AGENDA

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
September 13, 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 June 14, 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 L, 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 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 Weisinger, Inc. to provide: purchase of 300 HP electric induction replacement motor for Wurzbach Pump Station, High Service Pump No. 1, Service Level 5, Bid No. 16-16071, for a total of $52,200.00.

2. Approving a one-time purchase from Alsay, Inc. to provide: purchase of a well pump replacement for Turtle Creek No. 2, Well No. 1, Bid No. 16-16079, for a total of $190,325.00.

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 bid of AAA Fire & Safety Equipment Co., Inc. to provide: annual contract for fire extinguisher maintenance and service, Bid No. 16-0227, for a total of $87,331.00.

2. Acceptance of the bid of Alterman, Inc. to provide: annual contract for electrical maintenance and repair services, Bid No. 16-16072, for a total of $942,882.92.

3. Authorizing the extension of an existing contract of Safeway Supply, Inc. to provide: annual contract for teri hand wipes, Bid No. 15-3095, for a total of $91,780.00.

4. Authorizing the extension of an existing contract of Mr. Transmission to provide: annual contract for transmission repair for Chrysler, General Motors and Ford parts and service, Bid No. 15-4051, for a total of $61,200.00.

5. Authorizing the extension of an existing contract of SHI International to provide: annual contract for Symantec Enterprise Vault license subscription and essential support renewal, Bid No. 14-1298, for a total of $73,170.00.

6. Authorizing the extension of an existing contract of PCMG, Inc. dba PCM Gov, Inc. to provide: annual contract for Adobe & other software licenses and upgrades, DIR-SDD-2504, Bid No. 14-1459, for a total of $51,442.32.
7. Acceptance of the bid of United Service Associates, LLC to provide: annual contract for janitorial services for SAWS facilities, Bid No. 16-15037, for a total of $183,185.80.

8. Acceptance of the best value bid of Pace Analytical Services, Inc. to provide: annual contract for environmental laboratory services accredited under the National Environmental Laboratory Accreditation Program, Bid No. 16-14123, for a total of $118,335.20.

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

7. A Resolution awarding a construction contract to SACC, Inc. in an amount not to exceed $502,020.50 in connection with the East Evans Road 24-inch Approach and Border Main Project; approving a contract between the System, Mosaic Land Development, LLC, and SACC, Inc. for the project work; authorizing the expenditures of funds in the amount of $414,166.92 for the System’s proportionate share of the cost to oversize the proposed water main. Total expenditures: $414,166.92. (GENOVEVA GOMEZ – SAM MILLS)

Water and Sewer Line Improvements

8. A Resolution approving Change Order No. 7 in an amount not to exceed $750,000.00 to the construction contract with S.J. Louis Construction of Texas, Ltd. in connection with the Southwest Bexar Sewer Pipeline – Segment 3 Project; approving a Contribution Agreement with Pape-Dawson Engineers, Inc. for an amount of $100,000.00 payable to the System in connection with the project. Total expenditures: $650,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

9. A Resolution approving Recapitulation Change Order No. 9 in an decreased amount of $116,520.63 to be credited to the construction contract with S.J. Louis Construction of Texas, Ltd. in connection with the W6: Western Watershed Sewer Relief Line Project 2; authorizing the return of funds in the amount of $116,520.63 and the construction contingency balance of $56,486.84 for a total amount of $173,007.47. Total decreased amount: $173,007.47. (GENOVEVA GOMEZ – KATHLEEN PRICE)

10. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $500,000.00 to the professional services contract with Lockwood Andrews & Newnam, Inc. in connection with the 2016 Pipeline Engineering Services Work Order Contract – Package 2. Total expenditures: $500,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

11. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $700,000.00 to the professional services contract with K. Friese & Associates, Inc. in connection with the 2016 Pipeline Engineering Services Work Order Contract – Package 4. Total expenditures: $700,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)
12. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $300,000.00 to the professional services contract with Maestas & Associates, Inc. in connection with the 2016 Pipeline Engineering Services Work Order Contract – Package 5. Total expenditures: $300,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

13. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $300,000.00 to the professional services contract with Don Durden, Inc. dba Civil Engineering Consultants in connection with the 2016 Pipeline Engineering Services Work Order Contract – Package 6. Total expenditures: $300,000.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

Production, Transmission and Treatment Improvements

14. A Resolution awarding a construction contract to Benchmark Utility Contractors, Inc. in the amount not to exceed $390,000.00 in connection with the Camp Bullis Road 12-inch Water Main Project. Total expenditures: $390,000.00. (GENOVEVA GOMEZ – ASHOK KAJI)

15. A Resolution awarding a construction contract to Vertitas Management Company, LLC dba Black Castle General Contractor in the amount not to exceed $1,580,351.00 in connection with the Stevens Ranch Tank Replacement Project. Total expenditures: $1,580,351.00. (GENOVEVA GOMEZ – ASHOK KAJI)

REPLACEMENT AND ADJUSTMENT PROJECTS

Governmental Relocations and Replacements

16. A Resolution approving the expenditure of funds in the amount of $1,782,021.15 for the replacement of water and sewer facilities by the City of San Antonio in connection with the Downtown Streets: Main and Soledad from Commerce to Pecan Project. Total expenditures: $1,782,021.15. (GENOVEVA GOMEZ – KATHLEEN PRICE)

17. A Resolution approving an Interlocal Agreement with the City of Balcones Heights; approving the expenditures of funds in the amount of $86,577.67 for the replacement of water facilities by the City of Balcones Heights in connection with the Leisure Drive Reconstruction – Phase I Project. Total expenditures: $86,577.67. (GENOVEVA GOMEZ – KATHLEEN PRICE)

EASEMENT AND REAL PROPERTY

18. A Resolution approving the acquisition of a permanent sewer line easement and a temporary construction easement from Wise Ellis Associates, LLC, a Nevada limited liability company, being approximately 0.266 acres for the permanent easement and 0.275 acres for the temporary easement, located along IH-10, between Camp Bullis Road and Dominion Drive, in the northwest quadrant of Bexar County, Texas, in connection with the Lift Station Elimination Phase 3 Project in a total amount not to exceed $86,493.00. Total expenditures: $86,493.00. (NANCY BELINSKY – BRUCE HABY)
MISCELLANEOUS ITEMS

19. A Resolution awarding a construction contract to Facilities Rehabilitation, Inc. in an amount not to exceed $978,065.00 in connection with the 2016 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 5. Total expenditures: $978,065.00. (JEFF HABY – TAMSEN MCNARIE)


21. A Resolution awarding a service contract to CBIZ Valuation Group, LLC in an amount not to exceed $65,800.00, for the period of September 30, 2016 through September 30, 2018, in connection with insurance appraisal services. Total expenditures: $65,800.00. (SHARON DE LA GARZA – TINA SOUTHARD)

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)

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<th>CoSA / CoSA ETJ / Outside</th>
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23. A Resolution approving the filing of an amendment with the Texas Public Utilities Commission to the release of the area bounded by the Cibolo Valley Ranch Tract within Comal County from the San Antonio Water System’s Certificate of Convenience and Necessity. (GENOVEVA GOMEZ – SAM MILLS)
24. A Resolution awarding a construction contract to S.J. Louis Construction of Texas, Ltd. in an amount not to exceed $6,758,717.46 in connection with the C-12 Donaldson Terrace Project. Total expenditures: $6,758,717.46. (GENOVEVA GOMEZ – KATHLEEN PRICE)

REPLACEMENT AND ADJUSTMENT PROJECTS

25. A Resolution approving an Interlocal Agreement with Bexar County; approving the expenditures of funds in the amount of $6,894,524.82 for the replacement and adjustment of sewer and recycled water facilities by Bexar County in connection with the Huebner Creek Enhanced Conveyance LC17 – Phase III Project. Total expenditures: $6,894,524.82. (GENOVEVA GOMEZ – KATHLEEN PRICE)

MISCELLANEOUS ITEMS


27. A Resolution recommending and requesting that the San Antonio City Council take certain actions with respect to the issuance and sale of one or more series of obligations designated as “City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds (No Reserve Fund)” as further designated by series; the approval of an offering document relating to each series of the aforementioned series of obligations. (DOUG EVANSON – PHYLLIS GARCIA)

28. A Resolution relating to the remarketing of obligations designated as “City of San Antonio, Texas Variable Rate Water System Junior Lien Revenue and Refunding Bonds, Series 2013F (No Reserve Fund)” into a new interest mode; authorizing certain SAWS representatives to execute an approval certificate memorializing the terms of such remarketing; approving a remarketing agreement and remarketing memorandum relating to these obligations; requesting that the San Antonio City Council take certain action effectuating amendment to the ordinance authorizing the issuance of these obligations; and other matters in connection with the foregoing. (DOUG EVANSON – PHYLLIS GARCIA)

29. A Resolution recommending and requesting that the San Antonio City Council take certain actions with respect to the issuance and sale of obligations designated as “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016D” and “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016E.” (DOUG EVANSON – PHYLLIS GARCIA)

30. A Resolution awarding a service contract to Securitas Security Services (USA), Inc. in an amount not to exceed $15,934,049.91 for a three-year contract period with the option of two one-year extensions for security services. Total expenditures: $15,934,049.91. (JEFF HABY – JOSHUA DEAN)
31. A Resolution approving an extension to a service contract with U.S. Security Associates, Inc. in an amount not to exceed $400,000.00 for a period through November 13, 2016 for security services. Total expenditures: $400,000.00. (JEFF HABY – JOSHUA DEAN)

32. BRIEFING SESSION.
   A. Briefing and deliberation regarding the Vista Ridge Project

33. President/Chief Executive Officer’s Report.
   A. Introduction of Sree Pulapaka, Vice President/Chief Information Officer
   B. Joint Base San Antonio – Camp Bullis Water Main Project
   C. Affordability Program Milestone
   D. Summary of Trustee Tour of SAWS Facilities

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

35. The Regular Session of the September 13, 2016, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Chapter 551 of the Texas Open Meetings Act.

36. EXECUTIVE SESSION.
   A. Consultation with attorneys regarding New Braunfels Utilities Application No. 12469 to the Texas Commission on Environmental Quality (TCEQ) for a permit to appropriate state water and SAWS Application No. 13098 to TCEQ for authorization pursuant to Texas Water Code § 11.042(b) for authorization to convey SAWS return flows through state water courses for subsequent diversion and reuse pursuant to Tex. Gov’t Code §551.071 (consultation with attorneys).
   B. Consultation with attorneys regarding legal matters in connection with the National Pollutant Discharge Elimination System permit number TX0065641 pursuant to Tex. Gov’t Code §551.071 (consultation with attorneys).
   C. Consultation with attorneys regarding City of San Antonio, acting by and through the San Antonio Water System vs. Lin Indrio, Inc. et al, in the Probate Court No. 1 of Bexar County, Texas, Cause No. 2014-ED-0011 pursuant to Tex. Gov’t Code §551.071 (consultation with attorneys), and deliberation regarding the value of real property pursuant to Tex. Gov’t Code §551.072 (real property).
D. 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 pursuant to Tex. Gov’t Code §551.071 (consultation with attorneys).

37. The Regular Session of the Regular Board Meeting of September 13, 2016, is hereby reconvened.

38. A Resolution approving the filing of a request for party status and non-party briefing in the contested case hearing and administrative and judicial proceedings relating to Application No. 12469 filed by New Braunfels Utilities before the Texas Commission on Environmental Quality; further authorizing the System’s President/Chief Executive Officer and/or legal counsel to take all necessary legal action to protect the System’s interests relating to said application, contested case hearing, and administrative and judicial proceedings. (NANCY BELINSKY)

39. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF SEPTEMBER 13, 2016, IS HEREBY ADJOURNED.
MINUTES
MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
June 14, 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
Pat Jasso, Vice Chair
Ernesto Arrellano, Jr., Secretary
Louis E. Rowe, Assistant Secretary
Pat Merritt, Trustee
David P. McGee, Trustee

Board Members Absent:
None

1. MEETING CALLED TO ORDER.

The meeting of the San Antonio Water System Board of Trustees was held on June 14, 2016, and called to order at 9:10 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 April 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 spoke in opposition to the Vista Ridge Project. He commented on the Coastal Water Regional Supply Company, who wanted to build a pipeline from Burleson County to supply water to Buda, Kyle and San Marcos. He discussed the sale of water from the Vista Ridge Project and the increase in water rates for the project.

