligation to construct or install any Off-Site or On-Site utility infrastructure pursuant to this Agreement.

**G.C.12.00 Impact Fee Payment.**

Developers agree that the Agreement does not constitute an assessment of impact fees. Developers agree to pay all applicable impact fees at the time and in the amount prescribed by ordinance or resolution of the City Council of the City of San Antonio and the USR, as amended, except as provided in S.C.WW.1.01.(4)D of the Special Conditions for wastewater service attached and made a part of this Agreement. An estimate of the impact fees for the development Tract is provided in the Special Conditions. The estimate does not constitute an assessment of impact fees,
and the amount of impact fees is subject to change by the City Council of the City of San Antonio as provided by law.

G.C.13.00 SAWS’ Obligation to Supply Service.

Subject to the terms and provisions of Water and Wastewater Special Conditions, to the extent that all applicable impact fees are paid (except as provided in S.C.WW.1.01.(4)D of the Special Conditions for wastewater service attached and made a part of this Agreement), Developers comply with all utility infrastructure requirements for their respective tracts. Verano Developer and A&M Developer shall be entitled to the permanent use and benefit of the Services and are entitled to receive immediate service from any existing facilities with actual capacity to serve the development for which impact fees were paid or otherwise covered under S.C.WW.1.01.(4)D of the Special Conditions for wastewater service, subject to compliance with other valid regulations. If, after collecting the impact fees (or having the impact fees covered under S.C.WW.1.01.(4)D of the Special Conditions for wastewater service), there is no actual capacity in existing facilities to provide the Services, SAWS will provide the Services within a reasonable period of time not to exceed five (5) years, as prescribed by Chapter 395 of the Local Government Code, as amended. In the event Services are required by Verano Developer or A&M Developer earlier than the five (5) year period, Verano Developer, A&M Developer and SAWS may agree that Verano Developer may construct or finance the capital improvements or facility expansions required to provide Services, and the costs incurred or funds advanced will be credited against impact fees otherwise due from the new development or reimbursed to Verano Developer from impact fees paid from other new developments that will use such capital improvements or facility expansions, which fees shall be collected and reimbursed to Verano Developer in the time the other new development records it plat.

G.C.14.00 Facility Design and Construction.

The Verano Developer shall design and construct all On-Site (as to the Verano Tract) and Off-Site (as to the Tract and as to the Verano Tract) utility infrastructure for the Verano Tract described in the Special Conditions, including any oversizing, in accordance with the USR and all applicable local, state and federal requirements. The A&M Developer shall design and construct all On-Site (as to the TAMU-SA Tract) and Off-Site (as to the TAMU-SA Tract, but not as to the Tract) utility infrastructure for the TAMU-SA Tract described in the Special Conditions, including any oversizing, in accordance with the USR (to the extent such infrastructure is to be dedicated to SAWS) and all applicable local, state and federal requirements. Developers further recognizes that SAWS’ approval in all respects as to facility right-of-way adequacy, location, size, grade and invert elevation is a condition precedent to any further obligation of SAWS, such approval not to be unreasonably withheld, conditioned or delayed. Specific design and construction requirements are set forth in the Special Conditions.

G.C.15.00 Use of Capacity by SAWS.

Developers understand that capacity in Off-Site and On-Site utility infrastructure resulting from the Agreement for the Tract may be utilized by SAWS for other tracts requesting service from SAWS. SAWS shall keep accurate records of the capacity provided to the Tract under the Agreement, whether Set-Aside or Guaranteed Capacity, and in no event will Developers be denied capacity as a result of SAWS’ utilization of such capacity for another tract. Set-Aside capacity shall not survive the expiration of the Agreement.

G.C.16.00 Utility Master Plan Requirements.
The Verano Developer will prepare a utility master plan, which details the water and/or wastewater systems for the Tract pursuant to the USR, as amended.

G.C.17.00 Phased Utility Master Plans.

If the Verano Developer’s water and/or wastewater systems are to be installed in phases or units, the Verano Developer shall submit overall utility master plans to SAWS for review and approval. The overall utility master plan(s) shall be submitted before the first construction phase is submitted for plat approval. The overall utility master plan(s) shall show the development phases or units including the sequence and a timetable for build-out. The Verano Developer shall also provide SAWS with a digital version of the proposed recorded plat, as submitted for plat recordation in a format acceptable to SAWS, for each phase or unit of the development project.

G.C.18.00 Conformance of Plans to Utility Master Plan.

All water and wastewater system facilities to serve the Tract shall be designed and constructed in conformance with the approved utility master plan. Changes in the water and wastewater system design shall be resubmitted to SAWS for written approval.

G.C.19.00 Timing Requirements for Submission of Plans.

Verano Developer shall have three (3) years from the Effective Date of the Agreement to complete and submit the required utility master plan and to start construction of the Off-Site and On-Site utility infrastructure described in the Special Conditions. Developers agree that the Agreement for the provision of Services shall automatically expire if Verano Developer has not submitted a utility master plan and started construction of required Off-Site and On-Site utility infrastructure within three (3) years of the Effective Date of the Agreement, and a new request for the Services must be submitted to SAWS, which SAWS will grant based on then existing policies and regulations. In the event Verano Developer meets the above-mentioned requirements within the three (3) year period provided, the Agreement shall remain in effect for seven (7) years from the Effective Date. If Verano Developer submits a revised Utility Master Plan in accordance with the USR prior to the expiration of the seven (7) year period, the Agreement for the provision of Services will be extended to a term of fifteen (15) years from the Effective Date. Furthermore in this regard, recognizing that completion of the development on the Verano Tract and the construction of the TAMU-SA campus and ITC Center may exceed fifteen (15) years, and pursuant to Section 5.10 of the USR and subject to completion of the items required under this G.C. 19.00, SAWS agrees to extend the term of this Agreement to a period of thirty (30) years.

G.C. 20.00 EDU Transfers.

The transfer of EDU capacity outside the original boundaries of this Utility Service Agreement will not be allowed. The San Antonio Water System considers this Agreement to run with the land; however, EDU capacity transfers to subdivided tracts within the Tract of this Agreement are the responsibility of the Developers and approval of such transfers is not required by the San Antonio Water System. The Developers shall each maintain an accounting of the EDU capacity that is used by the Developers on their respective tracts and transferred after the effective date of this Agreement to portions of their respective tracts. If either of the Developers sells a portion of the Tract and transfers part of the EDU capacity contained in this Agreement, then that EDU capacity transfer must be included in the deed, bill of sale or instrument conveying the land and the Developers must require the buyer of the land who receives the allocated EDUs to record the instrument effectuating the transfer. Verano Developer may file a Master Development Plan or an
EDU Plan, prepared by an engineer, that shows specific EDU capacity allocations within the Tract and shall ensure that the Master Development Plan or EDU Plan is attached to this Agreement and properly recorded. SAWS will recognize the capacity allocations within the Master Development Plan or EDU Plan so long as those allocations are within the parameters of this Agreement. For properties that have areas of unplanned use, the demand will be calculated at four (4) EDUs per acre unless the engineering report specifies otherwise or there is not enough EDU capacity remaining for the Tract to allocate four (4) EDUs per acre.

In no event will SAWS be responsible to 3rd parties for providing water supply or wastewater discharge capacity beyond the total EDU capacity identified in this Agreement for the Tract. Developers expressly disclaim, and release SAWS from any liability, damages, costs or fees (with respect to A&M Developer, only to the extent permitted by the Constitution and laws of the State of Texas), and Verano Developer agrees to hold harmless and indemnify SAWS for any liability, including, costs and attorney’s fees, associated with any dispute related to the transfer of all or a portion of EDU capacity approved for the Tract in this Utility Services Agreement.

G.C. 21.00 Camp Bullis Awareness Zone.

In the event that the Tract is located within, or partially within, the Camp Bullis Awareness Zone, the Developers acknowledges that certain lighting regulations may apply within at least a 3-mile radius of Camp Bullis, commonly referred to as down-lighting or dark sky lighting, and Developers will comply with those regulations. Developers agree to comply with any local, state or federal law, rule or regulation related to the protection of the environment or endangered species, including but not limited to, any site assessments or surveys and notice to the United States Fish & Wildlife when required by law, rule or regulation. Developers acknowledge that any required assessment, survey or notice shall be current or updated as may be required by law, rule or regulation.
SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT
WATER SERVICE

S.C.W.1.00 Tract Location and Ultimate Demand.

The Tract, a 2,455.14-acre tract inside the City of San Antonio limits, is located south of SW Loop 410, west of Pleasanton Rd., and east of S. Zarzamora (other than 22 acres of the 2,455.14 acres that is west of S. Zarzamora), as shown in Attachment VI. The tract is not located over the Edwards Aquifer Recharge or Contributing Zone and is not located within the 5-mile Awareness Zone of Camp Bullis. The proposed Tract is located inside SAWS’ water and wastewater CCN.

The Subtracts within the Tract are as follows (the “Subtracts”), which are described and shown in Attachment VI:

- Village I
- Village II
- Village III
- Regional Center
- Hamlet
- Texas A&M-SA Campus
- Verano South, which consists of:
  - Verano South (DSP)
  - Verano South (SAWS)
  - Verano South (East of RR)
- TAMU-SA – ITC Tract

The Subtracts correlate to certain other tract definitions used in this Agreement as follows:

- The “Tract” consists of all of the Subtracts
- The “Verano Tract” consists of the following subtracts:
  - Village I
  - Village II
  - Village III
  - Regional Center
  - Hamlet
  - Verano South
• The “TAMU-SA Tract” consists of the following subtracts:
  Texas A&M-SA Campus
  TAMU-SA – ITC Tract

• The “Main Verano Tract” consists of the following subtracts:
  Village I
  Village II
  Village III
  Regional Center
  Hamlet
  Verano South (DSP)
  Verano South (East of RR)

The tract and subtract descriptions and definitions set forth above apply to this entire Utility Service Agreement (including, without limitations, the special conditions for water service and the special conditions for wastewater service).

The San Antonio Water System previously executed a Utility Service Agreement for the Tract (2,523.47-Acres) on October 15, 2009 for 342 EDUs of water service to the TAMU-SA ITC Tract and Verano South (SAWS), collectively, as outlined in the water Special Conditions of the 2009 SAWS USA.

The Bexar Metropolitan Water District previously executed a Utility Service Agreement for the Tract (approximately 2,590-Acres) on January 26, 2009 for 10,831 EDUs of water service.

This Utility Service Agreement replaces and terminates the aforementioned existing Utility Service Agreements. If necessary, the Parties agree to execute a recordable written instrument to further evidence such termination in form and substance reasonably satisfactory to each of the Parties. Also, if necessary, SAWS consents to the Assignment between VTLM Texas LP and Verano Land Group and will execute such document evidencing such consent.

This Agreement confirms that the respective obligations of SAWS and Verano Developer under the Memorandum of Understanding, the Support Agreement, the University Way Agreement and the East-West Agreement have been satisfied, except as may be specifically set forth or carried forward in this Agreement. Accordingly, the Memorandum of Understanding, the Support Agreement, the University Way Agreement and the East-West Agreement are superseded by this Agreement and are, therefore, terminated.

The Parties also hereby terminate the Reservoir Lease and Easements Agreement dated July 28, 1997 by and between South Loop Land & Cattle, L.C. and Bexar Metropolitan Water District, recorded in Volume 7181, Page 1649 of the real property records of Bexar County, Texas. The Parties agree to execute a recordable written instrument to further evidence such termination in form and substance reasonably satisfactory to each of the Parties.
The ultimate demand on the SAWS’ facilities under this Agreement shall not exceed [12,371] equivalent dwelling units (EDUs) of water supply, for the proposed development. The allocation of these amounts are as follows:

**DSP Pressure Zone 790:**

[9,329] EDUs of water service are allocated to and reserved for Village I, Village II, Village III, Regional Center, Hamlet, Verano South (DSP) and Verano South (East of RR).

[2,700] EDUs of water service are allocated to and reserved for the Texas A&M-SA Campus. Capacity and services for the Texas A&M-SA Campus are personal to and for the exclusive benefit of A&M Developer and are not assignable or transferable.

**Pressure Zone 2:**

242 EDUs of water service are allocated to and reserved for Verano South (SAWS).

100 EDUs of water service are allocated to and reserved for the TAMU-SA – ITC Tract. Capacity and services for the TAMU-SA – ITC Tract are personal to and for the exclusive benefit of A&M Developer and are not assignable or transferable.

**S.C.W.2.00 Water Infrastructure Requirements.**

Water Supply to the Tract will be from DSP Pressure Zone 790 and SAWS Pressure Zone 2.

The flow capacity of a 30-inch main or the equivalent is required to supply water to the 2,455.14-acre Tract, in conformance with SAWS’ Utility Service Regulations (USR).

**DSP Pressure Zone 790 Requirements ([12,029] EDUs)**

**Village I, Village II, Village III, Regional Center, Texas A&M-SA Campus, Hamlet, Verano South (DSP) and Verano South (East of RR)**

The first 2,500 EDUs of water service to the portions of the Tract in DSP Pressure Zone 790 will not require additional elevated water storage; however, water service to the portions of the Tract in DSP Pressure Zone 790 under this Agreement beyond such 2,500 EDUs will require an additional elevated water storage tank on a 2-acre tract previously transferred by Verano Developer to Bexar Metropolitan Water District (SAWS being the successor to Bexar Metropolitan Water District) by Special Warranty Deed from Verano Land Group, LP, as Grantor, to Bexar Metropolitan Water District for an elevated storage tank and related facilities, dated effective as of July 31, 2008 and recorded on September 9, 2008 as Document No. 20080198270 in Volume 13673, Page 534 of the Real Property Records of Bexar County, Texas (the “EST Site”). [SAWS COMMENT: Confirm with Bruce] In this regard, the Support Agreement obligated SAWS (which obligation as set forth below is carried forward under this Agreement), for the benefit of A&M Developer’s Initials _____

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Developer, to design, engineer and construct (or cause to be designed, engineered and constructed) in accordance with applicable law, at SAWS’ cost and expense (with construction to commence when the water service to the portions of the Verano Tract and the TAMU-SA Tract in DSP Pressure Zone 790 reaches 2,500 EDUs), an elevated water production storage facility with yard piping (the “Elevated Storage Facility”), to include the following:

(a) an elevated storage tank with the capacity for at least 1 million gallons of water;

(b) a 20-inch or larger transmission main coming out of the elevated storage tank with two transmission mains extending into the adjacent Verano Tract; and

(c) all other site improvements necessary for such facility, including, but not limited to, yard piping, electrical service, lighting, fencing, paving and drainage improvements.

To provide service to Pressure Zone 790, SAWS has included in its Water Infrastructure Plan the construction of the Elevated Storage Facility, with construction of such facility scheduled to be completed within five (5) years after the date hereof. In order to obtain service beyond such initial 2,500 EDUs of water service before SAWS completes construction of the Elevated Storage Facility, Verano Developer and/or A&M Developer would be required to (i) construct a 1.0 MG elevated water storage tank (EST) and (ii) construct approximately 2,500 linear feet of 24-inch water main from the existing 20-inch main near the intersection of S Zarzamora Street and SW Loop 410 to such EST and (iii) construct a 16-inch main from such EST to S Zarzamora Street and border the western boundary of the Tract as illustrated in the water exhibit of Attachment III. This proposed 16-inch border main must connect to the existing 16-inch main near the intersection of S Zarzamora Street and Verano Parkway.

The Verano Developer will then be required to construct a series of looped 12-inch and 16-inch mains throughout the Main Verano Tract within PZ 790 and connect to the existing 16-inch main (PZ 790) along Verano Parkway, the existing 16-inch main (PZ 790) along University Way and the existing 12-inch main (PZ 790) along Mauermann Road. The series of proposed 12-inch and 16-inch PZ 790 mains will be constructed outside the Texas A&M-SA Campus property. The Verano Developer will then construct a series of looped 8-inch mains from these proposed 12-inch and 16-inch mains. The Verano Developer shall then connect services to the proposed PZ 790 8-inch, 12-inch and 16-inch mains traversing through the Main Verano Tract within PZ 790.

Water service for the Texas A&M-SA Campus will be at the property line of the Texas A&M-SA Campus from the existing 16-inch main (PZ 790) along Verano Parkway, the existing 16-inch main (PZ 790) along University Way and the existing 12-inch main (PZ 790) along Mauermann Road. A&M Developer will construct and maintain its own distribution system throughout the Texas A&M-SA Campus at its discretion.

**Pressure Zone 2 Requirements (342 EDUs)**

**Verano South (SAWS) and TAMU-SA – ITC Tract**
The Verano Developer shall construct a series of looped 8-inch and 12-inch mains in Verano South from the existing 12-inch PZ 2 main along Mauermann Rd. and the existing 16-inch PZ 2 main along Mauermann Rd. The Verano Developer shall then connect services to the proposed looped PZ 2 8-inch and 12-inch mains.

Water service for the TAMU-SA – ITC Tract will be at the property line of the TAMU-SA – ITC Tract from the existing 12-inch PZ 2 main along Mauermann Rd. and the existing 16-inch PZ 2 main along Mauermann Rd. A&M Developer will construct and maintain its own distribution system throughout the TAMU-SA – ITC Tract at its discretion.

S.C.W.3.00 SAWS Master Plan and Oversizing Requirements.

SAWS’ Water Infrastructure Plan and the anticipated growth in this area requires SAWS to start construction of a 2.5 MG Elevated Storage Tank (EST), being the Elevated Storage Facility, within the Verano Tract, by 2021. If the Verano Developer requires the EST to be constructed prior to the anticipated 2021 construction date, then the Verano Developer can construct the EST with SAWS participation via oversizing from the required 1.0 MG to 2.5 MG. The total estimated cost of the 2.5 MG EST is $5,447,900. The Verano Developer’s estimated share is 40.0%, a cost of $2,179,160; and SAWS’ estimated share is 60.0%, a cost of $3,268,740.

S.C.W.4.00 Impact Fee Credit Eligibility.

The 24-inch main was included as a Capital Improvement Project in the current impact fees. Therefore, the Verano Developer is eligible for impact fee credits for Verano Developer’s share of the cost for the 24-inch main.

The Elevated Storage Facility was included as a Capital Improvement Project in the current impact fees. Therefore, the Verano Developer is eligible for impact fee credits for Verano Developer’s share of the cost for the Elevated Storage Facility.

Such impact fee credits will be transferrable and will not have an expiration date.

S.C.W.5.00 Engineering Study Report.

The engineering study report “Verano, Utility Service Agreement Engineering Report”, by Big Red Dog, dated June 2015 is included as Attachment VI.

S.C.W.6.00 Verano Developer On-Site and/or Off-Site Requirements.

The Verano Developer shall acquire any right-of-way or easements, and install all Off-Site (as to the Verano Tract and as to the Tract) and On-Site (as to the Verano Tract) utility infrastructure required to serve the Verano Tract in accordance with SAWS’ USR, solely at the Verano Developer’s cost. A&M Developer shall acquire any right-of-way or easements, and install all Off-Site (as to the TAMU-SA Tract, but not as to the Tract) and On-Site (as to the TAMU-SA Tract) utility infrastructure required to serve the TAMU-SA Tract, in accordance with SAWS’ USR(to the extent such infrastructure is to be dedicated to SAWS), solely at the A&M Developer’s cost.
Other On-Site requirements within the Tract will be determined at such time as the engineer submits an overall Utility Master Plan, and any subsequent revisions, for the Tract.

**S.C.W.7.00 Requirement to Install Approved Pressure Regulators and/or Booster Pumps.**

**Pressure Zone 790**

A portion of the tract within the Pressure Zone 790 region is below ground elevation of 605 feet where the static pressure will theoretically exceed 80 psi. Any service connections within the Tract in Pressure Zone 790, at elevations lower than this ground elevation, shall require the installation of a Pressure Reducing Valve (PRV), on the customer(s) side of the meter, rated for a maximum working pressure of no less than 300 psi, prior to a SAWS meter being installed. Installation shall be in conformance with the current Plumbing Code with Local Amendments adopted by the City of San Antonio.

**Pressure Zone 2**

A portion of the tract within the Pressure Zone 2 region is below ground elevation of 565 feet where the static pressure will theoretically exceed 80 psi. Any service connections within the Tract in Pressure Zone 2, at elevations lower than this ground elevation, shall require the installation of a Pressure Reducing Valve (PRV), on the customer(s) side of the meter, rated for a maximum working pressure of no less than 300 psi, prior to a SAWS meter being installed. Installation shall be in conformance with the current Plumbing Code with Local Amendments adopted by the City of San Antonio.

**S.C.W.8.00 Time for Water Impact Fee Assessment and Payment.**

Water Impact Fees will be assessed at the rates in effect at the time of plat recordation or the latest date allowed by law. Impact fees will be collected at either the time of plat recordation or connection to the SAWS' water system, at the discretion of the Developers.

**S.C.W.9.00 Water Impact Fee Estimates Based Upon Current Charges.**

Following is an estimate of impact fees for the provision of Services contemplated under the Agreement, which are based on current impact fee rates. This estimate shall not constitute an assessment of impact fees and impact fee rates are subject to change by the San Antonio City Council.

**Note: There shall be no waiving of water impact fees for this Development.**

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Special Conditions of USA (Water) Preparer’s Initials _____
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S.C.W.10.00 Pro-Rata Charge Requirement.

A Developer shall be required to pay a Pro-Rata Charge pursuant to the USR, as amended, prior to connection to the SAWS water system if such Developer is tying into a main that is subject to a pro-rata refund.

S.C.W.11.00 Controlling Provisions.

To the extent of any irreconcilable conflict between the Agreement, the other Attachments, and/or the General Conditions and the Special Conditions, the provisions of the Special Conditions shall apply.

S.C.W.12.0 Recycled Water

The Parties intend to discuss and negotiate in good faith the terms of a separate agreement for the provision of recycled water to the Tract.
SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

WASTEWATER SERVICE

S.C.WW.1.00 Tract Location and Ultimate Demand.

The Tract, a 2,455.14-acre tract inside the City of San Antonio limits, is located south of SW Loop 410, west of Pleasanton Rd., and east of S. Zarzamora (other than 22 acres of the 2455.14 acres that is west of S. Zarzamora), as shown in Attachment VI (the “Tract”) and lies within SAWS’ Lower Collection and Treatment Area (LCTA). The tract is not located over the Edwards Aquifer Recharge or Contributing Zone and is not located within the 5-mile Awareness Zone of Camp Bullis. The proposed Tract is located inside SAWS’ water and wastewater CCN.

The San Antonio Water System previously executed a Utility Service Agreement (USA) for the Tract (2,523.47-Acres) on October 15, 2009 for 12,483 EDUs of wastewater service. This new Utility Service Agreement for the Verano Tract (2,455.14-Acres) replaces and terminates the 2009 SAWS USA.

Furthermore, SAWS will not construct the Phase II infrastructure as outlined in the 2009 SAWS USA executed on October 15, 2009.

The ultimate demand on the SAWS’ facilities under this agreement shall not exceed 13,832 equivalent dwelling units (EDUs) of wastewater discharge for the proposed development, being hereby allocated as follows: 11,032 EDUs of wastewater discharge for the Verano Tract, and 2,800 EDUs of wastewater discharge for the TAMU-SA Tract.

S.C.WW.1.01 2009 SAWS USA

(1) The San Antonio Water System previously executed a Utility Service Agreement (USA) for the Verano Tract (2,523.47-Acres) on October 15, 2009 for 12,483 EDUs – i.e., the 2009 SAWS USA. This Agreement replaces and terminates the 2009 SAWS USA.

(2) The 2009 SAWS USA called for SAWS to (i) fund the design and construction of certain wastewater infrastructure more fully described in the 2009 SAWS USA, (ii) waive certain impact fees of A&M Developer, and (iii) be reimbursed for certain cost and expenses as set forth in the 2009 SAWS USA.