CONSENT AGENDA ITEMS

Items 6 – 29

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 sole source purchase from ECS Environmental, LLC to provide: purchase and installation of repair components for the Apollo Street odor control unit, Bid No. 16-16051, for a total of $75,328.00.

2. Approving a one time single source purchase from Seepex, Inc. to provide: purchase of two progressing cavity pumps for the Leon Creek Water Recycling Center, Bid No. 16-16026, for a total of $81,994.00.

3. Approving a one time purchase from Grande Truck Center to provide: purchase of four 25,000 GVWR cab chassis, four door crew cab 84” CA trucks with installed aluminum utility body, PTO driven air compressor/generator system and 2,000 lb. crane, Bid No. 16-16024A, for a total of $511,312.00.

4. Approving a one time purchase from Morrison Supply Co. to provide: seventy 6-inch eccentric plug valves for the Dos Rios Water Recycling Center, Bid No. 16-16023, for a total of $100,028.60.

5. Rescinding a one time purchase from RDO Equipment Co. to provide: purchase of one compact track loader, Bid No. 16-16002, for a total return of ($63,850.00). Approved on April 5, 2016 by Board Resolution No. 16-072, Item 6.A.2.
6. Approving a one-time purchase from Quality Equipment Co. to provide:
purchase of one compact track loader, Bid No. 16-16002, for a total of
$67,060.22.

7. Approving a one-time purchase from Headworks International to provide:
purchase of three mechanically cleaned bar screens with multiple rake
blades and one screening washer compactor for Salado Creek WRC, Bid
No. 16-16036, for a total of $364,465.00.

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 bid of Ferguson Water Works to provide: biennial
contract for ductile iron pipe, Bid No. 16-0024, for a total of $93,498.00.

2. Acceptance of the bid of HD Supply Waterworks, Ltd. to provide: annual
contract for meter box components used with the Meter Replacement
Program, Bid No. 16-16035, for a total of $670,600.00.

3. Acceptance of the bid of San Antonio Armature Works, Inc. to provide:
annual contract for electric motor repair, small motors (10-250 HP) and
large motors (greater than 250 HP), Bid No. 16-8073, Group 1, for a total
of $381,568.50.

4. Acceptance of the bid of Evans Enterprises, Inc. to provide: annual
contract for electric motor repair, small motors (10-250 HP) and large
motors (greater than 250 HP), Bid No. 16-8073, Group 2, for a total of
$604,725.00.

5. Acceptance of the bid of HD Supply Waterworks, Ltd. to provide: annual
contract for water meters to support external Meter Replacement
Program, Bid No. 16-16020, for a total of $1,591,878.00.

6. Acceptance of the bid of Morrison Supply Co. to provide: annual contract
for PVC SDR-26 pipe and fittings, Bid No. 16-0155, Groups 1 & 2, for a
total of $126,340.00.

7. Acceptance of the bid of Ferguson Waterworks to provide: annual
contract for PVC SDR-26 pipe and fittings, Bid No. 16-0155, Group 3, for
a total of $197,027.05.

8. Acceptance of the bid of HD Supply Water Works, Ltd. to provide: annual
contract for PVC pipe, series C900, C905 and C909, Bid No. 16-0069, for
a total of $524,310.00.

9. Acceptance of the bid of HD Supply Waterworks, Ltd. to provide: annual
contract for joint restraints, Bid No. 16-0017, Groups 3, 4, 5 & 7, for a
total of $75,939.95.

10. Acceptance of the bid of Fortiline to provide: annual contract for Service
Saddles, Bid No. 16-0361, for a total of $107,289.35.
11. Acceptance of the bid of CB Solutions, LP to provide: annual contract for Endress Hauser Ultrasonic flow meters, Bid No. 16-16021, for a total of $191,310.00.

12. Acceptance of the bid of Morrison Supply Co. to provide: annual contract for threaded brass fittings, Bid No. 16-0021, for a total of $83,814.25.

13. Acceptance of the bid of AFP Alarm & Detection to provide: annual contract for fire alarm & life safety technical support, Bid No. 16-1075, for a total of $229,595.00.

14. Acceptance of the best value bid of Maldonado Nursery and Landscaping to provide: annual contract for landscaping services for SAWS Headquarters and Commerce Street Cooling Plant, Bid No. 16-5067, for a total of $112,222.00.

15. Authorizing the extension of an existing contract of Dustless Air Filter Co. to provide: annual contract for pleated and media air filters purchase and filter change services, Bid No. 14-7075A, for a total of $68,020.00.

16. Acceptance of the bid of Rosemount Analytical to provide: annual contract for supply of Rosemount chlorine and fluoride analyzers, Bid No. 16-14001, for a total of $124,445.00.

17. Acceptance of the sole source bid of Avista Technology to provide: annual contract for Vitec 4000 liquid antiscalant for use at the Brackish Groundwater Desalination Plant, Bid No. 16-16056, for a total of $451,445.00.

18. Acceptance of the sole source bid of Columbia River Carbonates to provide: annual contract calcite for use at the Brackish Groundwater Desalination Plant, Bid No. 16-16046, for a total of $721,570.00.

19. Acceptance of the bid of Wrico Corporation to provide: annual contract for sulfuric acid for use at the SAWS Headquarters, Heating & Cooling Plants, and Brackish Groundwater Desalination Plant, Bid No. 16-0026, Product A, for a total of $55,444.20.

20. Acceptance of the bid of DXI Industries, Inc. to provide: annual contract for sodium hydroxide for use at the Brackish Groundwater Desalination Plant, Bid No. 16-16045, Product B, for a total of $251,028.00.

21. Acceptance of the bid of DXI Industries, Inc. to provide: annual contract for sodium hydroxide for use at the Brackish Groundwater Desalination Plant, Bid No. 16-16045, for a total of $415,123.17.

22. Acceptance of the bid of Avid Systems, LLC to provide: annual contract for VMWARE licenses and subscription (SnS), Bid No. 16-1457, for a total of $83,856.48.

23. Acceptance of the best value bid of WaterSmart Software, Inc. to provide: annual contract for customer consumption reporting tool, Bid No. 16-16050, for a total of $676,000.00.
24. Acceptance of the bid of Computer Solutions to provide: annual contract for Symantec Essential Support & Protection Suite Support, Bid No. 16-1320, for a total of $50,440.00.

25. Acceptance of the bid of Safeway Supply, Inc. to provide: annual contract for trash can liners, Bid No. 14-6035A, for a total of $53,230.80.

26. Authorizing the extension of an existing contract of Gruene Environmental Companies to provide: transportation and disposal services of non-friable asbestos cement (AC) pipes & other waste asbestos containing materials (ACM), Bid No. 15-6081A, for a total of $83,840.64.

27. Acceptance of the bid of Teqsys, Inc. to provide: annual contract for Symantec Netbackup Appliance Maintenance, Bid No. 16-16059, for a total of $44,283.95.

CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY
Water and Sewer Line Improvements

7. A Resolution awarding a construction contract to J&P Paving Co., Inc. in an amount not to exceed $1,695,197.50 in connection with the 2016 Asphalt Contract. Total expenditures: $1,695,197.50. (GENOVEVA GOMEZ – KATHLEEN PRICE)

8. A Resolution awarding a construction contract to MGC Contractors, Inc. in an amount not to exceed $488,640.00 in connection with the Bitters to Aspen Interconnect Project. Total expenditures: $488,640.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

9. A Resolution ratifying the actions of the Vice President of Engineering and Construction in approving Change Order No. 2 in an amount not to exceed $232,478.00 to the construction contract with SAK Construction, LLC in connection with the Ralph St. 54-Inch Rehab Project. Total expenditures: $232,478.00. (GENOVEVA GOMEZ – KATHLEEN PRICE)

Production, Transmission and Treatment Improvements

10. A Resolution awarding a construction contract to MGC Contractors, Inc. in an amount not to exceed $728,000.00 in connection with the Meadow Wood Acres Interconnect at Montgomery Road Project. Total expenditures: $728,000.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

11. A Resolution awarding a construction contract to MGC Contractors, Inc. in an amount not to exceed $890,000.00 in connection with the Water Exploration Co. Disinfection System Project. Total expenditures: $890,000.00. (GENOVEVA GOMEZ – ANDREA BEYMER)
12. A Resolution awarding a construction contract to Alamo Environmental, Inc., dba Alamo1 in an amount not to exceed $239,715.00 in connection with the Northwest Service Center Facility – Fuel Dispensing Facilities Demolition Project. Total expenditures: $239,715.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

13. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $50,000.00 to the professional services contract with LNV, Inc. in connection with the 2010 Engineering Water Design Services – Production, Recycle and Treatment Project. Total expenditures: $50,000.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

14. A Resolution approving Contract Amendment No. 2 in the amount not to exceed $300,000.00 to the professional services contract with LBG-Guyton Associates in connection with the Water Resources Engineering Consulting Services. Total expenditures: $300,000.00. (GENOVEVA GOMEZ – ANDREA BEYMER)

REPLACEMENT AND ADJUSTMENT PROJECTS

15. A Resolution ratifying the action of the Vice President of Engineering and Construction in approving Change Order No. 2 and the expenditure of additional funds in the amount of $48,077.98 for the adjustment and replacement of water and sewer facilities by the City of San Antonio in connection with the Mud Creek Tributary “A” Drainage Improvements Project. Total expenditures: $48,077.98.

16. A Resolution approving Change Order No. 1 and the expenditure of additional funds in the amount of $101,220.37 for the adjustment of water facilities by the City of San Antonio in connection with the Belford Area Drainage Project. Total expenditures: $101,220.37. (GENOVEVA GOMEZ – KATHLEEN PRICE)

17. A Resolution approving the expenditure of funds in the amount of $1,761,179.88 for the adjustment and replacement of water and sewer facilities by the City of San Antonio in connection with the McCullough Avenue Area Drainage Project. Total expenditures: $1,761,179.88. (GENOVEVA GOMEZ – KATHLEEN PRICE)

18. A Resolution approving an Advance Funding Agreement with the Texas Department of Transportation; approving the expenditure of funds in the amount of $1,458,925.69 for the adjustment and installation of water facilities in connection with the Loop 1604: Potranco to U.S. Hwy 90 Project. Total expenditures: $1,458,925.69. (GENOVEVA GOMEZ – KATHLEEN PRICE)

EASEMENT AND REAL PROPERTY

19. A Resolution accepting an offer in the amount of $260,501.00 for the sale of 8604 Geronimo located at the east corner of Geronimo Drive and F.M. 471 (Culebra Road) in Bexar County, Texas and approving a Purchase Agreement with Mehat Properties, LLC; affirming a six percent commission to be paid to Cano and Company at closing and authorizing payment of closing costs up to $5,000.00 at closing. Total amount received: $260,501.00. (NANCY BELINSKY – BRUCE HABY)
20. A Resolution accepting an offer in the amount of $1,345,000.00 for the sale of approximately 310.989 acres consisting of a 105.27 acre property and a 205.719 acre property “Straus Ranch” located at the north line of Macdona Lacoste Road, east of W.T. Montgomery Road in Bexar County, Texas and approving a Purchase Agreement with Lion Cave Ranch, LLC; affirming a six percent commission to be paid to Cano and Company at closing and authorizing payment of closing costs up to $9,500.00 at closing. Total amount received: $1,345,000.00.  
(NANCY BELINSKY – BRUCE HABY)

21. A Resolution declaring a public necessity for public use, the acquisition of certain privately owned real property in the City of San Antonio being permanent sewer easements and temporary construction easements, the project consisting of the upsizing of approximately three miles of existing 48-inch to 78-inch diameter main in the eastern sewershed along Salado Creek from a point near Seguin Road running north along Salado Creek to a point just north of Rittiman Road, in the northeast quadrants of Bexar County, Texas, which easements shall be acquired by negotiation and/or condemnation, if necessary, for the public use of the expansion and operation of the System through the construction of the E-19 Segment at Seguin Road to Nacogdoches Road Project; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the System to take all appropriate action to acquire the easements by negotiation and/or condemnation. 
(NANCY BELINSKY – BRUCE HABY)

WATER RESOURCES ITEMS

22. A Resolution approving a First Amendment to the Settlement Agreement with Gonzales County Water Supply Corporation for the sole purpose of modifying the date to complete the construction of the new Carrizo Aquifer well on or before October 1, 2016.  (DONOVAN BURTON – DARREN THOMPSON)

23. A Resolution approving Recapitulation Change Order No. 11 in the decreased amount of $1,884,021.61 to be credited to the construction contract with S.J. Louis Construction of Texas, Ltd. In connection with the Regional Carrizo Buckhorn Wellfield Collection Project; authorizing the return of funds in the amount of $1,884,021.61 and the construction contingency balance of $392,090.61 for a total amount of $2,276,112.22. Total decreased amount: $2,276,112.22.  
(DONOVAN BURTON – DARREN THOMPSON)

MISCELLANEOUS ITEMS

24. A Resolution awarding an annual contract to Hall and Sons Transport, Inc., in an amount not to exceed $899,000.00 with three one-year extension options, to provide hauling and disposal of spoil material. Total expenditures: $899,000.00.  
(MIKE BRINKMANN – ALISSA LOCKETT)

25. A Resolution awarding a service contract to Alsay, Inc. in an amount not to exceed $91,425.00 to provide diagnostic and well construction services for private small
capacity wells in connection with the Water Well Mitigation Program. Total expenditures: $91,425.00. (STEVE CLOUSE – SCOTT HALTY)

26. A Resolution awarding a service contract to Wells Fargo Insurance Services USA, Inc. in an amount not to exceed $330,000.00 for the initial period through June 30, 2019 with two one-year options to extend to serve as the commercial insurance Broker of Record, and to provide Risk Management and Behavior Based Safety consulting services. Total expenditures: $330,000.00. (SHARON DE LA GARZA – TINA SOUTHERD)

27. A Resolution authorizing the offering of a pre-65 retiree option of purchasing individually issued health plans through the On/Off United Healthcare Advisor Multicarrier Exchange Options; authorizing the President/Chief Executive Officer or duly appointed designee to negotiate and execute a service agreement with United Healthcare Services, Inc. to provide support services and administer a retiree reimbursement arrangement with expenditures not to exceed $50,000.00 for fiscal year 2017. (SHARON DE LA GARZA)

28. A Resolution authorizing the first year contract extension to New Earth, Inc. in an amount not to exceed $1,799,100.00 for a period ending June 13, 2017 in connection with the composting and marketing of biosolids. Total expenditures: $1,799,100.00. (JEFF HABY – PARVIS CHAVOL)

29. A Resolution awarding a service contract to Terra Contracting Services, LLC in an amount not to exceed $330,951.07 through December 31, 2016 in connection with the Sanitary Sewer Cleaning and Inspection of Designated “Year 4” Small Collection System Assets Package 3 Contract. Total expenditures: $330,951.07. (JEFF HABY – TAMSEN MCNARIE)

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

Mr. McGee made a motion to approve the Consent Agenda Items, Nos. 6 – 29. Mr. Arrellano seconded the motion.

Consent Agenda Items, Nos. 6 – 29, were unanimously approved. Verbal voting.

ITEMS FOR INDIVIDUAL CONSIDERATION

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY

Developer Customer Contracts

30. 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>
<th>WW CCN</th>
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<tbody>
<tr>
<td>1</td>
<td>Vise SPH 1604 Tract</td>
<td>Vise SPH Ltd.</td>
<td>818</td>
<td>3,965</td>
<td>3,965</td>
<td>CoSA ETJ/Outside</td>
<td>Outside</td>
<td>OVR</td>
<td>In</td>
<td>In</td>
</tr>
<tr>
<td>2</td>
<td>Cox Manufacturing Tract</td>
<td>Texas Cox Partnership Ltd</td>
<td>7.3</td>
<td>56</td>
<td>25</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>825.38</strong></td>
<td><strong>4,021</strong></td>
<td><strong>3,990</strong></td>
<td></td>
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</tbody>
</table>

Sam Mills presented Item 30, approval of Utility Service Agreements (USA) for the Vise SPH 1604 Tract and the Cox Manufacturing Tract.

The Vise SPH 1604 Tract was a mixed use tract within the City of San Antonio’s ETJ and within SAWS water and wastewater CCNs. This tract required Board approval because of the oversizing of the water main. There was no cost for SAWS because there was at least $4 million in credits based on the most likely option for the particular water main. The developer would receive impact fee credits for their share of the water main. For the risk category, there were easements and right-of-ways required. The 24-inch main would bolster growth in the southwest area of town. The sewer options included a gravity option and an option for four lift stations. The tract was not located over the recharge zone. He reviewed project maps and proposed infrastructure options for the tract.

The Cox Manufacturing Tract was a commercial tract of about seven acres. The developer was asking for 56 water equivalent dwelling units (EDU) and 25 wastewater EDUs. The tract was within the City of San Antonio’s city limits and within both SAWS water and wastewater CCNs. The tract had oversizing requirements for the water main. One option was about $200,000.00 for SAWS’ share and about $160,000.00 for the developer’s share. Option 2 was about $75,000.00 for SAWS and about $60,000.00 for the developer. Staff recommended Option 1 because it had the strongest fire flow to the tract and adjacent tracts, but the developer had the choice of options. The developer preferred Option 2 and was requesting that SAWS supply the 12-inch pipe in lieu of the actual financial oversizing. The tract was not over the recharge or contributing zones. He reviewed project maps and proposed infrastructure options for the tract.

Staff recommended the approval of USAs for the Vise SPH 1604 Tract and the Cox Manufacturing Tract.

Mr. Rowe made a motion to approve Item 30. Ms. Jasso seconded the motion.

Mr. Rowe asked if staff had a preference for the options associated with the Cox Manufacturing Tract. Mr. Mills replied that staff preferred Option 1 because it had the stronger fire flow. The developer would be taking the risk if they were to build Option 2.

Mr. Rowe asked if SAWS would pick up a portion of the cost for Option 1. Mr. Mills responded that SAWS would pick up the bulk of the cost. It would basically oversize from
an 8-inch main to a 12-inch main, and SAWS share of the cost was 56 percent and the developer's was 44 percent.

After no further discussion, Item 30 was unanimously approved. Electronic voting.

**MISCELLANEOUS ITEMS**

**31. Briefing and deliberation regarding the Sanitary Sewer Overflow Program and a Resolution approving Contract Amendment No. 3 in an amount not to exceed $7,517,945.00 to the professional services contract with HDR Engineering, Inc. in connection with the program management services for Phase IV of the Sanitary Sewer Overflow Reduction Program. Total expenditures: $7,517,945.00.**

(STEVE CLOUSE – JEFF HABY)

Jeff Haby gave an update on the Sanitary Sewer Overflow (SSO) Reduction Program. He discussed the four major phases for compliance of the Consent Decree (CD) that included assessment, planning, reporting and rehabilitation. Most of the assessment phase had been completed. The program was transitioning from the assessment phase to the planning phase where decisions would be made to address the condition, effects and capacity constraints identified in the assessment phase.

The main indicator of program effectiveness was the reduction of SSOs. He reviewed a graph that illustrated the high, low, and average of SSOs for each month from 2009 through 2015, and the effect of the rainfall in May that produced large amounts of runoff and adversely affected the sewer system. Other than weather, the root causes that could be controlled such as structural SSOs, debris, grease, and roots continued on a downward trend. Ongoing cleaning and repairs were needed. He discussed the public notices in 2016 that were almost all related to capacity constraint within the areas. These areas had been identified in the assessment phase and would be passed along to the Basin Planning Consultants for alternative analysis and remedial measures planning.

The requested action was to amend the professional services contract with HDR Engineering, Inc. to add Amendment 3, Phase IV Program Management Services associated with the SSO Reduction Program. Amendment 3 would not exceed $7,517,945.00 for Phase IV of the program. He reviewed the background of the Program Management Contract approved in 2013 and the key benefits from year 3 activities. Early completion of the condition and capacity assessment work allowed the planning work to move forward and met all compliance requirements for the CD.

Phase IV of the contract included seven tasks: Program Management and Controls; Information Systems Integration Support; Inspection and Condition Assessment; Capacity Assessment Support; Planning and Alternative Analysis Support; CMOM Program Implementation Support; and Program Technical Support Services. The appropriation required for Phase IV was $7,517,945.00. As part of the CD compliance efforts, work would begin on both the Condition and Capacity Assessment efforts and Remedial Measures Plan to be submitted to the EPA. The Assessment Report was due in January 2018, and a draft of the report would be produced by next summer. All of that would roll into the Remedial Measures Plan, and these were major submittals to the EPA as part of the CD. HDR’s help for the report development would be invaluable because of their previous experience
preparing these reports for the EPA and other CDs. Staff recommended the approval of Amendment 3 to the professional services contract with HDR Engineering, Inc. to add Phase IV of the Program Management Services in a not to exceed amount of $7,517,945.00.

Mr. Rowe made a motion to approve Item 31. Ms. Jasso seconded the motion.

Mr. McGee inquired about the cost to clean up an average SSO. Mr. Haby responded that he did not know the exact cost, but it was about a day of effort. He discussed the process that included Distribution & Collection crews cleaning up the spill and applying bleach and returning with topsoil for areas impacted. He stated the back woods areas that were difficult to access could potentially take a week to complete. Next, the Resource Protection & Compliance group would walk the site to confirm the work was complete.

Ms. Jasso inquired about how SAWS would be evaluated on the CD compliance in October. Mr. Haby replied that SAWS had a good rapport with the EPA and they realized SAWS was reporting properly. A couple of one-gallon spills were reported the other day. The EPA would look for a reduction in SSOs, and they realized projects would need to be built for the capacity constraint side, which would take time.

Mr. Rowe asked how a one-gallon spill was measured. Mr. Haby gave an example of a manhole that was opened and literally burped the sewage on the ground so even the smallest of SSOs were reported.

Mr. Rowe inquired about the outside cost forecasts for 2018 and 2019. Mr. Haby stated he had not calculated the cost. The Assessment Report would be submitted in January 2018, and the Remedial Measures Plan would be submitted in January 2019. At this time the actual dollars would be committed to the program.

Mr. Puente commented on the one-gallon and five-gallon spills. Other cities were not reporting one- and five-gallon spills. This was a choice made at the very beginning of the program that if it came out of SAWS sewer system, it would be reported.

After no further discussion, Item 31 was unanimously approved. Electronic voting.

32. A Resolution awarding a professional services contract to Freese and Nichols, Inc. in an amount not to exceed $14,174,295.00 in connection with the Basin Planning Project Management Services for the Central Basin to support the Sanitary Sewer Overflow Reduction Program. Total expenditures: $14,174,295.00. (STEVE CLOUSE – JEFF HABY)

Mr. Haby presented Items 32 and 33, award of professional services contracts for Basin Planning Consultant Services in support of the SSO Reduction Program. The Assessment Phase was ahead of schedule and the Planning Phase would be next. Condition assessment was performed through closed-circuit television and pole camera inspection to rate the condition of each pipe. Capacity assessment was obtained from flow meters, the hydraulic model and field verification to rate capacity constraints. By completing the Assessment Phase ahead of schedule, more time would be available to evaluate the options or perform alternative analysis to address conditions and capacity issues. This information would be
used to develop the Remedial Measures Plan and to select the most practical solution to resolve issues considering both long-term performance and life cycle costs. Projects would be prioritized and a scheduled developed.