(3) SAWS paid the costs of portions of the Phase 1 infrastructure improvements as set forth in the 2009 SAWS USA, and is not required to make further expenditures pursuant to the 2009 SAWS USA:
(4) With respect to such matters, the Parties agree as follows:

A. In consideration of Verano Developer’s obligations herein, and subject to the Conditions Precedent in S.C.WW.1.01.(5) below, SAWS shall:

- recover up to $2,131,618.50 from the TIF Fund (as defined below) first available to Verano Developer from the TIRZ (as defined below) or from the Development Agreement (as defined below) for expenditures by SAWS in connection with the construction of portions of Phase 1 (as defined in the 2009 SAWS USA);

- [recover a maximum of $1,000,000.00 from Developer through the collection of a Local Benefit Impact Fee of $125 per EDU from the Verano Tract for expenditures by SAWS in connection with the construction of portions of Phase 1, but with the amount recovered by SAWS from such Local Benefit Impact Fee, and from the TIF Fund for expenditures by SAWS in connection with the construction of portions of Phase 1, not to exceed $2,131,618.50 in the aggregate;]

- recover from the TIF Fund first available to Verano Developer from the TIRZ or from the Development Agreement (i) any impact fees for the TAMU-SA Tract pursuant to S.C.WW.1.01.(4)D below, and (ii) any costs pursuant to S.C.WW.1.01.(4)B.2(i) below;

B. Verano Developer agrees, and will ensure any of its successors in interests or assigns agree (developers, builders or otherwise) to the following:

1. allow SAWS the right to recover up to $2,131,618.50 from the TIF Fund first available to Verano Developer from the TIRZ or from the Development Agreement or any other appropriate document or agreement;

2. allow SAWS the right to recover from the TIF Fund first available to Verano Developer from the TIF Fund (in the same manner and in addition to the $2,131,618.50) for (i) costs incurred by SAWS if and to the extent it is necessary for SAWS to repair or reconstruct any infrastructure designed and constructed by Verano Developer within two (2) years from the date of completion of said infrastructure, and (ii) any impact fees for the TAMU-SA Tract pursuant to S.C.WW.1.01.(4)D below;

3. pay SAWS an additional local benefit impact fee of $125 per EDU for the Verano Tract, up to a maximum of $1,000,000.00, but with the amount recovered by SAWS from such Local Benefit Impact Fee, and from the TIF Fund for expenditures by SAWS in connection with the construction of portions of Phase 1, not to exceed $2,131,618.50 in the aggregate; the local benefit impact fee of $125 per EDU is an impact fee by agreement and Developer expressly agrees to pay this additive impact fee for this area and fully understands and agrees that SAWS is exempted from the procedural and substantive steps required to impose an impact fee under Chapter 395 of Texas Local Government Code;

4. to pay, with respect to the Verano Tract, all other then current waste water impact fees already imposed by the City of San Antonio and SAWS, and as may be amended from time to time;
6. commit that no future waivers of impact fees will be sought by Verano Developer or their agents, employees, successors or assigns for the Verano Tract, which obligation shall run with the land; and

7. complete all design and construction in accordance with the oversizing requirements set out in G.C.10.

C. It is the understanding of SAWS and Verano Developer that the City of San Antonio has or will:

1. approve and/or modify any relevant and necessary TIRZ/TIF documents or agreements to ensure that the first $2,131,618.50 in reimbursements and any additional repair and reconstruction reimbursements otherwise available to Verano Developer for the construction of this infrastructure and is payable to SAWS; and

2. ensure that the $2,131,618.50 in reimbursements described above plus (i) costs incurred by SAWS if and to the extent it is necessary for SAWS to repair or reconstruct any infrastructure designed and constructed by Verano Developer within two (2) years from the date of completion of said infrastructure, and (ii) impact fees pursuant to S.C.WW.1.01.(4)D below, shall not be subject to any termination of the TIRZ/TIF documents or agreements.

3. provide to the SAWS CFO or a person of his selection periodic financial reports that would include at a minimum an accounting of all TIF revenue collection and disbursements.

4. ensure that the SAWS CFO or a person of his selection access to the TIF revenue and disbursement tracking system.

D. Commencing on the date of the 2009 SAWS USA (i.e., October 15, 2009) and continuing until the earlier of (i) twenty five (25) years following the date of the 2009 SAWS USA, or (ii) commitment or utilization of the water EDUs reserved and allocated to the TAMU-SA – ITC Tract and the wastewater EDUs reserved and allocated to the TAMU-SA Tract in this Agreement (105 EDUs for water to the TAMU-SA – ITC Tract and 2,783 (consider 2800) EDUs for wastewater to the TAMU-SA Tract), all water impact fees attributable solely to the TAMU-SA – ITC Tract up to a maximum of 100 EDU’s of water service and all wastewater impact fees attributable solely to the TAMU-SA Tract up to a maximum of 2,783 EDU’s of wastewater service shall be recovered by SAWS from the TIF Fund first available to Verano Developer from the TIRZ or the Development Agreement rather than same being paid by A&M Developer. . Consistent with Section 7.1 e. of the Amended and Restated Consent Agreement Among the City of San Antonio, SAWS, the Verano Land Group and the Board of Directors of the Reinvestment Zone Number Twenty-Eight, and within ten (10) business days upon receipt of a request by SAWS, TAMU-SA agrees to provide SAWS with a statement that determines and projects the final amount of EDU connections it intends to connect by August of 2034. Thereafter, payment of impact fees shall be a condition of Service for the TAMU-SA Tract.

E. SAWS and Verano Developer acknowledge and agree that the sources of funds from which SAWS may receive reimbursement pursuant to this Agreement (the TIF Fund and the Local Benefit Impact Fees) may have different balances from time-to-time during the term of this Agreement. Notwithstanding anything in this Agreement to the contrary, SAWS and
Verano Developer agree that SAWS may recover the actual costs for the construction of portions of Phase 1 under the 2009 SAWS USA from the TIF Fund (not to exceed $2,131,618.50) and/or the Local Benefit Impact Fees (not to exceed $1,000,000.00). SAWS shall be eligible to receive reimbursement from either the TIF Fund or the Local Benefit Impact Fees, as SAWS determines in its sole discretion; provided, however, that the amount recovered by SAWS from such Local Benefit Impact Fee, and from the TIF Fund for expenditures by SAWS in connection with the construction of portions of Phase 1, shall not exceed $2,131,618.50 in the aggregate. In addition, SAWS and Verano Developer agree to complete a reconciliation of expenditures and reimbursements from each of the sources of funds on at least an annual basis, and shall jointly report and monitor the expenditures and reimbursements provided for in this Agreement during the Term of this Agreement.

F. SAWS fully discharged its obligations under the 2009 SAWS USA with respect to the construction of infrastructure (as described in the 2009 SAWS USA).

G. SAWS will not construct or fund the construction of the Phase 2 or Phase 2A infrastructure as outlined in the 2009 SAWS USA (i.e., segments S-2, S-3, S-4BFM, S-5B, Lift Station #1, S-15, S-18A), or any other infrastructure.

(5) There has been assigned to SAWS (a) up to $2,131,618.50 of the amount that is due to be received as reimbursement for wastewater improvements, (b) any impact fees for the TAMU-SA Tract pursuant to S.C.WW1.01(4)D above, and (c) any costs pursuant to S.C.WW1.01(4)B.2(i) above, from the Tax Increment Financing (the “TIF”) Fund established for the Tax Increment Reinvestment Zone No. 28, City of San Antonio, Texas (the “Verano TIRZ”) and such amounts shall be paid to SAWS. The Verano Developer agrees that these reimbursements shall be made directly from the City of San Antonio to SAWS and shall take precedence over any other reimbursement that the Verano Developer is entitled to under the Development Agreement under the Verano TIRZ (the “Development Agreement”), the TIF Fund and/or the Verano TIRZ. The Verano Developer shall assign to SAWS as the direct payee on all invoices for work completed on SAWS Phase 1 that are submitted to the Verano TIRZ Board of Directors (the “TIRZ Board”) for reimbursement. This Agreement and SAWS obligations to provide the Services are contingent upon (i) the Verano Developer providing to SAWS, in a form reasonably acceptable to SAWS, an assignment with warranty of rights to the TIF Funds as set forth in this Agreement and any amendment to such assignment reasonably requested by SAWS; (ii) City Council of the City having taken action to approve payment from the TIF Fund to SAWS as set forth herein (which has been accomplished), (iii) the City Council of the City and/or TIRZ Board, as necessary, having taken action to include the reimbursement to SAWS, but only from tax increment in the TIF Fund that has been contributed by or for the City, for invoices on SAWS Phase 1 and prior to the reimbursement to the Verano Developer in the priority of payments from the TIF Fund (which has been accomplished); (iv) notification to the other taxing entities contributing to the TIF Fund that none of their tax increment will be used to reimburse SAWS (which notification has been accomplished); (v) any such other documents as may be reasonably necessary to carry out the intent and purposes of this Agreement; and (vi) the City, the Verano Developer and the TIRZ Board providing written evidence to SAWS that they will not terminate the Verano TIRZ or the TIF Fund until SAWS is reimbursed the full amount of all reimbursements to which it may be entitled under this Agreement (which has been
accomplished) and A&M Developer has constructed its first facility on the TAMU-SA campus (which has been accomplished). The form of any document or agreement modifications to the Verano TIRZ must include the appropriate approvals by the Verano Developer, the City, the TIRZ Board or other agencies as necessary to ensure SAWS’ right to reimbursements from the TIF Fund is valid and enforceable.

S.C.WW.2.00 Wastewater Infrastructure Requirements.

The Tract is situated within SAWS’ Lower Collection and Treatment Area (LCTA) and lies within the Palo Blanco Creek - Medina River and Lower Leon Creek Watershed. The capacity of a 36-inch gravity main at 0.08 percent minimum slope is required to provide wastewater service to the tract, in conformance with SAWS’ USR.

Notwithstanding anything in this Agreement to the contrary, (i) except as may be expressly provided below with respect to the Northern Region, nothing herein shall constitute an approval for a Lift Station, which shall be approved only in accordance with the SAWS Utility Service Regulations and compliance with the terms thereof, and (ii) Developers shall be solely responsible for any relocation or adjustment of utilities required as a result of the change of grade of any land.

In general, as provided in S.C.WW.6.00, Verano Developer will be required to acquire any right-of-way and easements, and install all Off-Site (as to the Verano Tract and as to the Tract) utility infrastructure, necessary to serve the Verano Tract, and will be required to install all On-Site (as to the Verano Tract) utility infrastructure and upgrade existing lift stations, necessary to serve the Verano Tract, all in accordance with SAWS’ USR, solely at the Verano Developer’s cost. Other On-Site utility infrastructure requirements within the Tract will be determined at such time as the engineer submits an overall Utility Master Plan, and any subsequent revisions, for the Tract. A&M Developer will be required to provide all Off-Site (as to the TAMU-SA Tract, but not as to the Tract) and On-Site (as to the TAMU-SA Tract) infrastructure for the TAMU-SA Tract. Except as may be expressly provided in this Agreement, SAWS shall have no responsibility for construction of infrastructure for any portion of the Tract.

Option 1:

Village I, a portion of the Regional Center, Verano South (DSP), Verano South (SAWS), Texas A&M-SA Campus and TAMU-SA-ITC Tract

The Verano Developer will be required to construct a series of 8-inch, 10-inch and 12-inch gravity sewer mains throughout the aforementioned subtracts and connect to the existing on-site 27-inch, 24-inch, 18-inch and 8-inch gravity sewer mains traversing through the Tract which discharge into the existing 60-inch outfall main (Job No. 10-6501). A&M Developer will construct and maintain wastewater infrastructure within the portion of the Texas A&M-SA Campus at its discretion to
connect to the existing 27-inch, 24-inch, 18-inch and 8-inch gravity sewer mains traversing through the Tract.

**Village II, Village III, a portion of the Regional Center, Hamlet, Verano South (East of RR) and the 2 Five-Acre tracts along the Loop 410 Access Road that are part of the Texas A&M-SA Campus**

In order to serve approximately 4,842 EDUs within the aforementioned subdracts, the Verano Developer will also be required to connect to the existing 96-inch outfall main located approximately 5,000 linear feet (LF) southeast of the Tract with a gravity solution.

**Gravity Solution:**

The Verano Developer will construct approximately 5,000 LF of 24-inch gravity sewer main at 0.09 minimum slope, or the equivalent, from the existing 96-inch outfall main to the southeast corner of the Verano South (east of RR) subract. The Verano Developer will construct approximately 9,200 LF of 21-inch gravity sewer main at 0.11 minimum slope, or the equivalent, from the proposed 24-inch gravity sewer main to the northern boundary of the Hamlet subract. The Verano Developer will then construct approximately 3,500 LF of 18-inch gravity sewer main at 0.14 minimum slope, or the equivalent, from the proposed 21-inch gravity sewer main to the southern boundary of the Village III subract, as illustrated on the sewer exhibit of Attachment III.

The Verano Developer will build a system of 8-inch, 10-inch, 12-inch and 15-inch gravity mains within the Tract, in order to convey flows to the proposed 24-inch, 21-inch and 18-inch mains. A&M Developer will construct and maintain wastewater infrastructure within the portion of the Texas A&M-SA Campus at its discretion and discharge into the proposed 18-inch gravity sewer main through the existing wastewater line in the University Way right-of-way. The Developer may connect a maximum of 4,842 EDUs of capacity to the proposed 24-inch gravity sewer main which will discharge into the existing 96-inch outfall main.

**Option 2:**

**Village I, a portion of the Regional Center, Verano South (DSP), Verano South (SAWS), Texas A&M-SA Campus and TAMU-SA-ITC Tract**

The Verano Developer will be required to construct a series of 8-inch, 10-inch and 12-inch gravity sewer mains throughout the aforementioned subdracts and connect to the existing on-site 27-inch, 24-inch, 18-inch and 8-inch gravity sewer mains traversing through the Tract which eventually discharge into the existing 60-inch outfall main (Job No. 10-6501). A&M Developer will construct and maintain wastewater infrastructure within the portion of the Texas A&M-SA Campus at its discretion to connect to the existing 27-inch, 24-inch, 18-inch and 8-inch gravity sewer mains traversing through the Tract.

**Village II, Village III, a portion of the Regional Center and the 2 Five-Acre tracts along the Loop 410 Access Road that are part of the Texas A&M-SA Campus**
The Verano Developer may construct a lift station and force main system (Lift Station 1) along the eastern boundary of the Village III subtract. This proposed Lift station 2 will discharge into the existing 15-inch gravity main along Verano Parkway. The Verano Developer will construct a series of 8-inch, 10-inch and 15-inch gravity sewer mains throughout the aforementioned subtracts and discharge into the proposed Lift Station 1. A&M Developer will construct and maintain wastewater infrastructure within the portion of the Texas A&M Campus at its discretion and discharge into the proposed Lift Station 1 through the existing wastewater line in the University Way right-of-way.

**Hamlet and Verano South (East of RR)**

The Verano Developer may construct a second lift station and force main system (Lift Station 2) near the southeast corner of the Verano South (East of RR) subtract. This proposed Lift Station 2 will discharge into the exiting 27-inch gravity sewer main traversing through the Verano South (DSP) and the TAMU-SA-ITC subtracts. The Verano Developer will then construct a series of 8-inch and 10-inch gravity sewer mains throughout the Hamlet and Verano South (East of RR) subtracts and discharge into the proposed Lift Station 2.

If the Verano Developer chooses to construct these lift stations/force main systems, then the Verano Developer is required to prepare a present value analysis comparing the cost of constructing the gravity solution of Option 1 compared with the cost of constructing and operating the two lift stations/force main systems. In order for SAWS to consider the construction of these lift stations, the analysis must show that the cost of the gravity solution of Option 1, including off-site easements, is more than three (3) times the cost of these two lift stations/force main systems designed according to SAWS’ Lift Station Guidelines including the applicable Lift Station Maintenance Fee in effect or as required by the SAWS regulations in effect at time of design/construction, whichever is more stringent.

**Option 3:**

**Village I, a portion of the Regional Center, Verano South (DSP), Verano South (SAWS), Texas A&M-SA Campus and TAMU-SA-ITC Tract**

The Verano Developer will be required to construct a series of 8-inch, 10-inch and 12-inch gravity sewer mains throughout the aforementioned subtracts and connect to the existing on-site 27-inch, 24-inch, 18-inch and 8-inch gravity sewer mains traversing through the Tract which eventually discharge into the existing 60-inch outfall main (Job No. 10-6501). A&M Developer will construct and maintain wastewater infrastructure within the portion of the Texas A&M-SA Campus at its discretion to connect to the existing 27-inch, 24-inch, 18-inch and 8-inch gravity sewer mains traversing through the Tract.

**Village II, Village III, a portion of the Regional Center and the 2 Five-Acre tracts along the Loop 410 Access Road that are part of the Texas A&M-SA Campus**
As an intermediate solution for the aforementioned subtracts, SAWS will allow the Verano Developer to construct a temporary lift station/force main system to be designed to serve a portion of the overall build out of these subtracts before completion of the gravity solution of Option 1.

The Verano Developer may construct a temporary lift station/force main system along the eastern boundary of the Village III subtract to serve a maximum of 1,000 EDUs within the aforementioned subtracts. This proposed temporary lift station/force main system must be designed and constructed to accommodate the future construction of the gravity solution of Option 1, which will eventually eliminate this temporary lift station/force main system. The proposed temporary lift station/force main system will discharge into the existing 15-inch gravity main along Verano Parkway. The Verano Developer will construct a series of 8-inch, 10-inch and 15-inch gravity sewer mains throughout the aforementioned subtracts and discharge into the temporary lift station/force main system. A&M Developer will construct and maintain wastewater infrastructure within the portion of the Texas A&M Campus at its discretion and discharge into the temporary lift station/force main system through the existing wastewater line in the University Way right-of-way.

After completion of the gravity solution of Option 1, the Verano Developer will be allowed to connect the total requested 4,842 EDUs from Village II, Village III, a portion of the Regional Center, Hamlet, Verano South (East of RR) and the 2 Five-acre tracts along the Loop 410 Access Road that are part of the Texas A&M-SA Campus.

S.C.WW.3.00 SAWS Master Plan and Oversizing Requirements.

N/A.

S.C.WW.4.00 Impact Fee Credit Eligibility.

The 24-inch, 21-inch and 18-inch mains from the gravity solution of Option 1 were included in a Capital Improvement Project in the current impact fees. Therefore, the Verano Developer is eligible for impact fee credits for its cost for the 24-inch, 21-inch and 18-inch mains from the gravity solution of Option 1.

Such impact fee credits will be transferrable and will not have an expiration date.

S.C.WW.5.00 Engineering Study Report and/or Pro-Rata Refund Eligibility.

The engineering study report “Verano, Utility Service Agreement Engineering Report”, by Big Red Dog, dated June 2015 is included as Attachment VI.

S.C.WW.6.00 Developers On-Site and/or Off-Site Requirements.

The Verano Developer will also be required to acquire any right-of-way and easements, install all Off-Site (as to the Verano Tract and as to the Tract) utility infrastructure necessary to serve the Tract, and will be required to install all On-Site (as to the Verano Tract) utility infrastructure, and upgrade existing lift stations, necessary to serve the Verano Tract in accordance with SAWS’ USR,
solely at the Verano Developer’s cost. Other On-Site utility infrastructure requirements within the Tract will be determined at such time as the engineer submits an overall Utility Master Plan, and any subsequent revisions, for the Tract. A&M Developer will be required to provide all Off-Site (as to the TAMU-SA Tract, but not as to the Tract) and On-Site (as to the TAMU-SA Tract) infrastructure for the TAMU-SA Tract. Except as may be expressly provided in this Agreement, SAWS shall have no responsibility for construction of infrastructure for any portion of the Tract.

**S.C.WW.7.00 Lift Stations and Force Mains.**

Except as specifically allowed in this Agreement, Lift stations and force mains are only allowed by prior written supplemental agreement with SAWS. Applicable fees, as set out in the supplemental agreement, must be paid in full prior to service connection. Whenever a lift station is proposed, a Present Value analysis of the lift station vs. gravity solutions, shall be included in the Engineering Report/Study in conformance with the requirements of SAWS’ USR, except as otherwise specifically provided for in this Agreement.

**S.C.WW.8.00 Time for Wastewater Impact Fee Assessment and Payment.**

Wastewater Impact Fees will be assessed at the rates in effect at the time of plat recordation or the latest date allowed by law. Wastewater Impact Fees will be collected at either the time of plat recordation or connection to the SAWS wastewater system, at the discretion of the Verano Developer.

**S.C.WW.9.00 Wastewater Impact Fee Estimates Based Upon Current Charges.**

Following is an estimate of impact fees for the provision of Services contemplated under the Agreement, which are based on impact fee rates in effect as of the Effective Date of the Agreement. This estimate shall not constitute an assessment of impact fees and impact fee rates are subject to change by action of the San Antonio City Council as permitted by law.

*Note: There shall be no waiving of wastewater impact fees for this Development.*

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**S.C.WW.10.00 Pro-Rata Payment Fee Requirement.**

Each Developer shall be required to pay a pro-rata fee pursuant to the USR, as amended, prior to connection to the wastewater system, if such Developer is tapping into a main that is subject to a pro-rata refund.

**S.C.WW.11.00 Amendment of Existing Easements.**
Verano Developer will comply with the reasonable requests of SAWS with regard to amending existing waterline line easements on the Verano Tract to include wastewater lines, and amending existing wastewater line easements on the Verano Tract to include water lines, and to adjust legal descriptions with respect to such easements to better correspond to the actual location of water lines and wastewater lines, so long as such requests do not unreasonably interfere with Verano Developer’s development plans with respect to the Verano Tract.
AMENDED AND RESTATED CONSENT AGREEMENT AMONG THE CITY OF SAN ANTONIO, TEXAS, THE SAN ANTONIO WATER SYSTEM, VERANO LAND GROUP, LP, and THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER TWENTY-EIGHT, CITY OF SAN ANTONIO, TEXAS

This Amended and Restated Agreement (this "Agreement"), is an amended and restatement of the Prior Consent Agreement that pursuant to Ordinance No. 2009-08-20-0662, passed and approved on the 20th day of August, 2009 was entered into by and between the City of San Antonio, a Texas municipal corporation in Bexar County, Texas (the "City"); the San Antonio Water System, a public utility, acting through its Board of Directors pursuant to Resolution No. 09-217 as passed and approved on August 4, 2009 and Resolution No. 09-251 as passed and approved on September 1, 2009 ("SAWS"); Verano Land Group, LP, formally a Texas limited partnership (now a Nevada limited partnership); VTLM Texas, LP, a Texas limited partnership ("VTLM"); and the Board of Directors for Reinvestment Zone Number Twenty-Eight, City of San Antonio, Texas, a tax increment reinvestment zone as passed and approved on August 13, 2009 (the "Board").

The City, SAWS, the Developer, and the Board may each be referred to singularly as a "Party" or collectively as "Parties."

NOW THIS AGREEMENT is made by and among the City, acting through its City Manager pursuant to Ordinance No. 2016--- passed and approved by the City Council on the 28th day of January, 2016; SAWS pursuant to Resolution No. _______ as passed and approved on _________; the Board as passed and approved on ____________, 2016; and Verano Land Group, LP, a Nevada limited partnership (formerly a Texas limited partnership) (the "Developer").