He discussed the planning effort for the three major basins: the West or Leon Creek Basin, the Central Basin, and the East are Salado Basin. The basin planning would occur in two major phases. The ten percent design would include evaluation of the alternative and preliminary design, and a recommendation on what alternative would move forward to the 30 percent design phase. The 30 percent design included field verification, evaluations, and development of costs associated with the project. This would allow rapid progress in final design and construction because the preliminary engineering would already be completed. The work would be completed within 18 months, and would identify the best options and ensure all projects were buildable. This work would be used to produce the Remedial Measures Plan. It would also commit SAWS from a capital improvements perspective to the overall cost. The Basin Planning Consultants would evaluate how to fix the problem. Options would include repair, replace, rehab, reroute, store flows or detentions. He reviewed tables of the required condition and capacity information to be submitted to the EPA.

A statement of qualifications was solicited on December 16, 2015 for Basin Planning Consultants in support of the SSO Reduction Program. Staff received responses from nine engineering firms. Freese and Nichols, Inc. and MWH Americas, Inc. were the firms selected. The contract consisted of Tasks 1 through 4. Tasks 1 and 4 were Project Management and QA/QC covering the entire 18-month contract. Task 2 was the Alternative Analysis to obtain data and take all viable options to 10 percent design. SAWS would then select one alternative and maybe two for 30 percent design. The deliverable at 30 percent design would be used by SAWS to complete the Remedial Measures Plan. The objective was to complete the Remedial Measures Plan one year ahead of the deadline. This would allow ample time to optimize the plan and develop a basic plan for implementation. The plan was due January 2019. He reviewed the sub consultants’ participation for both contracts.

Staff recommended the award of a contract to Freese and Nichols, Inc. in the amount of $14,174,295.00 for the Basin Planning Consultant Services for the Central Basin.

Ms. Jasso made a motion to approve Item 32. Ms. Merritt seconded the motion.

Ms. Jasso inquired about how the south side was included in the basins. Mr. Haby responded the south was included in the Medina Outfall that was relatively new infrastructure. The Central Basin was the most complex because it was very old and had some original infrastructure.

Ms. Jasso asked if Holbrook Road was considered East Basin. Mr. Haby confirmed.

Mr. Arrellano inquired about the difference between the two selected firms and the other seven firms. Mr. Haby replied the technical evaluation team felt the two firms stood out and understood SAWS objectives. Both firms had previous work on CD type work or sewer rehab.
Mr. Arrellano asked if these were low bid contract. Mr. Haby replied no, these were a request for qualifications and the contract amounts had been negotiated.

After no further discussion, Item 32 was unanimously approved. Electronic voting.

33. A Resolution awarding a professional services contract to MWH Americas, Inc. in an amount not to exceed $12,482,727.00 in connection with the Basin Planning Project Management Services for the West and East Basins to support the Sanitary Sewer Overflow Reduction Program. Total expenditures: $12,482,727.00.

(STEVE CLOUSE – JEFF HABY)

Staff recommended the award of a contract to MWH Americas, Inc. in the amount of $12,482,727.00 for the Basin Planning Consultant Services for the West and East Basins.

Ms. Jasso made a motion to approve Item 33. Mr. Arrellano seconded the motion.

Ms. Merritt inquired about the basis for the not to exceed amount and how it would be managed. Mr. Haby responded a lot of pre-work was done and the amount of pipe to be reviewed from a condition perspective was laid out. Because of the work done by the Program Management Team, the capacity constraints were identified and a well-defined scope of work was presented. There was a lot of work to do in 18 months, but he was confident with the work could be completed within the timeframe.

Mr. Rowe inquired about the work to evaluate alternatives during the 10 percent and 30 percent phases, and the percentage of cost associated with each alternative. Mr. Haby stated he would get back to the Board on the percentage. He had the numbers, but had not calculated the percentage. Task 1 was fairly constant across the program. Each firm would approach it a little bit differently. QA/QC was another item that varied but was somewhat consistent. Task 2 was 10 percent design, which had more alternatives. Once the project was approved that would move forward, a scope of services would be developed for the 30 percent design. This would include geotechnical, some underground utility locations, and environmental work. Each project would be negotiated independently based upon a level of services needed for that particular project.

After no further discussion, Item 33 was unanimously approved. Electronic voting. Mayor Taylor was not present for the vote.

Chairman Guerra thanked Mr. Haby and his team for their hard work and tiring efforts to keep it all under check. Mr. Haby thanked the Board for their continued support of the program.

34. A Resolution awarding a construction contract to National Power Rodding Corp. in an amount not to exceed $2,341,877.00 in connection with the 2016 Annual Water Distribution Leak Repairs Contract – Package 5. Total expenditures: $2,341,877.00.

(MIKE BRINKMANN – JEFF BROWN)

Jeff Brown presented Items 34 and 35, award of construction contracts for the 2016 Annual Water Distribution Leak Repair Contract Packages 5 and 6. He discussed the proactive water
leak repair program for the approximately 6,800 miles of main in SAWS distribution system. Water Resources staff approached the Edwards Aquifer Authority (EAA) with the idea of helping meet the goals of the Edwards Aquifer Habitat Conservation Plan. These two contracts were for the funding of additional leak repair services to decrease leak repair response times and lost water. Earlier this year, the Board approved the Interlocal Agreement for the Regional Water Conservation Program portion of the Edwards Aquifer Habitat Conservation Plan. The program provided EAA funding for water leak repairs.

SAWS consultant, Water Systems Optimization, helped to develop SAWS water reduction loss program. Through water leak repairs, the estimated lost water reduction was approximately 4,700 acre-feet per year. The EAA annual payment to SAWS had already occurred in 2016. Total payments through 2020 would be approximately $18.6 million for contracted water leak repairs. Water leaks were discovered by in-house leak detection crews, contracted leak detection and valve preventive maintenance, and water-conscious public citizens. These contracts would repair both new and backlogged water system leaks, increase customer service by improving response times, and decrease lost water by supplementing in-house crews. These contract would repair water leaks on mains, hydrants, and valves, and replace hydrants, valves, and services if leaking or not functional. A work order would be issued for each site and each asset. Each contract provided the flexibility of water pipe repairs from a 3/4-inch service to a 24-inch main, and was open cut type construction. He reviewed an examples of water main repairs, valve replacements, and water hydrant replacement work.

He reviewed the bid results for the Package 5 contract. Facilities Rehabilitation, Inc. met the contract's performance requirements; however, their current construction contract would almost exhaust available resources. Facilities Rehabilitation, Inc. ultimately chose to withdraw their bid. National Power Rodding Corporation was able to demonstrate the resources to meet the contract's performance requirements, thus making them the low responsible bidder. The bid package was produced in-house, and the low responsible bid was 6.3 percent decrease from the engineer's estimated construction cost. The total SMWB participation was 36.94 percent.

Staff recommended the award of a construction contract to National Power Rodding Corporation and the approval of funds in the amount of $2,341,877.00 for the 2016 Annual Water Distribution Leak Repairs Contract – Package 5.

Mr. Arrellano made a motion to approve Item 34. Mr. Rowe seconded the motion.

Mr. Rowe asked where Facilities Rehabilitation, Inc. was located. Mr. Brown replied northeast of Boston.

Mr. Arrellano inquired about the percentage of work to be performed by National Power Rodding Corp. Mr. Brown responded that the SMWB of 36.94 percent was the sub-contractor so about 63 percent of the work would be performed by National Power Rodding Corp.

After no further discussion, Item 34 was unanimously approved. Electronic voting. Mayor Taylor was not present for the vote.
35. A Resolution awarding a construction contract to D. Guerra Construction, LLC in an amount not to exceed $2,612,325.00 in connection with the 2016 Annual Water Distribution Leak Repairs Contract – Package 6. Total expenditures: $2,612,325.00. (MIKE BRINKMANN – JEFF BROWN)

Mr. Brown reviewed the bid results for the Package 6 contract. For the same resources reasons as the Package 5 contract, Facilities Rehabilitation, Inc. chose to withdraw their bid. National Power Rodding Corporation was not able to demonstrate the resources to meet the contract's performance requirements beyond the Package 5 contract; therefore, they were deemed a nonresponsive bidder. D. Guerra Construction, LLC was determined to be the low responsible bidder. The bid package was produced in-house, and the low responsible bid was 4.5 percent increase from the engineer's estimated construction cost. The total SMWB participation was 94.26 percent.

Staff recommended the award of the construction contract to D. Guerra Construction, LLC, and the approval of funds in the amount of $2,612,325.00 for the 2016 Annual Water Distribution Leak Repairs Contract – Package 6.

Mr. Arrellano made a motion to approve Item 35. Ms. Merritt seconded the motion.

After no further discussion, Item 35 was unanimously approved. Electronic voting. Mayor Taylor was not present for the vote.

36. A Resolution authorizing the termination of water service to locations for which the San Antonio Water System has not received an annual report of testing and inspection of backflow prevention devices. (STEVE CLOUSE – SCOTT HALTY)

Scott Halty presented Item 36, authorization to terminate water services to those locations that had not provided a testing and monitoring report required annually for the Backflow Compliance Program. He reviewed the program requirements and described the different backflow devices. He assured the Board every effort would be made to work with and educate the individuals to gain compliance. Backflow assemblies were required to keep private systems from entering into the distribution system. There were some key devices that were of a greater health and safety concern. Those included some locations with septic systems, irrigation systems, certain industrial and commercial uses, recycle water, and private wells.

He reviewed the program's background that started about 1988. Texas Commission on Environmental Quality (TCEQ) mandated a monitoring program for backflow compliance assemblies. Backflow assemblies were required at locations that were high health hazard, and these assemblies were required to be inspected and tested annually by state and local regulations. In 2011, the City passed an ordinance requiring internal backflow assemblies to have an annual monitoring program, to be inspected, and to be tested. In 2012, the City felt that that program was better served by switching the program over to SAWS. In 2012, the merger with DSP brought about another 5,000 devices to the program. SAWS has been in the process of merging the City’s and the DSPs into SAWS database. The process of combining these databases included determining which devices could cause a health and
safety issue, and would require an inspection and a report on file. He reviewed the difference between internal and external assemblies. The state Chapter 290 Rules required annual testing for assemblies, and required SAWS to have a monitoring program. The City ordinances in Chapter 34 required devices to be inspected and tested annually. Reports were required to be submitted to SAWS because the reports must be on file when the program was inspected by TCEQ. He reviewed the status of the current enforcement process, and the requested action for the Board to authorize termination of service for non-compliance.

He discussed the education and outreach efforts that included presentations to the San Antonio Manufacturers Association, the Chamber of Commerce Water Committee, the San Antonio Apartment Association, the San Antonio Restaurant Association, the San Antonio Building Owners and Management Association, the San Antonio Real Estate Council, the San Antonio Irrigators Association, and the San Antonio American Backflow Prevention Association. The majority of the high health risk devices were from commercial and industrial businesses. To-date and after the second notice, the program had compliance of 79 percent. With the Board's approval, staff would send out 3,800 letters, which were the remaining number of customer who had not submitted the testing report. Failure to respond to the final notice within 30 days would result in a site visit. SAWS inspectors and a contractor to be hired would facilitate the third notice on non-compliance visits. If the service changed, then the device would be eliminated from the list. If the backflow owner failed to comply with a 10-day agreement, SAWS would be prepared to terminate the water service with the Board’s approval. Reinstatement of services would also require a fee. He listed the different lines of communication available for the customers regarding the program.

Staff recommended the authorization to terminate water service to locations for which SAWS had not received an annual report of testing and inspection of backflow prevention devices.