BACKGROUND:

WHEREAS, the City, pursuant to Ordinance 2007-12-06-1257, created Reinvestment Zone Number Twenty-Eight to promote development of property surrounding the Texas A&M University campus in San Antonio ("TAMU-SA"), pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, through the use of tax increment financing, and established the Board; and

WHEREAS, the City, pursuant to Ordinance 2008-11-20-1018, entered into a Development Agreement (the “Original Development Agreement”) with VTLM Texas, LP, a Texas limited partnership ("VTLM") defining the rights and duties of the parties thereto with regard to development of public infrastructure within Tax Increment Reinvestment Zone Number Twenty-Eight, City of San Antonio, Texas ("TIRZ"); and

WHEREAS, SAWS, pursuant to Resolution No. 09-217 and/or Resolution No. 09-251, entered into a Utility Service Agreement with the Developer, VTLM and The Texas A&M University
WHEREAS, under the Prior Utility Service Agreement, the Developer and VTLM assigned rights to some of the reimbursement of Project Costs under the Original Development Agreement to SAWS; and

WHEREAS, the City and the Board have entered into an Interlocal Agreement with each of the three other Participating Taxing Entities in the TIRZ; and

WHEREAS, per Article V.C. in each of the Interlocal Agreements, the City and the Board may enter into agreements to pay Project Costs from the TIF Fund with only written notice to the other Participating Taxing Entities; and

WHEREAS, a Consent Agreement ("Prior Consent Agreement") was entered into, pursuant to Ordinance No. 2009-08-20-0662, passed and approved on the 20th day of August, 2009, by and between the City; SAWS, acting through its Board of Directors; pursuant to Resolution No. 09-217 as passed and approved on August 4, 2009 and Resolution No. 09-251 as passed and approved on September 1, 2009; Developer; VTLM; and the Board; as passed and approved on August 13, 2009; and

WHEREAS, VTLM has assigned its rights to Developer, and Developer has assumed VTLM's obligations, under the Original Development Agreement (as amended prior to such assignment and assumption) and the Prior Utility Service Agreement; and

WHEREAS, the Original Development Agreement (as amended prior to such assignment and assumption by Developer) was amended and restated by that certain Amended and Restated Development Agreement entered into pursuant to Ordinance _____________ (the "Development Agreement") by and among the City, Bexar County, the Board and the Developer; and

WHEREAS, SAWS, pursuant to Resolution No. _____________, entered into a Utility Service Agreement (the "Utility Service Agreement") with the Developer, and The Texas A&M University System for the benefit of TAMU-SA, to supersede and replace the Prior Utility Service Agreement; and

WHEREAS, under the Utility Service Agreement, the Developer assigned rights to some of the reimbursement of Project Costs under the Development Agreement to SAWS; and

WHEREAS, this Amended Consent Agreement is being entered into to restate and amend the Prior Consent Agreement, with the effectiveness of this Agreement relating back to the effective date of the Prior Consent Agreement;

NOW, THEREFORE, the Parties consent to the terms of the Utility Service Agreement and agree as follows in order to implement the provisions of the Utility Service Agreement:

I. DEFINITIONS

1.1 "Agreement" means this document by and among the City, SAWS, the Developer,
and the Board which may be amended from time to time as necessary to fully implement the Utility Service Agreement, attached as Exhibit A.

1.2 "Assignment" means a written assignment to SAWS of the right to receive TIF Fund reimbursements with a warranty of the Developer's rights to such funds as set forth in the Utility Service Agreement, attached in final form as Exhibit B to this Agreement.

1.3 "Development Agreement" means the agreement by and among the City, Bexar County, the Developer, and the Board which may be amended from time to time as necessary to fully implement the Project Plan and Finance Plan for the TIRZ.

1.4 "EDU" stands for "Equivalent Dwelling Unit", a means of measuring water and wastewater capacity provided by SAWS.

1.5 "Effective Date" is the date the last Party executes this Agreement, provided, however, that the effectiveness of this Agreement relates back to the effective date of the Prior Consent Agreement.

1.6 "Impact Fees" is a one-time charge imposed on new development by SAWS to help recover capital costs associated with providing the infrastructure and other required improvements to provide water or wastewater service to the new development.

1.7 "Participating Taxing Entity" means any governmental entity recognized as such by Texas law, which is participating in this TIRZ by contributing a percentage of its Tax Increment.

1.8 "Project Costs" has the meaning provided by Section 311.002(1) of the Act.

1.9 "Public Improvements" include those improvements that provide a public benefit and that are listed in the Project Plan, the Financing Plan and the Construction Schedule. When an improvement has both private and public benefits, only that portion dedicated to, held open to or accessible by the public may be reimbursed to the Developer as a Public Improvement.

1.10 "TAMU-SA" means Texas A&M University – San Antonio.

1.11 "Tax Increment" has the meaning assigned by Section 311.012 of the Texas Tax Code, and applies only to taxable real property within the TIRZ.

1.12 "TIF" means Tax Increment Financing.

1.13 "TIF Fund" means the tax increment fund created by the City pursuant to Ordinance 200712-06-1257 for the deposit of Tax Increments for the TIRZ, entitled "Reinvestment Zone Number Twenty-Eight, City of San Antonio, Texas Tax Increment Fund."

1.14 "TIRZ" means Tax Increment Reinvestment Zone Number Twenty-Eight, City of San Antonio, Texas.

1.15 "Utility Service Agreement" means the Utility Service Agreement entered into among SAWS, the Developer, and The Texas A&M University System on behalf of TAMU-SA.
Singular and Plural: Words used in this Agreement in the singular, where the context so permits, also include the plural and vice versa, unless otherwise specified.

Gender: The gender of the wording throughout this Agreement shall always be interpreted to mean either sex.

II. REPRESENTATIONS AND AGREEMENTS

2.1 **Consent.** The City, SAWS, the Developer, and the Board consent to the terms of the Utility Service Agreement, attached as Exhibit A. Because the City and the Board are not parties to the Utility Service Agreement, the intent of this Agreement is to evidence the agreement of all Parties to the Utility Service Agreement.

2.2 **City and Board Authority.** The City and the Board are authorized by paragraph V.C. in each of the Interlocal Agreements with the Participating Taxing Entities to enter into any other agreements to pay Project Costs and other reasonable expenses from the Tax Increments paid into the Tax Increment Fund by the City without the consent of any other Participating Taxing Entity and therefore have the authority to enter into this Agreement. The City and Board have provided each of the Participating Taxing Entities: Bexar County, Alamo Community College District, and the San Antonio River Authority, a written notice of this Agreement and will provide each entity executed copies of this Agreement when available.

2.3 **Right to Assign Payment.** The Developer may rely upon the payments to be made to Developer from the TIF Fund out of the Available Tax Increment Funds as specified in the Development Agreement, and the Developer may assign its rights to such payments to other parties. The Developer, City, and the Board agree that SAWS shall be assigned certain tax increment reimbursement otherwise due the Developer under the Utility Service Agreement and that City shall issue a check or other form of payment from the TIF Fund made payable only to SAWS for any assigned reimbursement.

2.4 **Right to Receive Reimbursements.** In exchange for certain expenditures by SAWS for Public Improvements within the TIRZ, the Developer shall by separate document, in substantially the form attached as Exhibit B, assign a portion of Developer’s right to recover tax increment under the Development Agreement to SAWS.

2.5 **Assigned Payment not Otherwise Encumbered.** The Developer warrants that as of the Effective Date Developer has not made any other assignment of Developer’s right to TIF Fund proceeds and the City and the Board confirm that they have not authorized any other assignments of Developer’s right to proceeds from the TIF Fund. The Developer agrees that SAWS reimbursement shall take precedence over any other reimbursement that Developer or assignee of Developer is entitled to under the Development Agreement, a condition precedent appearing in Paragraph S.C.WW.1.01(5) in the wastewater section of the Utility Service Agreement.

2.6 **Reasonable Efforts of all Parties.** The City, SAWS, the Board, and the Developer represent each to the others that they shall make reasonable efforts to expedite the subject matters of this Agreement and acknowledge that the successful performance of this Agreement requires their continued cooperation.

III. THE RIGHT TO RECOVER
3.1 In partial reimbursement for certain expenditures heretofore made by SAWS for the design and construction of wastewater infrastructure in the TIRZ, the Developer agreed in the Utility Service Agreement to allow SAWS the right to recover the following reimbursement amounts to which Developer is entitled under the Development Agreement for the TIRZ:

a. up to Two Million One Hundred and Thirty-One Thousand Six Hundred and Eighteen Dollars and Fifty Cents ($2,131,618.50) for the design and construction of wastewater improvements that have been completed and that were funded by SAWS pursuant to the Prior Utilities Service Agreement (the “SAWS-Funded Wastewater Improvements”);

b. actual costs incurred by SAWS if and to the extent it is necessary for SAWS to repair or reconstruct any wastewater infrastructure designed or constructed by Developer within two (2) years from the date of completion of such infrastructure, as and to the extent set forth in the Utility Service Agreement; and

c. the actual amount of water and wastewater impact fees attributable to certain water and wastewater capacity reserved and allocated to TAMU-SA in the Utility Service Agreement (i.e., 100 EDUs for water service to the tract identified as the “ITC Tract” in the Utility Service Agreement, and 2,783 EDUs for wastewater service to the tract identified as the “TAMU-SA Tract” in the Utility Service Agreement) until the earlier of (i) August 2034 or (ii) such time as the water service EDUs reserved and allocated to TAMU-SA for the ITC Tract under the Utility Service Agreement (i.e., a maximum of 100 EDUs of water service) and the wastewater service EDUs reserved and allocated to TAMU-SA for the TAMU-SA Tract under the Utility Service Agreement (i.e., a maximum of 2,783 EDUs of wastewater service) are committed or utilized.

IV. TERM OF AGREEMENT AND TIRZ

4.1 The term of this Agreement shall commence on the Effective Date and end on the date which is the earlier to occur of the following: (i) SAWS has been reimbursed from the TIF Fund for the full amount that SAWS is entitled to under the Utility Service Agreement and has no possibility of additional reimbursement or (ii) September 30, 2045. [Discuss date. Since reimbursement includes reimbursement for repair and reconstruction of infrastructure installed by Developer within two years from the date of completion of that infrastructure, should perhaps extend out for the full term of the TIRZ – i.e., September 30, 2045.]. The City and the Board agree that they will not terminate the TIRZ unless SAWS has been reimbursed the full amount SAWS is or becomes entitled to under the Utility Service Agreement and TAMU-SA has constructed its first facility on site. However, the City agrees not to terminate the TIRZ while SAWS has outstanding reimbursement that SAWS is entitled to receive per Paragraph S.C.WW.1.01(4) in the wastewater section of the Utility Service Agreement.

V. DUTIES AND OBLIGATIONS OF DEVELOPER

5.1 The Developer has the following duties and obligations to the other Parties:
a. **Invoices.** The Developer shall designate SAWS as the direct payee on all supporting invoices submitted to the City for reimbursement for construction of the SAWS-Funded Wastewater Improvements.

VI. DUTIES AND OBLIGATIONS OF SAWS

6.1 SAWS has the following duties and obligations to the other Parties:

a. **Documentation in Support of Payment from the TIF Fund.** SAWS agrees to promptly submit to the City, in a form acceptable to the City, documentation of impact fees due and owing on behalf of TAMU-SA and any repair and reconstruction expenses, including competitive bidding documentation, made by SAWS per Paragraphs S.C.WW.1.01(4)D and S.C.WW.1.01(4)C.2(i) respectively in the wastewater section of the Utility Service Agreement.

VII. DUTIES AND OBLIGATIONS OF CITY

7.1 The City has the following duties and obligations to the other Parties:

a. Provide written notification to the other Participating Taxing Entities contributing to the TIF Fund that none of the Tax Increment that they contribute will be used to reimburse SAWS per Paragraph S.C.WW.1.01(5) in the wastewater section of the Utility Service Agreement.

b. Maintain an accounting of the tax increment collected by the City and available for distribution to SAWS and allow all other Parties and Participating Taxing Entities access to review such an accounting.

c. Present the Assignment to the Board and request that the Board authorize payment directly to SAWS from the TIF Fund in the amount required by Paragraph S.C.WW.1.01(4)C.2 in the wastewater section of the Utility Service Agreement.

d. Provide SAWS access to all TIRZ financial reporting, including statutorily required financial reports that provide an accounting of all TIF Fund collections and disbursements as required by Paragraphs S.C.WW.1.01(4)C.3 and S.C.WW.1.01(4)C.4 respectively in the wastewater section of the Utility Service Agreement.

e. Prior to paying out any reimbursements to the Developer that would cause the total amount of reimbursements paid from the Tax Increment contributed by the City, and first available to the Developer from the TIRZ, to exceed One Hundred and Ten Million Dollars ($110,000,000.00) ("reimbursement threshold"), the City will endeavor to notify SAWS when the total amount of reimbursements reaches such reimbursement threshold (but will not be liable for any failure to do so), whereupon SAWS shall calculate any outstanding reimbursements for the Impact Fees attributable solely to the TAMU-SA in accordance with Paragraph S.C.WW. 1.01(4)D of the wastewater special conditions of the Utility Service Agreement. Once the reimbursement threshold is met, SAWS shall also obtain from TAMU-SA a statement that determines and projects the final amount of EDU connections it intends to connect by August of 2034. If SAWS determines an Impact Fee amount reimbursable to SAWS in accordance with Paragraph S.C.WW.1.01(4)D should be reserved and attributable to TAMU-SA until
August 2034, then upon notice from SAWS to the City and the Developer, the City shall reserve that amount on behalf of SAWS from City Tax Increment due to the Developer until August 2034. Any reserved funds remaining after August 2034 shall be released to the City to reimburse the Developer.

VIII. DUTIES AND OBLIGATIONS OF THE BOARD

8.1 The Board has the following duties and obligations to the other Parties:

a. Approve disbursements to be made directly to SAWS from the TIF Fund in the amount required by Paragraph S.C.WW.1.01(4)C.2 in the wastewater section of the Utility Service Agreement,

IX. LEGAL AUTHORITY

9.1 Each person executing this Agreement on behalf of the City, SAWS, the Board or the Developer, represents, warrants, assures and guarantees that he has full legal authority to (i) execute this Agreement on behalf of the City, SAWS, the Board and/or the Developer, respectively and (ii) to bind the City, SAWS, the Board and/or the Developer, respectively, to all of the terms, conditions, provisions and obligations contained in this Agreement.

X. PARTIES' REPRESENTATIONS

10.1 This Agreement has been jointly negotiated by the City, SAWS, the Board, and the Developer and shall not be construed against a party because that party may have primarily assumed responsibility for the drafting of this Agreement.

XI. CAPTIONS

11.1 All captions used in this Agreement are only for the convenience of reference and shall not be construed to have any effect or meaning as to the agreement between the parties to this Agreement.

XII. ENTIRE AGREEMENT

12.1 **No Contradictions.** This written Agreement is a consent to the Utility Service Agreement and embodies the final and entire agreement between the Parties for the implementation of said Utility Service Agreement, and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. If there is any conflict between the terms of this Agreement and the Utility Service Agreement, the terms of the Utility Service Agreement shall control.

12.2 **Incorporation of Exhibits.** The Exhibits attached to this Agreement are incorporated in and shall be considered a part of this Agreement for the purposes stated in this Agreement.
Allow for counterpart signatures and multiple pages

IN WITNESS THEREOF, the Parties hereto have caused this instrument to be signed on the date of the each signature below. In accordance with Section 1.5 above, the Effective Date of this Agreement will be the date of the last signature below, but the effectiveness of this Agreement relates back to the effective date of the Prior Consent Agreement:

CITY OF SAN ANTONIO

________________________________
Sheryl Sculley
City Manager

Date: _______________________

ATTEST/SEAL:

________________________________

City Clerk
Date: _______________________

SAN ANTONIO WATER SYSTEM

________________________________
Robert R. Puente, President and Chief Executive Officer

Date: _______________________

ATTEST/SEAL:

________________________________

City Clerk
Date: _______________________

APPROVED AS TO FORM:

__________
Martha G. Sepeda
Acting City Attorney
Date: _______________________

BOARD OF DIRECTORS
TAX INCREMENT REINVESTMENT ZONE NUMBER TWENTY-EIGHT, CITY OF SAN ANTONIO, TEXAS

________________________________
Name: ___________________________
Title: Presiding Officer, Board of Directors
Date: ___________________________

VERANO LAND GROUP, LP, a Nevada limited partnership

By: South San Antonio Management, LLC, a Nevada limited liability company, its General Partner

________________________________
By: _____________________________
Printed Name: _____________________
Title: _____________________________
Date: _____________________________
AMENDMENT AND RESTATEMENT OF ASSIGNMENT OF RIGHT TO RECEIVE REIMBURSEMENTS

This AMENDMENT AND RESTATEMENT OF ASSIGNMENT OF RIGHT TO RECEIVE REIMBURSEMENTS (this “Assignment”) is made and entered into this ___ day of ____________, 2016 by Verano Land Group, LP, a Nevada limited partnership, formally a Texas limited partnership (the “Assignor”) and the San Antonio Water System Board of Trustees, acting by and through its President/Chief Executive Officer (“Assignee”).

WHEREAS, Assignor and Assignee entered into that certain Utility Service Agreement at Exhibit A attached hereto (the “USA”) whereby Assignee agreed to reserve and allocate certain water and wastewater capacity for Assignor and The Texas A&M University System (“TAMUS”) on certain property owned by Assignor for development and by TAMUS for the Texas A&M University campus in San Antonio (“TAMU-SA”), and subject to certain conditions, all as described in the USA; and

WHEREAS, the USA was executed to supersede and replace a Utility Service Agreement entered into pursuant to Resolution No. 09-217 and/or Resolution No. 09-251 (the “Prior USA”); and

WHEREAS, pursuant to the Prior USA, a Consent Agreement (“2009 Consent Agreement”) was entered into by and between the City of San Antonio, Assignee pursuant to Resolution No. 09-217 as passed and approved on August 4, 2009 and Resolution No. 09-251 as passed and approved on September 1, 2009, Assignor, VTLM Texas, LP, a Texas limited partnership (“VTLM”), and the Board of Directors for Reinvestment Zone Number Twenty-Eight, City of San Antonio, Texas, a tax increment reinvestment zone (the “Board”); and

WHEREAS, pursuant to the 2009 Consent Agreement, Assignor, Assignee and VTLM executed an Assignment of Right to Receive Reimbursements (the “2009 Assignment”), the assignment in said 2009 Assignment having been approved by the Board by Resolution of the Board dated August 13, 2009 and by the City of San Antonio (the “City”) by Ordinance No. 2009-08-20-0662 of the City Council of the City (the “City Council”) dated August 20, 2009; and

WHEREAS, this Assignment is being executed to restate and amend the 2009 Assignment, with the effectiveness of this Assignment relating back to the effective date of the 2009 Assignment; and

WHEREAS, in partial reimbursement for certain expenditures heretofore made by Assignee for the design and construction of wastewater infrastructure in part to support TAMUS (the “Improvements”), Assignor agreed in the USA to allow Assignee the right to recover the following reimbursement amounts to which Assignor is entitled (collectively, the “Reimbursements”) under the Development Agreement for Tax Increment Reinvestment Zone No. 28, City of San Antonio, Texas (the “Zone”):

1. up to Two Million One Hundred and Thirty-One Thousand Six Hundred and Eighteen Dollars and Fifty Cents ($2,131,618.50) for the design and construction of wastewater improvements that have been completed and that were funded by SAWS pursuant to the Prior USA;
2. actual costs incurred by Assignee if and to the extent it is necessary for Assignee to repair or reconstruct any wastewater infrastructure designed and constructed by Assignor within two (2) years from the date of completion of such infrastructure, as and to the extent set forth in the USA; and/or

3. the actual amount of water and wastewater impact fees incurred by TAMUS attributable to certain water and wastewater capacity reserved and allocated to TAMU-SA in the USA (i.e., 100 EDUs for water service to the tract identified as the “ITC Tract” in the USA, and 2,783 EDUs for wastewater service to the tract identified as the “TAMU-SA Tract” in the USA) from the effective date of the Prior USA until the earlier of August 2034 or such time as the water service EDUs reserved and allocated to TAMUS for the ITC Tract under the USA (i.e., a maximum of 100 EDUs of water service) and the wastewater service EDUs reserved and allocated to TAMU-SA for the TAMU-SA Tract under the USA (i.e., a maximum of 2,783 EDUs of wastewater service) are committed or utilized; and

provided that all such Reimbursements (i) are subject to the terms and conditions set forth in the USA and (ii) shall take precedence over other reimbursements due to Assignor under the Zone; and

WHEREAS, by Resolution of the Board dated May 3, 2016 and Ordinance No. ____________________________ of the City Council dated ____________________, 2016, the Board and the City Council approved of the assignment of the Reimbursements from Assignor to Assignee as stated above; and

WHEREAS, in consideration of the funding of a portion of the Improvements heretofore made by Assignee and covenants made by Assignee in the USA, Assignor desires to assign its interest in the Reimbursements to Assignee, and Assignee desires to accept the assignment thereof.

ACCORDINGLY, the parties hereto agree as follows:

1. The foregoing recitals are incorporated into this Assignment for all purposes.

2. Assignor represents and warrants to Assignee that (a) Assignor is entitled to receive reimbursement from the tax increment fund established for the Zone in an amount in excess of the Reimbursements pursuant to the Development Agreement for the Zone; (b) as of the date of this Assignment, Assignor has not assigned or encumbered the Reimbursements; (c) Assignor will not assign or encumber the Reimbursements so long as SAWS has the right to receive the Reimbursements under this Assignment and the USA; and (d) upon approval of the resolution of the Board and the Ordinance of City Council as recited above, no further consents or approvals are required by any other taxing entities, under the Development Agreement for Tax Increment Reinvestment Zone No. 28, City of San Antonio, Texas, or under any other agreement, to effectuate the assignment of the Reimbursements set out herein.
3. Assignor does hereby assign, transfer, set over and convey unto Assignee the right of Assignor to the Reimbursements defined above under the Zone subject to the conditions stated in the USA and Assignee hereby accepts such assignment.

4. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from and against any and all claims, losses, costs and expenses of any type or nature, including, without limitation, reasonable attorneys’ fees and costs of dispute resolution, arising from, attributable to or in any way related to a break of the representations or warranties herein or Assignee’s rights to receive the Reimbursements herein, which obligation shall survive the expiration of the term of this Assignment, and shall be binding upon the successors and assigns of Assignor.

The effectiveness of this Agreement relates back to the effective date of the 2009 Assignment.

[Signatures of Assignor and Assignee on following pages.]
ASSIGNOR:

VERANO LAND GROUP, LP, a Nevada limited partnership

By: South San Antonio Management, LLC, a Nevada limited liability company, its General Partner

By: ______________________
Printed Name: ______________________
Title: _______________________________
ASSIGNEE:

SAN ANTONIO WATER SYSTEM

Robert R. Puente, President and Chief Executive Officer
EXHIBIT A

Utility Service Agreement

[See Attached]
TO: San Antonio Water System Board of Trustees

FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF AN ENGINEERING CONTRACT FOR THE E-20 WURZBACH: JONES MALTSBERGER TO NACOGDOCHES SEWER PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards an engineering contract to Kimley-Horn and Associates, Inc., a local, non-SMWB firm, and authorizes funds in an amount not to exceed $3,021,402.00 for the E-20 Wurzbach: Jones Maltsberger to Nacogdoches Sewer Project. This project is located in Council Districts 9 and 10.

- The contract that is the subject of the attached resolution will, if approved, authorize work that is required by the Consent Decree between the San Antonio Water System (the “System”), the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- The E-20 Wurzbach: Jones Maltsberger to Nacogdoches Sewer Project will upsize approximately five miles of existing 27-inch to 42-inch gravity sewer main to sizes ranging from 42-inch to 66-inch diameter and replace one siphon in the Eastern Sewershed along Salado Creek from a point near Nacogdoches Road running northwest to a point near Jones Maltsberger and Wurzbach Parkway. This project is planned to be constructed in two segments during the budget years of 2018 and 2019.

- A request for qualifications (RFQ) was issued on January 15, 2016 to local firms for the required design services. Nine statements of qualifications were received. Kimley-Horn and Associates, Inc., was selected through the System’s Architect/Engineer selection process.

- Basic services to be provided includes an Alternatives Analysis as required by the Consent Decree and standard professional engineering services including design, bid, and construction phase services related to the design of a sanitary sewer project. Basic services will be provided for a lump sum fee of $2,412,162.00.

- Supplemental services include but are not limited to surveying, environmental, cultural, and geotechnical, right-of-way/easements acquisition support, and other additional
professional services. Design of an emergency tunnel project associated with the above ground relief pipeline at Wurzbach Parkway is also included. Supplemental services will be provided for an amount not to exceed $609,240.00.

- The total fee for engineering services is not to exceed $3,021,402.00.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $3,021,402.00 for sewer related engineering services. The job number is 16-4507.