Ms. Merritt made a motion to approve Item 36. Ms. Jasso seconded the motion.

Chairman Guerra inquired about the 3,800 letters that would go out to entities that had not submitted testing and asked what communication had been made with all the entities. Mr. Halty replied the first and now second notice had been done. The third notice would be sent, pending Board approval. The contractor and SAWS inspectors would call and make physical contact. There would be five attempts in contacting them, and termination would not happen without physically talking to someone.

Chairman Guerra asked who would examine and test the backflow devices. Mr. Halty responded the customer would hire someone. SAWS would provide a list of people who provide the service, and there were a number of companies that provide the service.

Chairman Guerra asked if most of the customers were commercial and industrial type. Mr. Halty confirmed, and stated about 90 percent were commercial and industrial customers.

Chairman Guerra asked if the next step would be to again try to reach the customers and give a 30-day or 90-day notice to resolve the issue. Mr. Halty responded it would be a 30-day notice. After 30 days, either the SAWS inspector or contractor would try to contact the customer by phone, set up a meeting, and then physically go out to the location.
Chairman Guerra asked if the law required the Board to approve the termination of services. Mr. Halty confirmed.

Ms. Jasso inquired about the number of devices of 28,000 compared to the 18,000 registrations. Mr. Halty explained SAWS originally had about 16,000 devices. When the City passed an ordinance to have internal devices monitored, the City moved another 23,000 devices to SAWS program. With the merger of the DSP, another 5,000 devices were added. The 18,000 were registrations where there could be more than one device listed.

Mr. Rowe stated of the 3,800 registration left, 90 percent were commercial and industrial customers, which would leave about 380 residential. He asked about the problems with the devices for residential customers. Mr. Halty responded the main issue was the septic tank, the aerobic or irrigation system, or the private well cross connecting or just being tied into the system in any way. Irrigation without septic was a lower tier and not consider that high a health concern.

Mr. McGee commented on the great job staff did to reach out to the community to make people aware of the situation and to protect the water system. He asked if SAWS had reached out to the media to make every effort to let people know the seriousness of the issue. Mr. Halty responded that he did not believe any outreach had been made to the media. He stated he would work with Communications to get this done.

Ms. Merritt asked about what was required and the procedure to turn service back on after termination. Mr. Halty replied the customer would have to provide a testing report and inspection report. Once that was received, Customer Service would be contacted to work with the customer on the termination.

Chairman Guerra commented on slide 4. He asked who owned the backflow outside of the building but before the water main. Mr. Halty stated the backflow did not belong to SAWS, and was located on the customer side of the meter. These were extremely important for the system because they were the last line of defense to keep any contamination out of the distribution system. The main focus was the containment of the external devices.

After no further discussion, Item 36 was unanimously approved. Electronic voting. Mayor Taylor was not present for the vote.

37. **A Resolution awarding a professional services contract to Olameter Corporation, for a three-year period and an option to extend for one year, in an amount not to exceed $5,801,156.64 in connection with the Meter Reading Program. Total expenditures: $5,801,156.64. (AGNES BARARD – TIMOTHY DAVIS)**

Timothy Davis presented Item 37, award of professional services for a three-year period with an option to extend for one year for meter reading services. He reviewed the background for the meter reading program. Reading meters safely, accurately, and timely was the critical first step in the meter-to-cash process. Since 2013, SAWS had historically read approximately five million meters per year. While San Antonio and SAWS had experienced considerable growth, meter readers remained the same with little fluctuations over time. In
2015, approximately six million meters were read annually, which was about 500,000 a month, and that work was broken up into 20 cycles, 1,304 routes and roughly 500,000 accounts.

In 2015, SAWS experienced significant issues due to increased meter reading estimations. To mitigate those issues to gain continued trust in SAWS, staff contracted with a meter reading service provider via competitive bid. The selected vendor was Olameter Corporation, and roughly 61,000 meters were transitioned to the vendor. The third party meter reading services were successful and contributed to the objective of consistent and sustainable SAWS meter reading performance. Also, Field Operations experienced significant attrition in January and February of 2016. The limited staff and ongoing attrition had a direct impact on the ability to read meters, meet customer expectations, and organizational objectives. To mitigate that problem, the existing contract was amended and an additional 68,000 reads was assigned to Olameter. This accelerated work caused the contract to expire earlier.

He gave an update on the improvements made within field operations. More than 99 percent of all meters were read monthly. Some of the challenges for 2016 were to continue to stabilize the department, to locate and read every meter, to replace faulty or sick meters, and to work on meter route optimization. Staff was also reviewing existing processes and dedicating additional resources in the area of recording, analysis, planning and performance management. For 2017 and beyond, focus would be on continuous process and performance management improvements as well as evaluating and implementation of technology improvements.

He discussed the scope of the contract that was for a three-year term for an amount up to $4,350,867.00, included one 12-month option to extend the contract for $1,450,289.00, for a not to exceed amount of $5.8 million over the term of the contract. The work would occur on an as-needed basis to ensure flexibility due to attrition, but would not exceed 270,000 meter reads per month or 3.4 million reads per year. The contract also allowed for liquidated damages in the event the contractor did not meet specified performance levels. The competitive bid proposal method was used and evaluated the proposals on criteria and point value. The selected contractor was Olameter Corporation. Olameter was the best value because they currently read SAWS meters, established a relationship, and transition to a new contract would be seamless. The impact to customers would have a very low risk. While Olameter currently had no SMWB participation, staff would work with them to use local staffing and other resources. Olameter Corporation was a Michigan based company with a local office in San Antonio, and had provided meter reading services for approximately 17 years. Olameter served over 250 clients in the United States and Canada, and were subject to multiple International Standard Organization standards for quality, environmental, health and safety. He discussed the contractor shirts and contractor badges that would be utilized by Olameter Corporation employees.

Staff recommended the award of the service contract to Olameter Corporation in the amount not to exceed $5,801,157.00 for meter reading services.

Ms. Merritt made a motion to approve Item 37. Mr. McGee seconded the motion.
Chairman Guerra commented on the read of his meter by employee, Laura Olivarez. He stated that the general public did not really understand the commitment there was to reading water meters. Ms. Olivarez described an incident when a snake was curled up on top of a meter. There was this danger with reading meters that was not realized, and all sorts of bugs and other things that were in the meter boxes. He thanked the employees and the contractor who do this work for the city.

Mr. Rowe inquired about the percentage of people who were local. Mr. Davis replied a very small percentage of those individuals were not local.

Ms. Jasso asked how many of the total meters were ready by SAWS and how many by Olameter Corporation. Mr. Davis responded the team were from three different areas. There were SAWS regular employees, some were 18-month temps, and then a portion of the work was moved to the contractor. SAWS regulars and the 18-month temps accounted for 67 employees, and they read approximately half a million meters per month.

Mr. McGee asked if the contractor was paid per meter read, and what the cost comparison was to staff cost and temp cost. Mr. Davis replied the contractor was paid per meter read, and there were certain prices for 5/8 to 1-inch meters and another price for those above. The goal was to make sure the contractor services were more cost effective than in-house. The existing contract actually lowered the cost of previous years, because it was over a three-year period.

Mr. McGee asked the percentage of the meter reads to be read by Olameter Corporation. Mr. Davis stated right now about 25 percent or so. The contract had the flexibility to transfer work to Olameter as people promote or move on to other things.

Mr. McGee inquired about the difference in performance of staff compared to the performance of an outside contractor. Mr. Davis responded that there had been a number of issues to improve. Over the past six months, there had been an improvement of about 50 reads per day, and work could continue to be even better.

Ms. Merritt inquired about the number of meters the meter readers were expected to reach each day. Mr. Davis replied there was an aspirational goal somewhere between 450 to 500 reads. That was kind of the industry standard. With the heat, rain, snakes, bugs and a few other things that would change on average per day due to those challenges.

Mr. Puente recognized Mr. Davis for his first time in front of the Board, and asked him to give the Board a little of his background. Mr. Davis stated he began his career 30-plus years ago as a meter reader for Southern California Edison, a very large electric utility, and advanced to the position of Director of Business Solutions dealing with roughly half a million customers in a 500,000 square mile territory. His next position was Senior Director of Customer Service and Business Development for Tucson Electric Power. He appreciated the opportunity to be at SAWS and to help with some of the challenges.

Chairman Guerra thanked Mr. Davis for the presentation and welcomed him to SAWS. He commented on his experience at Southwestern Bell and the opportunity for advancement of qualified minority employees. He stated he would like to see SAWS continue to work
towards more local, MBE companies, and encourage other firms to partner with these
companies to become qualified businesses.

After no further discussion, Item 37 was unanimously approved. Electronic voting.
Mayor Taylor was not present for the vote.

38. **A Resolution awarding a service contract to G4S Secure Solutions in an amount not to exceed $15,422,495.64 for a three-year contract period with the option of two one-year extensions for security services. Total expenditures: $15,422,495.64.**

*(JEFF HABY – JOSHUA DEAN)*

Joshua Dean presented Item 38, award of a service contract for security. He reviewed the
background for the security services that provided the safety for employees, customers,
facilities and approximately 500 asset locations. Those 500 locations ranged from very
complex systems, such as Dos Rios, all the way down to lift stations and land that could be
used for illegal dumping. The coverage for the system was provided through a combination
of SAWS staff, infrastructure, technology, and the contract for guard services.

A best value bid process was used for the selection of a security provider. Changes were
made to the contract details such as SAWS vehicles would no longer be available for the
security provider. The contract required guards to be paid a San Antonio living wage. The
base minimum in the old contract for a guard was $11 per hour, and the new minimum base
rate would be $14 per hour. There were eight firms that responded to the bid solicitation.
He reviewed the bidding criteria used to evaluate the proposals. G4S Secure Solutions
(USA), Inc. was the contractor that provided the best overall bid for SAWS. G4S Secure
Solutions (USA), Inc. was a non-local/mon-SMWB company, but would partner with a local
SMWB firm. The contract was for three years with two one-year extensions.

Staff recommended the award of a contract to G4S Secure Solutions (USA), Inc. for guard
services in amount not to exceed $15,422,495.64 for a three-year contract period with options
to extend the term for the one-year terms effective July 1, 2016.

Ms. Jasso made a motion to approve Item 38. Ms. Merritt seconded the motion.

Chairman Guerra inquired about the current contractor and the recommended firm. Mr. Dean
stated the current contractor was U.S. Security Associates, Inc. G4S Secure Solutions
(USA), Inc. had a local office, but their headquarters was in London. G4S Secure Solutions
(USA), Inc. had about 75,000 employees nationally and about 650,000 employees globally.

Mr. McGee commented on a recent tragic event and the connection with G4S Secure
Solutions (USA), Inc. He inquired about properly vetting anyone who would serve SAWS
on the contract. Mr. Dean commented on the investigation and the information that had been
released from G4S Secure Solutions (USA), Inc. and law enforcement. He discussed the
background checks that the individual had to pass to become a security officer and to become
a licensed carrier in Florida. The company itself did a background check and psychological
evaluation. This individual did not have a criminal history. A high standard was expected
from all officers.
Ms. Jasso inquired about the current officers already in place. Mr. Dean responded that the officers would be a mix of current and new officers. All officers that had a good history with the current company would be able to apply with the new company. However, as requirements, background checks and levels of standards continue to increase, not everyone would transition. Mr. Rowe commented that SAWS should set some requirements.

Mr. Arrellano asked if there was a way to extend the current contract for a couple of months so staff could do some more analysis. Mr. Dean confirmed and stated he would visit with the Purchasing and Legal staff. Mr. Clouse stated the current contractor was at the end of their term. There would need to be an agreement to cover that period of time. This would also give a period to do an additional assessment.

Mr. Rowe inquired about the contract prices for U.S. Security Association, Inc. Mr. Dean replied that currently SAWS paid $15.25 per hour for an officer, and the firm paid the officer $11 per hour. Under the new contract, SAWS would pay $21.04 per hour, and the contractor would pay the officer $14 per hour. There was a bill rate for each different type of use. The overall contract for the last year was the same over the last five-year period, but he could not remember the exact total.