**SUPPLEMENTARY COMMENTS:**

Nine firms responded to the request for qualifications. The evaluation team selected Kimley-Horn and Associates, Inc., as one of the most qualified firms. The System’s Architect/Engineer Selection Committee recommends that Kimley-Horn and Associates, Inc., be awarded the contract. The participating firms are as follows:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
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</thead>
<tbody>
<tr>
<td>Bain Medina Bain, Inc.</td>
<td>Local/WBE-Caucasian</td>
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<td>Civil Design Services, Inc. dba CDS Muery</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Kimley-Horn and Associates, Inc.*</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Lockwood Andrews &amp; Newnam, Inc.</td>
<td>Local/Non-SMWB</td>
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<tr>
<td>LJA Engineering, Inc.</td>
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<tr>
<td>LNV, Inc.</td>
<td>Local/MBE-Hispanic</td>
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<tr>
<td>Maestas &amp; Associates, Inc.</td>
<td>Local/MBE-Hispanic</td>
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<td>Merrick &amp; Company, Inc.</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Weston Solutions, Inc.</td>
<td>Local/Non-SMWB</td>
</tr>
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*Selected Firm
**E-20 Wurzbach: Jones Maltsberger to Nacogdoches Project**

**KIMLEY-HORN AND ASSOCIATES, INC.**

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
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<tbody>
<tr>
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<td>MBE – African American</td>
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<td>MBE – Other</td>
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<td>WBE – Non – Minority</td>
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<td><strong>SMWB Total</strong></td>
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**APPROVED:**

Kathleen M. Price, P.E.  
Director  
Pipelines

Genoveva G. Gomez, P.E.  
Vice President  
Engineering and Construction

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**Attachments:**

1. Project Area Map
2. Project Site Map
E-20 WURZBACH: JONES
MALTSBERGER TO NACODOCHES

LEGEND

- E-20 Segment 1
- E-20 Segment 2
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE PROPOSAL OF AND AWARDING A PROFESSIONAL SERVICES CONTRACT TO KIMLEY-HORN AND ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED $3,021,402.00 IN CONNECTION WITH THE E-20 WURZBACH: JONES MALTSBERGER TO NACOGDOCHES SEWER PROJECT; APPROVING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $3,021,402.00 FROM THE SYSTEM'S PROJECT FUND FOR THE PROJECT ENGINEERING WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH KIMLEY-HORN AND ASSOCIATES, INC., AND TO PAY KIMLEY-HORN AND ASSOCIATES, INC., AN AMOUNT NOT TO EXCEED $3,021,402.00 FOR THE PROJECT ENGINEERING WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is undertaking to replace and upgrade sewer facilities along Salado Creek and Wurzbach Parkway referred to as the E-20 Wurzbach: Jones Maltsberger to Nacogdoches Sewer Project as part of its Capital Improvement Program; and

WHEREAS, the System requires professional engineering services relating to the installation and replacement of sewer systems (the “project engineering work”); and

WHEREAS, the System has solicited qualification statements for the required project engineering work in connection with the project; and

WHEREAS, Kimley-Horn and Associates, Inc., has been determined to be the most qualified provider of these engineering services on the basis of demonstrated competence and qualifications; and

WHEREAS, basic services will be provided for a lump sum of $2,412,162.00; and

WHEREAS, supplemental services will be provided for an amount not to exceed $609,240.00; and

WHEREAS, the amount of $3,021,402.00 is available from the System’s Project Fund for the project engineering work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the proposal of and award a professional services contract to Kimley-Horn and Associates, Inc., in an amount not to exceed $3,021,402.00 for the project engineering work in connection with the E-20 Wurzbach: Jones Maltsberger to Nacogdoches Sewer Project, (ii) to approve the expenditure of System funds in an amount not to exceed $3,021,402.00 for the project engineering work, (iii) to make available for the sewer project engineering work an amount not to exceed $3,021,402.00 from the System’s Project Fund, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a standard professional services contract with Kimley-Horn and Associates, Inc., for the project engineering work and to pay and amount not to exceed $3,021,402.00 to Kimley-Horn and Associates, Inc., for the project engineering work in connection with this project; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. The proposal of Kimley-Horn and Associates, Inc., to perform engineering services in connection with the E-20 Wurzbach: Jones Maltsberger to Nacogdoches Sewer Project is hereby accepted.

2. That a professional services contract in an amount not to exceed $3,021,402.00 is hereby awarded to Kimley-Horn and Associates, Inc., for engineering services including basic engineering services and required supplemental services in connection with the project.

3. That the expenditure of funds in an amount not to exceed $3,021,402.00 for the project engineering work is hereby approved.

4. That an amount not to exceed $3,021,402.00 for the project engineering work is hereby made available and is to be expended from the System’s Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract for design services with Kimley-Horn and Associates, Inc., and to pay an amount not to exceed $3,021,402.00 for the project engineering work provided in connection with the project.

6. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public, and that the public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

7. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.
8. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 40

TO: San Antonio Water System Board of Trustees

FROM: Kathleen M. Price, P.E., Director, Pipelines, and Genoveva G. Gomez, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVING AN INTERLOCAL AGREEMENT AND ADVANCE FUNDING AGREEMENT AND AUTHORIZING EXPENDITURES TO THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE LOOP 1604: POTRANCO TO FM 471 PROJECT

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an Advance Funding Agreement with the Texas Department of Transportation (TxDOT) and authorizes expenditures to TxDOT in the amount not to exceed $3,234,315.00, for the joint construction of water and sewer facility adjustments in connection with the Loop 1604: Potranco to FM 471 Project. It further approves the execution of an Interlocal Agreement. This project is located in Council Districts 4 & 6.

- TxDOT intends to expand to a four lane expressway along the Loop 1604: Potranco to FM 471 Project in the area illustrated on the attached maps. The TxDOT highway and drainage cost estimate is $72,798,905.00 for the TxDOT work.

- Due to these highway expansion improvements within the Loop 1604: Potranco to FM 471 project, the existing water mains constructed between 1986 through 2012 require adjustments to avoid conflicts with proposed TxDOT improvements.

- In addition, the existing sewer facilities within the project limits that were constructed between 1986 through 2008 also required adjustment to avoid conflicts with proposed TxDOT improvements.

- The water adjustment work consists of approximately 9,264 linear feet of 6-inch through 24-inch water mains.

- The sewer adjustment work consists of approximately 831 linear feet of 24-inch sewer mains.

- It is anticipated that 10 percent of the water adjustments work will be eligible for reimbursement through the Federal Utility and State Utility Procedures. This percentage of the water work is eligible for reimbursement due to relocation from an existing San
Approval of an Interlocal Agreement and Advance Funding Agreement
And Expenditure of Funds to the Texas Department of Transportation for the
Loop 1604: Potranco to FM 471 Project

Antonio Water System (the “System”) easement. The remaining 90 percent of water and
100 percent of sewer work is to be funded by the System.

- TxDOT requires that an Interlocal Agreement be executed for utility adjustments that are
eligible for reimbursement by State law. The Interlocal Agreement will authorize TxDOT
to reimburse the System for a total amount of $392,612.53. Reimbursement includes
$291,964.81 for construction cost, $65,260.22 for consultant fees, $5,530.00 easement
compensation and $29,857.50 for the System services for a total amount of $392,612.53.

- The System work will be performed as part of a joint bid with TxDOT and the $291,964.81
will be paid directly by TxDOT for the construction of the water that is eligible for
reimbursement. The System will pay for the engineering services for the project and
TxDOT will reimburse a portion of the services at the completion of the project in the
amount of $100,647.72.

- Funds authorized for this project will be transferred to TxDOT following Board approval
and the execution of the Advance Funding Agreement in an amount not to exceed
$3,234,315.00.

- In summary, TxDOT requires execution of an Interlocal Agreement for reimbursement of
$392,612.53 of the work and execution of an Advance Funding Agreement for the System
payment of $3,234,315.00 for the remaining work.

- The bid opening is scheduled for May 2016.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement
Program. The water work is included in the Water Delivery Core Business, Governmental – Water
Category, and Governmental Water Replacements budget line item. The amount is $2,570,725.84
for water work. The job number is 15-5008-000.

The sewer work is included in the Wastewater Core Business, Governmental – Wastewater
Category, and Governmental Wastewater Replacements budget line item. The amount is
$663,589.16 for sewer work. The job number is 15-5508-000.
Approval of an Interlocal Agreement and Advance Funding Agreement
And Expenditure of Funds to the Texas Department of Transportation for the
Loop 1604: Potranco to FM 471 Project

Kathleen M. Price, P.E.
Director
Pipelines

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN INTERLOCAL AGREEMENT AND AN ADVANCE FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE INTERLOCAL AGREEMENT AND ADVANCE FUNDING AGREEMENT FOR THE ADJUSTMENT OF WATER AND SEWER FACILITIES BY THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH THE LOOP 1604: POTRANCO TO FM 471 PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $3,234,315.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Texas Department of Transportation (TxDOT) intends to reconstruct the Loop 1604: Potranco to FM 471 Project; and

WHEREAS, the Loop 1604: Potranco to FM 471 Project will require the adjustment of certain water and sewer facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the project work consists of the adjustment of approximately 9,264 linear feet 6-inch through 24-inch water main and the adjustment of 831 linear feet of 24-inch sewer main; and

WHEREAS, it is anticipated that 10 percent of the project work costs for the water adjustment work are eligible for reimbursement through the Federal Utility and State Utility Procedures; and

WHEREAS, reimbursement includes the estimated amounts of $291,964.81 for construction cost, $65,260.22 for consultant fees, $5,530.00 easement compensation and $29,857.50 for the System services for a total amount of $392,612.53; and

WHEREAS, TxDOT requested that the System enter into an Interlocal Agreement for the reimbursement by TxDOT of the reimbursable project work costs and execute an Advance Funding Agreement, and for the System to advance funds for the remaining non-reimbursable project work costs; and

WHEREAS, System funds in the amount not to exceed $3,234,315.00 are required under the Advance Funding Agreement for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Interlocal Agreement and an Advance Funding Agreement with TxDOT for the adjustment of water and sewer facilities in connection with the Loop 1604: Potranco to FM 471 Project and to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Interlocal Agreement and Advance Funding Agreement, and (ii) to authorize the expenditure of funds in the amount not to exceed $3,234,315.00 for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That an Interlocal Agreement and Advance Funding Agreement with TxDOT are hereby approved and the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Interlocal Agreement and Advance Funding Agreement with TxDOT in connection with the Loop 1604: Potranco to FM 471 project.

2. That the expenditure of funds for the Advance Funding Agreement in the amount of $3,234,315.00 for the adjustment of water and sewer facilities by TxDOT in connection with the Loop 1604: Potranco to U.S. Hwy 90 project is hereby authorized.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid, or ineffective.

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Carlos Mendoza, Group Operations Officer, and Michael S. Brinkmann, Vice President, Distribution and Collection Operations

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARDING A CONTRACT FOR UNLEADED GASOLINE WITH E-10 AND ULTRA-LOW SULFUR DIESEL FUEL

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes funding for a contract with IPC (USA), Inc., a non-local, woman owned business, in a total not-to-exceed amount of $8,290,888.00 for the period of May 3, 2016 through March 31, 2019 with the option for two additional one-year extensions to provide Unleaded Gasoline with E-10% Ethanol blend and Ultra-Low Sulfur Diesel Fuel. Staff will return to the Board for approval of future contract extensions and funding.

- The San Antonio Water System (SAWS) has 1,325 vehicles and 530 pieces of light duty equipment requiring unleaded fuel. 605 pieces of medium and heavy equipment requires Ultra-Low Sulfur Diesel Fuel. Fuel will be delivered to eight different SAWS locations to provide the necessary fuel to keep equipment operating. Gasoline Transport Loads will provide Unleaded Gasoline with E-10 (10% Ethanol Blend) for low emissions as well as Ultra-Low Sulfur Diesel Fuel.

- On March 10, 2016, Agenda Item: 16-1601, the City of San Antonio City Council approved the award of Formal Invitation For Bid (IFB) No.: 6100006739, for a three year fuel contract for both Unleaded Gasoline with E-10% Ethanol blend and Ultra-Low Sulfur Diesel Fuel with IPC (USA), Inc., for the period of April 1, 2016 through March 31, 2019 with the availability of two additional one-year renewals.

- Through Interlocal Participation, SAWS can acquire the items listed in the City of San Antonio’s Formal Invitation For Bid (IFB) No.: 6100006739 at the prices stated in the bid, and may enter into a separate contract directly with IPC (USA), Inc., for the period of May 3, 2016 through March 31, 2019, to include the availability of two one-year extensions.