Mr. Puente stated that with the Chairman’s permission, he would pull this item, address the Board’s concerns, and come back in August. Chairman Guerra agreed and pulled the item to be discussed in August. No further action was taken on Item 38.

WATER RESOURCES ITEMS

39. A Resolution approving a bond resolution to be adopted by the Board of Trustees of the Canyon Regional Water Authority authorizing the issuance of obligations designated as “Canyon Regional Water Authority Tax-Exempt Contract Revenue Refunding Bonds (Lake Dunlap Mid-Cities Project), Series 2016”; approving the Regional Water Supply Contract between the San Antonio Water System, Green Valley Special Utility District, East Central Special Utility District, the City Of Cibolo, Texas, the City Of Marion, Texas, Crystal Clear Special Utility District, Springs Hill Water Supply Corporation and the Canyon Regional Water Authority; authorizing the Chairman of the Board of Trustees or the President/Chief Executive Officer and/or the Senior Vice President/Chief Financial Officer of the San Antonio Water System to execute on behalf of the San Antonio Water System all documents, including an Approval Certificate after the refunding bonds are sold, in connection with this transaction; and other matters in connection therewith; authorizing the President/Chief Executive Officer or his duly appointed designee to execute all documents including an Approval Certificate after the revenue and refunding bonds are sold, in connection with this transaction; and other matters in connection therewith. (DONOVAN BURTON – DARREN THOMPSON)

Darren Thompson presented Items 39 and 40, related to the water supplies coming from Canyon Regional Water Authority (CRWA). Item 39 was relate to the Lake Dunlap and Mid-Cities projects. He reviewed the background for CRWA, a state entity charged with developing new water supplies and providing water to their customers. There were 11 members who represented Bexar, Caldwell, Comal, Guadalupe, Hays and Wilson counties.
Part of the CRWA operation to develop water supplies and provide water included the Lake Dunlap and Mid-Cities projects. Lake Dunlap was a lake located just southeast of New Braunfels on the Guadalupe River. There was a diversion point to take water out of the lake as well as a service water treatment plant to treat the water, and then combine that water with the Mid-Cities pipeline. The Mid-Cities pipeline delivered the water to purveyors in Comal, Guadalupe and Bexar Counties. This was originally a BexarMet water supply that contracted 4,000 acre-feet of water per year. When SAWS assumed BexarMet in 2012, the water supply was going to the northeast portion of the service area and was an island system. CRWA used chloramines to disinfect the water, which was not compatible with SAWS free chlorine system. He reviewed a map of the service area.

SAWS approached CRWA about the potential to change disinfection method from chloramines to free chlorine. CRWA met with the participating entities that received water, and determined it would benefit everyone. CRWA undertook a water quality study to evaluate the conversion. An ozone treatment and free chlorine method was identified as the right treatment process. A pilot study was conducted, which proved the benefits to the system. CRWA was prepared to build a full scale ozone treatment facility and free chlorine system to send water to other purveyors. This was a benefit to SAWS by allowing the water source to be fully integrated and utilized with the rest of the service area.

H reviewed the refunding of the bonds. There were two from Lake Dunlap, one was taxable and one was tax-exempt, and the Mid-Cities bonds. The term of the bonds would remain the same thru 2028, and roughly $2.95 million would be added to cover the cost of the ozone treatment system. SAWS would actually see net savings through 2028 of over $754,000.00. With the combining of the three bonds, it was determined that a new or updated water supply contract would be needed. The term of the contract would end in 2038, and there would be an option to terminate that agreement as of December 31, 2029, one year after the bonds were paid off in 2028. The contract would also require CRWA to construct the ozone disinfectant facility and included water quality standards and numerous other provisions. There were six other entities that received water from this project, and all those other entities would require the same resolution to be approved by their boards and councils.

Staff recommended the approval of a bond resolution to be adopted by the Board of Trustees of the CRWA for the Lake Dunlap and Mid-Cities Project and approval of the Regional Water Supply Contract between the parties.

Mr. Rowe made a motion to approve Item 39. Ms. Merritt seconded the motion.

Ms. Jasso inquired about the effective date of the contract term. Mr. Thompson responded that the contract was through 2038, but the bonds would end in 2028.

Mr. McGee asked if the savings was due to a lower coupon on the bonds given SAWS debt rating. Mr. Thompson replied the current interest rate of the bonds was 4.95 percent and was estimated to come in at 3.33 percent.

Chairman Guerra asked for further explanation of the ozone disinfection process and how it would benefit all the parties. Mr. Clouse explained the problems experienced between surface water and groundwater had to do ultimately with the disinfection processes. In the
case of water out of Lake Dunlap, the disinfection residuals get used up faster, so ammonia was added at the same time the disinfection chlorine was added. When groundwater mixes somewhere in the distribution system and interaction starts with chlorine and ammonia that a fishy smell could form in the water. By going to ozone, CRWA would be able to effectively treat the water by just using chlorine. This would allow SAWS to distribute the water over a much wider area, which would allow SAWS to use all the available water.

Mr. Rowe inquired about how the process would affect the cost per acre-foot for the water. Mr. Thompson stated he did not know the exact number, but it was about $1,200 per acre-foot.

After no further discussion, Item 39 was unanimously approved. Electronic voting. Mayor Taylor was not present for the vote.

40. A Resolution approving a bond resolution to be adopted by the Board of Trustees of the Canyon Regional Water Authority authorizing the issuance of obligations designated as “Canyon Regional Water Authority Tax-Exempt Contract Revenue Refunding Bonds (Wells Ranch I Project), Series 2016”; approving Amendment No. 3 to the Water Supply Contract between the San Antonio Water System, Green Valley Special Utility District, East Central Special Utility District, the City Of Cibolo, Texas, the City Of Marion, Texas, Crystal Clear Special Utility District, Springs Hill Water Supply Corporation and the Canyon Regional Water Authority; authorizing the Chairman of the Board of Trustees or the President/Chief Executive Officer and/or the Senior Vice President/Chief Financial Officer of the San Antonio Water System to execute on behalf of the San Antonio Water System all documents, including an Approval Certificate after the refunding bonds are sold, in connection with this transaction; and other matters in connection therewith; authorizing the President/Chief Executive Officer or his duly appointed designee to execute all documents including an Approval Certificate after the revenue and refunding bonds are sold, in connection with this transaction; and other matters in connection therewith. (DONOVAN BURTON – DARREN THOMPSON)

Mr. Thompson presented Item 40, related to the Wells Ranch water supply provided by CRWA. This was another BexarMet water supply contracted with CRWA. The project was 2,800 acre-feet per year and was Carrizo Aquifer groundwater from Gonzales and Guadalupe counties. The water was also delivered to the same delivery point as Lake Dunlap.

The request was to refund the Wells Ranch series 2007 bonds. The end point remains the same at 2032. There was no added capital back, and the net savings to SAWS was over $1.75 million through 2032. The second component was an amendment to the agreement. The amendment would change Crystal Clear Water Supply Water Corporation to Crystal Clear Special Utility District, and it would also identify SAWS assuming responsibility for the operation of BexarMet.

Staff recommended the approval of a bond resolution to be adopted by the Board of Trustees of CRWA for the Wells Ranch Project and approval of Amendment No. 3 between the parties.
Mr. McGee made a motion to approve Item 40. Mr. Arrellano seconded the motion. After no further discussion, Item 40 was unanimously approved. Electronic voting. Mayor Taylor was not present for the vote.

41. **BRIEFING SESSION.**

A. **Briefing and deliberation regarding the Vista Ridge Project**

Donovant Burton discussed the transition in the Vista Ridge project, since the Board approved the Consent to Change in Control to Garney. Garney was fully in charge of the project now and moving forward. Garney would start work on the pipeline as soon as they hit financial close, which was expected sometime later in 2016.

He reviewed SAWS responsibilities and functions, while Garney was building the project. SAWS had a vested interest in making sure that the project was of high quality, and this was part of the negotiated contract. SAWS had a vested interest in working with Garney through the design, construction, and ultimately through the operational period of the contract. SAWS would bring in a technical advisor probably in August to oversee the project execution. Tim Skoglund would be in charge of the project and would work with the technical advisor.

The chairman negotiated into the contract with foresight the ability to establish electric power service. Along with CPS Energy and Bluebonnet Electric Company, SAWS should be able to get a better deal on the utility rates for the project. An electrical consultant would be brought on to work along with the team during the design and construction of the electric facilities.

There had been some initial discussions regarding wholesale water and the possibility of sharing some of the water with various communities along the project corridor. Obviously, this would be a long-term process through the construction period. Those communities would want to make sure what the price would be, and would want to make sure the project would get to financial close.

The integration of the water would be delivered roughly around the Stone Oak area. He reviewed a map of the integration into the distribution system through the Bitters, Maltsberger, and Basin pump stations. The integration would involve a new pump station, upgrades to some of the existing lines, additional pipe and storage tanks. There would be some treatment possibly with the project. This would be a design-build project that would allow a very tight schedule be met. An owner’s representative would be brought to the Board probably in the fall around financial close. Again, a significant amount of money would not be spent on the integration until financial close was reached. Ultimately, the design-build project consultant would probably come to the Board mid next year.

Scott Parish stated that on Friday at 4:30 p.m., Garney closed the transaction and were in a control position. When Abengoa hit financial difficulties in November, the project kind of slowed. Garney had spent the last 30 to 60 days to get the project healthy again, and made a substantial investment to get all of the vendors paid. Garney had moved its team into San Antonio and were meeting weekly with the engineers to move the project design forward.
and reinstate the acquisition of right-of-ways.

Mr. Rowe inquired about the estimated cost for the integration system. Mr. Burton responded the budget was for $145 million over a four-year period.

Mr. Puente added that he and Mr. Parish were meeting with the Mayor and a couple of other Council Members to go over some of the details and other issues regarding the Vista Ridge Project.

B. Briefing and deliberation regarding the Service Center Program Update

Julie Valadez gave an update on the new operations centers. A design-build contract was approved by the Board in August 2014 for SpawGlass and Marmon|Mok to design and build new service centers, which were rebranded as operations centers. She reviewed the site locations for the current and new operations centers. The current sites were inherited from the City of San Antonio and ranged in age from 1973 to 1982. The make-up of the crews and equipment had changed and increased since that time, and the sites were very congested. In addition, SAWS had seen an incredible increase in the service area. The new sites would address the growth that the City of San Antonio had seen on the western and northern sides, as well as relieve the congestion at the existing sites to allow employees to get to the customers efficiently and quickly.

She discussed the concept site layout at each site and the use of pre-engineered metal buildings to be efficient with the cost to construct. Construction and design started in August 2014. Design took about nine months. In May 2015, construction started and took about 13 months. She reviewed a series of concept and construction photos. All the construction was now complete, and selected staff would report to the new West Side Operations Center on Monday morning. She discussed the timeline for the project that lead up to the ribbon cutting ceremony scheduled for June 15.

She reviewed Phase II of the program to renovate and update the existing service centers. Under the consent agenda, the Board approved an item to remediate the fuel from the Northwest Service Center. Phase 2 would allow Mission Road crews to move to the East Side Service Center, make improvements at the East Side Service Center, and eventually surplus the Mission Road site. Future phases would include improvements to Northeast Service Center and Dos Rios facilities. She played a video of photos that captured the construction of the North Side Operations Center.

C. Briefing and deliberation regarding the Quarterly Financial Report and Investment Report

Phyllis Garcia presented the Quarterly Investment Report as required by the Public Funds Investment Act. Some of the highlights of the report included approximately $786 million in investments at the end of the quarter. The portfolio earned about $682,000.00 in interest earnings. As short-term interest rates increased over the past six months, the yield on the portfolio increased to 43 basis points. The majority of the investments in the portfolio were in U.S. Agency Securities in the form of Coupon and Discount Notes, with the remaining funds in Money Market accounts and U.S. Treasury Notes. SAWS held a diverse portfolio
invested in eight different issuers with no more than one investment being 27 percent of the portfolio.