- Based upon current fuel costs and current estimated usage, the total amount of Unleaded Gasoline is estimated to be $3,086,143.00 and the total amount of Diesel Fuel is estimated to be $5,204,745.00 for the initial three-year period.

- This resolution acknowledges that the discount offered by IPC (USA), Inc. is fixed; however, fuel prices fluctuate weekly in accordance to the Oil Price Information Service (OPIS) Index. Fuel prices are currently low; however, should they increase, then our required budget and expenditures will increase accordingly.
Awarding a Contract for Unleaded Gasoline with E-10 & Diesel Fuel

- This resolution awards a contract with IPC (USA), Inc., and authorizes funding for Fiscal Year 2016 in the estimated amount of $1,895,061.00 with expenditures in Fiscal Years 2017, 2018 and through March of Fiscal Year 2019 estimated to be $6,395,827.00 based upon future years budgets.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Purchase Orders will be placed with IPC (USA), Inc. as unleaded and diesel fuel is required. The total not-to-exceed amount for the period of May 3, 2016 through May 2, 2019 is $8,290,888.00 based upon current fuel prices.

The fuel purchased in 2016 will be paid from the System Fund budgeted in the 2016 budget (Company: 1000, Accounting Unit: 5019500, Account: 511451). The 2016 estimated amount is $1,895,061.00.

The fuel purchased in 2017, 2018 and 2019 will be paid from the System Fund budgeted in the 2017, 2018 and 2019 Budget, pursuant to and contingent upon Board approval of the Budgets with a line item for such expenditures (Company: 1000, Accounting Unit: 5019500, Account: 511451). The 2017 estimated amount is $2,879,889.00; 2018 amount is $2,879,889.00; and 2019 is $710,648.00.

Total not-to-exceed value of this action is $8,290,888.00 for the initial three-year period.

SUPPLEMENTARY COMMENTS:

This contract is awarded through Interlocal Participation of the City of San Antonio’s Three Year Annual Formal Invitation For Bid (IFB) No.: 6100006739, at the prices stated in the bid, Annual Contract for Gasoline and Diesel Fuel.

Carlos Mendoza
Group Operations Officer
Distribution & Collection Operations

Michael S. Brinkmann
Vice President
Distribution and Collection Operations

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A CONTRACT WITH IPC (USA), INC., IN A TOTAL NOT-TO-EXCEED AMOUNT OF $8,290,888.00 FOR THE PERIOD OF MAY 3, 2016 THROUGH MARCH 31, 2019 WITH THE OPTION FOR TWO ADDITIONAL ONE-YEAR EXTENSIONS TO PROVIDE UNLEADED GASOLINE WITH E-10% ETHANOL BLEND AND ULTRA LOW SULFUR DIESEL FUEL; AUTHORIZING THE EXPENDITURE OF FUNDS IN A TOTAL AMOUNT NOT TO EXCEED $8,290,888.00 FROM THE SYSTEM FUND FOR THE CONTRACT FOR UNLEADED GASOLINE WITH E-10% ETHANOL BLEND AND ULTRA LOW SULFUR DIESEL FUEL, AND THAT SUBSEQUENT EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD’S APPROVAL OF SUBSEQUENT YEARS’ BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH IPC (USA), INC. FOR THE PERIOD OF MAY 3, 2016 THROUGH MARCH 31, 2019 AND THE OPTION FOR TWO ADDITIONAL ONE-YEAR EXTENSIONS, AND TO PAY IPC (USA), INC., A TOTAL NOT-TO-EXCEED AMOUNT OF $8,290,888.00 FOR THE INITIAL TERM OF THE CONTRACT FOR UNLEADED GASOLINE WITH E-10% ETHANOL BLEND AND ULTRA LOW SULFUR DIESEL FUEL, FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) has 1,325 vehicles and 530 pieces of light duty equipment requiring unleaded fuel and 605 pieces of medium and heavy equipment requiring Ultra-Low Sulfur Diesel Fuel; and

WHEREAS, unleaded fuel and ultra-low-sulfur diesel fuel is required for the operation of the System’s equipment; and

WHEREAS, on March 10, 2016, Agenda Item: 16-1601, the City of San Antonio City Council approved the award of Formal Invitation For Bid (IFB) No.: 6100006739, for a three-year fuel contract for both Unleaded Gasoline with E-10% Ethanol blend and Ultra-Low Sulfur Diesel Fuel with IPC (USA) Inc., for the period of April 1, 2016 through March 31, 2019 with two additional one-year renewals; and
WHEREAS, through Interlocal Participation the System can acquire the items listed in the City of San Antonio’s Formal Invitation For Bid (IFB) No.: 6100006739, at the prices stated in the bid, and may enter into a separate contract directly with IPC (USA), Inc., for the period of May 3, 2016 through March 31, 2019, and up to two one-year extensions; and

WHEREAS, based upon current fuel costs and current estimated usage, the total amount of Unleaded Gasoline is estimated to be $3,086,143.00 and the total amount of Diesel Fuel is estimated to be $5,204,745.00 for the initial three-year period; and

WHEREAS, this resolution acknowledges that the discount offered by IPC (USA), Inc. is fixed; however, fuel prices fluctuate weekly in accordance to the Oil Price Information Service (OPIS) Index. Fuel prices are currently low, however, should they increase, then our required budget and expenditures will increase accordingly; and

WHEREAS, funding is required for three years of the base contract period from May 3, 2016 through March 31, 2019; and

WHEREAS, this resolution authorizes funding for Fiscal Year 2016 in the estimated amount of $1,895,061.00 with expenditures in Fiscal Year 2017, Fiscal Year 2018 and through March of Fiscal Year 2019 estimated to be $6,395,827.00 based upon future years budgets; and

WHEREAS, the contract includes the availability two renewable one-year extensions, however staff will return to the Board for approval of future contract extensions and funding; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a contract with IPC (USA), Inc. for the period of May 3, 2016 through March 31, 2019 with the option for two additional one-year extensions to provide Unleaded Gasoline With E-10% Ethanol Blend for a total estimated amount of $3,086,143.00 and to provide Ultra-Low Sulfur Diesel Fuel for a total estimated amount of $5,204,745.00 for a total not-to-exceed amount of $8,290,888.00, (ii) to authorize the expenditure of funds in the not-to-exceed amount of $8,290,888.00 from the System Fund, and that subsequent years’ expenditures are pursuant to and contingent upon Board approval of subsequent years’ budgets with a line item for such expenditures, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with IPC (USA), Inc. for the period of May 3, 2016 through March 31, 2019 and the option for two additional one-year extensions, and to pay IPC (USA), Inc., a total not-to-exceed amount of $8,290,888.00 for the initial term of the contract for Unleaded Gasoline with E-10% Ethanol Blend and for Ultra-Low Sulfur Diesel Fuel. Staff will return to the Board for approval of future contract extensions; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a contract for the period of May 3, 2016 through March 31, 2019 with the option for two additional one-year extensions in the not-to-exceed amount of $8,290,888.00 for Unleaded
Gasoline with E-10% Ethanol Blend and Ultra-Low Sulfur Diesel Fuel is hereby awarded to IPC (USA), Inc.

2. That the expenditure of funds in the not-to-exceed amount of $8,209,888.00 to IPC (USA), Inc. for Unleaded Gasoline with E-10% Ethanol Blend and Ultra-Low Sulfur Diesel Fuel is hereby approved to be expended from the System Fund for fiscal year 2016, and that subsequent expenditures are pursuant to and contingent upon Board approval of subsequent years’ budgets with a line item for such expenditures.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with IPC (USA), Inc. for the period of May 3, 2016 through March 31, 2019 and the option for two additional one-year extensions, and to pay IPC (USA), Inc. a not-to-exceed amount of $8,209,888.00 for the initial period for Unleaded Gasoline with E-10% Ethanol Blend and Ultra-Low Sulfur Diesel Fuel. Staff is directed to return to the Board for approval of future contract extensions and funding.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 4, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, improper or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 3rd day of May, 2016.

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Berto Guerra, Jr., Chairman

ATTEST:

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Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees
FROM: Nancy Belinsky, Vice President and General Counsel
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: RATIFICATION OF A MOTION TO INTERVENE WITH COMMENTS IN PUC DOCKET NO. 45794 REGARDING THE PETITION OF CIBOLO VALLEY PARTNERS, LLC TO AMEND SAWS’ SEWER CCN IN COMAL AND BEXAR COUNTIES BY EXPEDITED RELEASE

Board Action Date: May 3, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the filing of a Motion to Intervene with Comments in Docket No. 45794 which is pending before the Public Utility Commission of Texas (PUC).

- On April 5, 2016, the administrative law judge for the PUC entered an order in Docket 45794 seeking comments regarding the Petition of Cibolo Valley Partners, LLC to Amend SAWS’ Certificate of Convenience and Necessity (CCN) in Comal and Bexar Counties by expedited release (the Administrative Matter).

- Notice was provided to SAWS on or about April 8, 2016.

- The order provided for notice of the Administrative Matter to appear in the April 15th issue of Texas Register and directed that a copy of that notice be provided to SAWS.

- That order further required that SAWS file a Motion to Intervene by May 2, 2016 in order to participate as a party in the proceeding.

- The Petitioner in this Administrative Matter seeks to be released from SAWS’ Sewer CCN No. 20285 in Comal and Bexar Counties pursuant to Section 13.254 (a-5) of the Texas Water Code.

- Staff believes that this Administrative Matter poses a potential risk to the interests of the City of San Antonio and SAWS and recommends intervening to preserve those interests.

Staff recommends approval of the resolution.
FINANCIAL IMPACT:

Staff anticipates nominal expenditures for legal services to file a Motion to Intervene with Comments. Funds for this expenditure are available in the Legal Department’s current budget.

Nancy Belinsky
Vice President and General Counsel

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES RATIFYING THE FILING OF A MOTION TO INTERVENE WITH COMMENTS IN DOCKET NO. 45794 AT THE PUBLIC UTILITY COMMISSION OF TEXAS REGARDING THE PETITION OF CIBOLO VALLEY PARTNERS, LLC TO AMEND SAWS’ SEWER CCN IN COMAL AND BEXAR COUNTIES BY EXPEDITED RELEASE; FURTHER AUTHORIZING GENERAL COUNSEL TO TAKE ANY NECESSARY ACTION RELATING TO SUCH MOTION TO INTERVENE WITH COMMENTS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on April 5, 2016, the administrative law judge for the Public Utility Commission of Texas (PUC) entered an order in Docket 45794 seeking comments regarding the Petition of Cibolo Valley Partners, LLC to amend SAWS’ Certificate of Convenience and Necessity (CCN) in Comal and Bexar Counties by expedited release (the Administrative Matter); and

WHEREAS, notice was provided to SAWS on or about April 8, 2016; and

WHEREAS, the order provided for notice of the Administrative Matter to appear in the April 15th issue of Texas Register and directed that a copy of that notice be provided to SAWS; and

WHEREAS, the order further required that SAWS file a Motion to Intervene by May 2, 2016 in order to participate as a party in the proceeding; and

WHEREAS, the Petitioner in this Administrative Matter seeks to be released from SAWS’ Sewer CCN No. 20285 in Comal and Bexar Counties pursuant to Section 13.254 (a-5) of the Texas Water Code; and

WHEREAS, staff believes that this Administrative Matter poses a potential risk to the interests of the City of San Antonio and SAWS and recommends intervening to preserve those interests; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) authorize the filing of a Motion to Intervene with Comments in this Administrative Matter, and (ii) authorize its General Counsel to take any necessary legal action relating the filing of the Motion to Intervene with Comments; now therefore;
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the filing of a Motion to Intervene with Comments in the Administrative Matter at the Public Utility Commission of Texas, Docket No. 45794, is hereby ratified.

2. That the filing of the Motion to Intervene with Comments by the General Counsel or her designee in this Administrative Matter is hereby ratified, and any other action relating this Administrative Matter, and any future appeal or other administrative or judicial proceeding related thereof, as may be required, is hereby authorized.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

4. If any section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand in effect and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED the 3rd day of May, 2016.

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Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Ernesto Arrellano, Jr., Secretary