She reviewed the investment portfolio benchmark. The portfolio was lagging slightly behind the benchmark, but as new investments were purchased, the portfolio should meet the benchmarks as interest rates rise. The short-term and intermediate-term yield curve was still near historic lows. It was not anticipated that the Fed would increase short-term interest rates, and most economists thought there was a fifty-fifty chance the Fed would increase rates at all through the end of the year.

As required by SAWS Investment Policy, deposits of banks were required to be collateralized. SAWS continued to utilize its investment earnings credit at Frost Bank to offset banking fees. The earnings credit was at 57 basis points so a fair amount of deposits were maintained at Frost to offset those fees. The investment portfolio was in compliance with SAWS Investment Policy. All transactions were in accordance with the investment strategies for each of the funds, and investments were made based on priority of objectives, which was legality, safety, liquid, diversification, and then finally yield. She referenced the Debt Disclosure Report given to the Board regarding the bond transaction in February to refund debt of the former BexarMet.

Mary Bailey presented the First Quarter Financial Results, which was the first report on consolidated SAWS with DSP results. She pointed out that comparative information for 2015 would be the two entities added together. Operating revenues for the first three months were slightly favorable to budget by nearly $13 million. Operating expenses before depreciation were about $8.8 million favorable to budget. That was about 12 percent favorable and about three-and-a-half percent up from a year ago. Spending was usually a little slow starting out at the beginning of the year, and contractual services tend to lag a little. The increase from last year was primarily related to water payments made related to Trinity Aquifer water. Because the aquifer levels were so high, the Trinity produced much more water, and SAWS was obligated by contract to buy that water. Interest income was also favorable to budget by about half a million dollars for the first quarter, and was primarily a result of higher yields than what was budgeted. Additionally, cash balances were a little bit higher than projected. Interest expense was also favorable to budget, almost $2.9 million for the first quarter. This was a reflection of the savings achieved on some of the debt refinancing, as well as the budget itself was a bit conservative. The overall results for the quarter were very favorable. Change in net position increased a little over $52 million for the quarter. Both capital recovery fees, and impact fees and plant contributions were still running strong and even higher than the previous year contributing to the increase in net position.

The statement of net position showed a very strong position and improvement year over year. The total net position had increased $188 million over the past 12 months, which was definitely an indication of improvement. Restricted investments had actually decreased about 25 percent over the last 12 months, but was a reflection of SAWS robust capital program. During the same period, unrestricted investments increased about $16 million, and unrestricted equity increased $17.5 million. Unrestricted investments were used to cash fund capital programs, and those dollars would be programmed into next year's plan to minimize debt.
Cash flows for the first quarter increased substantially over the prior year, which was a reflection of the increase in revenues. The overall cash provided by operating activities was up almost $18 million from a year ago. Capital expenditures had been strong at $92 million for the first quarter compared to just under $43 million.

She discussed the impact of the significant amount of rain received after the first quarter. Operating revenues were taking a hit as a result through the end of May, and were down from budget about $3.5 million. June was likely to be less than budget because June billings tend to reflect May usage. Staff would monitor the situation, and were still favorable to budget on expenses. If some sort of adjustments were needed, those would be done to make sure the financial results could be managed for the year.

She explained the comparisons within the financial ratios to show the impact of combining DSP with the overall financial metrics. Combining DSP into SAWS did not have that significant of an impact on SAWS overall metrics. Over the first quarter of this year, improvements were already seen in all of those metrics. The total bonded debt coverage ratio, one of the primary metrics that supported the AA+ bond rating, was expected to be much closer to 1.7 by the end of the year.

D. Briefing regarding Communications Outreach Campaign

Gavino Ramos presented the communications outreach campaign that would launch later in June. He reviewed the marketing objective to inform the public about the importance of SAWS work in all facets of San Antonio life. The target audience would be SAWS customers and key stakeholders throughout the area, and the communication strategy would convey that SAWS enhances the quality of life with best in class water resources and water management, innovative conservation, and extensive infrastructure.

He reviewed the work with partners, The DeBerry Group. The team met with different departments within the organization to discuss the campaign. Focus groups were moderated by the Galloway Research Group, and used to test the message to consider all aspects of the customer base. The campaign that resonated the most was that SAWS was the water utility that was doing all the right things to help San Antonio be the great and wonderful city. By providing water management solutions, water conservation programs, and improvements in infrastructure, SAWS was making this wonderful city...waterful.

He reviewed the multi-faceted campaign that would include print, radio, television, billboards, as well as online and social media component. He discussed examples of each of the components, and included local areas such as Hemisphere Park, the River Walk, construction at the Convention Center, and recognition of the military bases and medical industry within the community. Another important part of the campaign was to be repetitive and visible. In conjunction with the print and digital ads, billboards would be throughout the city and TV spots would run throughout the campaign. He played the 15-second and 30-second ads that would run on the more highly-rated stations. He discussed the webpage and launch on social media that would include community and entertainment celebrities. He thanked Mayor Ivy Taylor, Ricardo Chavira, Dr. Ricardo Romo, Al Arreola and Brigadier General Robert LaBrutta for their participation.
He discussed the timeline for the campaign. On June 27, a "Thunderclap" launch would begin on social media, and the traditional launch would begin and run through September. He recognized his team, the organization as well as The DeBerry Group for the efforts to develop and manage the campaign.

Mr. Rowe asked how the Board could help and inquired about possible use of Facebook. Mr. Ramos discussed the use of different social media sites such as Facebook, Periscope and Twitter. He encouraged the Board to tag, share and retweet posts to get the message out.

Mr. McGee stated it was a great campaign, and thanked staff and The DeBerry Group. Ms. Merritt agreed and commended everyone for great teamwork. Mr. Arrellano also agreed, and congratulated staff for an awesome campaign. Chairman Guerra thanked the team for the creative campaign.

42. President/Chief Executive Officer’s Report.

A. Trustee Boundaries

Mr. Puente stated he would be in front of City Council Governance Committee the next day to present the board boundary changes. Since 1997, the boundary lines had not changed, but the city had continued to grow. One of the proposed changes would be the dividing line that separated the north and south. The dividing line could be moved a little further north so that each one of the four quadrants and the north and south would all have somewhat equal connections, not necessarily individual people. Some of the changes were because of the assumed BexarMet system, the population growth, and the expansion of the service area. After the City Council Governance Committee reviewed the item, it would go to City Council for a vote on the change at the end of June.

He commented on Consent Item 23. He stated that one of the things he had been tasked with was to improve and sustain the regional relationships. The Board allowed the purchase of water from the Schertz-Seguin Water Development Corporation to bring water from Gonzales County. As part of the project, an additional $2.3 million was needed to build infrastructure to SAWS well fields there in Gonzales County, and then eventually bring the water to San Antonio. By working with the Gonzales Groundwater District on a rule change, the pipeline did not have to be built, and the water was transferred on paper from the Gonzales Water Supply Corporation well fields to SAWS well fields. Item 23 approved $2.3 million to be given back the general fund because the infrastructure did not need to be built.

B. Watershed Leader Award

Mr. Puente stated he would bring the Watershed Leader Award in August, when Susanne Scott was able to attend.

43. 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 12:27 p.m.
44. The Regular Session of the June 14, 2016, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Section 551.071 of the Texas Open Meetings Act.

45. EXECUTIVE SESSION.

A. Consultation with attorneys regarding In Re: The Adjudication of Rights to Water in the Edwards Aquifer; Cause No. 89-381 in the 22nd Judicial District Court of Hays County, Texas.

B. Consultation with attorneys regarding GG Ranch, Limited, et al; Case No. 15-50505 in the United States District Court of Appeals for the Fifth Circuit.

C. Consultation with attorneys regarding Guadalupe-Blanco River Authority v. Texas Attorney General; et al.; Case No. 15-0255 in the Supreme Court of Texas.

D. Consultation with attorneys regarding Glenn and Jolynn Bragg vs. Edwards Aquifer Authority, et al; Cause No. 06-11-1870-CV in the 38th Judicial District Court of Medina County, Texas.

46. The Regular Session of the Regular Board Meeting of June 14, 2016, is hereby reconvened.

The meeting reconvened at 12:48 p.m. The Chairman stated that no decisions were made in Executive Session.

47. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF JUNE 14, 2016, IS HEREBY ADJOURNED.

The San Antonio Water System Board of Trustees Meeting of June 14, 2016, adjourned at 12:48 p.m.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

__________________________________
Ernesto Arrellano, Jr., Secretary
TO:  San Antonio Water System Board of Trustees  
FROM:  Robert R. Puente, President/Chief Executive Officer  
SUBJECT:  Acceptance of Bids for Services, Equipment, Materials and Supplies  

Board Action Date:  September 13, 2016

The attached resolution accepts bids and awards contracts for services, equipment and supplies as follows:

<table>
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<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>
</tr>
<tr>
<td>A. Award of New One Time Purchases of Materials, Equipment or Services (December 2014)</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>B. Award of New and Renewal of Annual Goods &amp; Services Requirements Contracts and Maintenance Agreements (December 2014)</td>
<td>8</td>
<td>4</td>
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<tr>
<td></td>
<td>10</td>
<td>4</td>
</tr>
</tbody>
</table>

SMWB Purchasing Contracts (percentage)  
40.00% 23.52% 50.00% 43.95%

Approved:  
Robert R. Puente  
President/Chief Executive Officer

Reviewed:  
Marisol V. Robles  
SMWB Program Manager

Yvonne C. Torres, Director  
Purchasing Division
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 13th day of September, 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.

A. VENDOR DESCRIPTION ITEM NO(s.) ESTIMATED TOTAL PURCHASES REMARKS

1. Weisinger, Incorporated One Time Purchase of Wurzbach Pump Station, High Service Pump No. 1, Service Level 5 Replacement Electric Induction Motor All $ 52,200.00 This contract will be utilized for a one time purchase of one 300 HP Electric Induction Replacement Motor for Wurzbach Pump Station High Service Pump No. 1, Service Level 5. The existing motor and drive currently installed on a short set vertical turbine pump at the Wurzbach Pump Station, High Service Pump (HSP) Station, has been in service for over 30 years and has outlived its normal service life. SAWS is eliminating the variable speed drive and installing a new single speed motor. Pump speed adjustment is no longer required for this pump so the decision was made to eliminate the antiquated variable speed Eddy Current drive system.

2. Alsay, Incorporated One Time Purchase of Well Pump Replacement at Turtle Creek No. 2, Well No. 1 All $ 190,325.00 This contract will be utilized for a one time purchase of a Well Pump Replacement and Installation at Turtle Creek No. 2, Well No. 1. This will replace the submersible pump at Turtle Creek No. 2, Well No. 1 that is no longer in service and install a new high service pump.

$ 242,525.00

*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. AAA Fire &amp; Safety Equipment Co., Inc. (WBE)</td>
<td>Annual Contract for Fire Extinguishers Maintenance and Service Bid No. 16-0227</td>
<td>All</td>
<td>$ 87,331.00</td>
<td>This is a new contract. This contract will be utilized to ensure each portable fire extinguisher is fully inspected, tested, maintained, recharged, repaired and replaced to ensure ongoing operational readiness of approximately 850 units across all SAWS locations and 50 vehicles. This contract will be effective Date of Award (September 13, 2016) through June 30, 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>
<tr>
<td>2. Alterman, Inc.</td>
<td>Annual Contract for Electrical Maintenance and Repair Services Bid No. 16-16072</td>
<td>All</td>
<td>$ 942,882.92</td>
<td>This is a new contract. This contract will be utilized to provide Electrical Maintenance and Repair Services to assist staff were additional experience is required. This contract will be effective Date of Award (September 13, 2016) through September 30, 2017. If determined that an extension is favorable to the System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved for in future years budgets.</td>
</tr>
<tr>
<td>3. Safeway Supply, Inc. (SBE)</td>
<td>Annual Contract for Teri Hand Wipes Bid No. 15-3095</td>
<td>All</td>
<td>$ 91,780.00</td>
<td>This is an extension of an existing contract. This contract will be utilized by the System for the purchase of teri hand wipes on an as needed basis. Base bid and first extension total $91,780.00. Safeway Supply, Inc. has performed well during the contract period and System has determined pricing to be favorable. This contract extension will be effective October 1, 2016 through September 30, 2017. If determined that an extension is favorable to System, price and service considered, the award includes the availability of two (2) additional one-year options to extend as provided for and approved in future year's budgets.</td>
</tr>
</tbody>
</table>

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

Board Date: September 13, 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>4. Mr. Transmission</td>
<td>Annual Contract for Transmission Repair for Chrysler, General Motors and Ford Parts and Service Bid No. 15-4051</td>
<td>All</td>
<td>$61,200.00</td>
<td>This is an extension of an existing contract. This contract will be utilized for the purchase of Transmission Repair for Chrysler, General Motors and Ford Parts and Service for System vehicles. Base bid and first extension total $61,200.00. Mr. Transmission has performed well during the contract period and System has determined pricing to be favorable. This contract extension will be effective October 1, 2015 through September 30, 2017. If determined that an extension is favorable to System, price and service considered, the award includes the availability of two (2) additional one-year options to extend as provided for and approved in future year’s budgets.</td>
</tr>
<tr>
<td>5. SHI International (WBE)</td>
<td>Annual Contract for Symantec Enterprise Vault License Subscription and Essential Support Renewal Bid No. 14-1298</td>
<td>All</td>
<td>$73,170.00</td>
<td>This is an extension of an existing contract. This contract will be utilized to address storage cost and resource issues by providing an automated and integrated solution for archiving file server content to lower storage costs and manage file lifecycles. Base bid and two extensions total $73,170.00. SHI International has performed well during the contract period and System has determined pricing to be favorable. This contract extension will be effective October 1, 2016 through September 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.</td>
</tr>
</tbody>
</table>

*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>
</tr>
</thead>
<tbody>
<tr>
<td>6. PCMG, Inc. dba PCM Gov, Inc.</td>
<td>Annual Contract for Adobe &amp; Other Software Licenses &amp; Upgrades (DIR-SDD-2504) Bid No. 14-1459</td>
<td>All</td>
<td>$ 51,442.32</td>
</tr>
<tr>
<td>7. Unified Service Associates (WBE)</td>
<td>Annual Contract for Janitorial Services for SAWS Facilities Bid No. 16-15037</td>
<td>All</td>
<td>$ 183,185.80</td>
</tr>
<tr>
<td>8. Pace Analytical Services, Inc.</td>
<td>Best Value Bid for Environmental Laboratory Services Accredited Under the National Environmental Laboratory Accreditation Program (NELAP) Bid No. 16-14123</td>
<td>All</td>
<td>$ 118,335.20</td>
</tr>
</tbody>
</table>

**REMARKS**

- **6. PCMG, Inc. dba PCM Gov, Inc.**
  - This is an extension of an existing contract. This contract will be utilized to provide a product for users, enabling quicker and condensed file management and creation. Adobe Acrobat provides for users to create fillable PDF forms, new PDF documents, convert documents from other formats and edit existing PDF documents. Base bid and two extensions total $51,442.32. PCMG, Inc. dba PCM Gov, Inc. has performed well during the contract period and System has determined pricing to be favorable. This contract extension will be effective August 22, 2016 through August 21, 2017.

- **7. Unified Service Associates (WBE)**
  - This is a new contract. This contract will be utilized for Janitorial Services for System facilities. This contract will be effective Date of Award (September 13, 2016) through August 31, 2017. If determined that an extension is favorable to System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved in future year's budgets.

- **8. Pace Analytical Services, Inc.**
  - This is a new contract. This contract will be utilized by System employees who require support for various projects outside the scope of its routine function or when, for various reasons, testing cannot be performed by the laboratory staff. This contract will be effective Date of Award (September 13, 2016) through May 31, 2017. If determined that an extension is favorable to System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved in future year's budgets.

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

Board Date: September 13, 2016
**SAN ANTONIO WATER SYSTEM**

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

**TABULATION OF BIDS**

**Purchase of Wurzbach Pump Station, High Service Pump No. 1, Service Level 5 Replacement Electric Induction Motor**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL BID PRICING FOR WURZBACH PUMP STATION, HSP Pump No. 1 Service Level 5 Replacement Motor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Motor: Fabricate and Deliver in accordance with specifications</td>
<td>1 ea.</td>
<td>52,200.00 53,375.00 53,375.00 53,900.00 58,441.62 60,788.00 62,800.00</td>
</tr>
<tr>
<td>Terms</td>
<td>Net 30 days 30 days 30 days 30 days 30 days 30 days 30 days</td>
<td>11 weeks 12 weeks 16 weeks 12 weeks 11-12 weeks</td>
<td></td>
</tr>
</tbody>
</table>

*LOW BIDDER*

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

- Smith Pump Co.
- Alsay, Inc.
- Applied Industrial Technologies
- Austin Armature Works
- Evans Enterprises
- Five Star Electric
- Hamilton Electric Works
- Kaman Industrial Technologies
- Knighten Industries

- Massengale Armature Works, Inc.
- Motion Industries
- Peerless Equipment
- Robeco Pumps, Inc.
- San Antonio Armature Works
- Siemens
- Teco Westinghouse
- Weisinger Inc.

*LOW BIDDER*
## SAN ANTONIO WATER SYSTEM
### Purchase of Well Pump Replacement at Turtle Creek No. 2, Well No. 1

**Tabulation of Bids**

**Description and Approximate Quantity**

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
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<td>7.</td>
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</tbody>
</table>

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

- Peerless Equipment
- Dusat, Inc.
- Advanced Water Well Technologies
- Layne Christensen Co.
- Odessa Pumps

**LOW BIDDER**

*Demandstar SAWS Website*

**Terms & Delivery Days**

<table>
<thead>
<tr>
<th>BID PRICE FOR ITEM 1-7</th>
<th>Delivery Days</th>
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<tbody>
<tr>
<td>$190,325.00</td>
<td>30 days</td>
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<tr>
<td>ITEM NO</td>
<td>DESCRIPTION</td>
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<tr>
<td>---------</td>
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</tr>
<tr>
<td>Item 1</td>
<td>Inspection</td>
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<tr>
<td></td>
<td>Inspection</td>
</tr>
<tr>
<td>Item 2</td>
<td>Testing &amp; Maintenance Low Pressure</td>
</tr>
<tr>
<td></td>
<td>Testing &amp; Maintenance High Pressure Test</td>
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<td>Item 3</td>
<td>Recharging Fire Extinguisher 2.5 lb Dry Chemical Recharge Service, Lawson No. 26961</td>
</tr>
<tr>
<td></td>
<td>Recharging Fire Extinguisher 5 lb Dry Chemical Recharge Service, Lawson No. 26962</td>
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<td></td>
<td>Recharging Fire Extinguisher 6 lb Dry Chemical Recharge Service, Lawson No. 26963</td>
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<tr>
<td></td>
<td>Recharging Fire Extinguisher 10 lb Dry Chemical Recharge Service, Lawson No. 26964</td>
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<td>Recharging Fire Extinguisher 20 lb Dry Chemical Recharge Service, Lawson No. 26965</td>
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<tr>
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<td>Recharging Fire Extinguisher 2.5 lb Halon 1211 Recharge Service, Lawson No. 26966</td>
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<td>Recharging Fire Extinguisher 5 lb Halon Recharge Service, Lawson No. 26967</td>
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<td>Recharging Fire Extinguisher 2.5 lb CO2 Recharge Service</td>
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<td>Recharging Fire Extinguisher 5 lb CO2 Recharge Service, Lawson No. 26975</td>
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<td>Recharging Fire Extinguisher 10 lb CO2 Recharge Service, Lawson No. 26972</td>
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<td>Recharging Fire Extinguisher 15 lb CO2 Recharge Service, Lawson No. 26973</td>
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<td>Recharging Fire Extinguisher 20 lb CO2 Recharge Service, Lawson No. 26974</td>
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<td>Item 4</td>
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<td>Repair - Lock Pins</td>
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<td>ITEM NO</td>
<td>DESCRIPTION AND/or MATERIAL</td>
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<td>20 each</td>
<td>Repair - Gauges</td>
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<td>Repair O-Rings</td>
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<td>20 each</td>
<td>Repair - Valve Stems</td>
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<td>Repair - Burst Disk</td>
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<td>Repair - Hose</td>
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<td>Repair - Upper/Lower Handles</td>
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<td>Repair - Mounting Brackets</td>
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<td>Fire Extinguisher 5 lb Halon</td>
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<td>20 each</td>
<td>Fire Extinguisher 2.5 lb gal CO2</td>
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<td>20 each</td>
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<td>Fire Extinguisher 20 lb CO2</td>
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<td>DESCRIPTION AND APPROXIMATE QUANTITY</td>
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<td>Item 6</td>
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<td>1 Lump Sum</td>
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<td>Item 8</td>
<td>Joint Inventory</td>
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<td>1 Lump Sum</td>
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<tr>
<td>Item 9</td>
<td>Extension</td>
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<tr>
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<td>ITEMS: Inspections</td>
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<td>12 month</td>
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<td>Inspection</td>
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<tr>
<td>Item 10</td>
<td>Testing and Maintenance</td>
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<td>Low Pressure</td>
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<td></td>
<td>50 each</td>
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<tr>
<td>Item 11</td>
<td>Recharging</td>
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<td>Fire Extinguisher 2.5 lb. Dry Chemical Recharge Service, Lawson No. 26961</td>
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<tr>
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<td>20 each</td>
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<td></td>
<td>Fire Extinguisher 5 lb. Dry Chemical Recharge Service, Lawson No. 26962</td>
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<td>20 each</td>
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<td></td>
<td>Fire Extinguisher 6 lb. Dry Chemical Recharge Service, Lawson No. 26963</td>
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<td>20 each</td>
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<td>Fire Extinguisher 10 lb. Dry Chemical Recharge Service, Lawson No. 26964</td>
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<td>20 each</td>
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<td>Fire Extinguisher 20 lb. Dry Chemical Recharge Service, Lawson No. 26965</td>
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<td>Fire Extinguisher 2.5 lb. Halon 1211 Recharge Service, Lawson No. 26966</td>
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<td>Fire Extinguisher 5 lb. Halon Recharge Service, Lawson No. 26967</td>
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<td>Fire Extinguisher 11 lb. Halon 1211 Recharge Service, Lawson No. 26969</td>
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## SAN ANTONIO WATER SYSTEM
### P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

#### TABULATION OF BIDS

**P.O.**
Annual Contract for Fire Extinguishers

**FOR**
Maintenance and Service

**TIME & DATE**
(Date of Award through June 30, 2017)
3:00 p.m., July 8, 2016

**DESCRIPTION AND APPROXIMATE QUANTITY**

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<th>UNIT</th>
<th>PRICE</th>
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**Item 3 Subtotal**
TOTAL: 15,730.00

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**Item 4 Subtotal**
TOTAL: 973.00

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**Item 5 Subtotal**
TOTAL: 1,487.00

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## SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

**FOR**  
**ANNUAL CONTRACT FOR FIRE EXTINGUISHERS**

**FOR**  
**MAINTENANCE AND SERVICE**

(Date of Award through June 30, 2017)

**TIME & DATE:**  
3:00 p.m., July 8, 2016

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<th><strong>ITEM NO.</strong></th>
<th><strong>DESCRIPTION AND APPROXIMATE QUANTITY</strong></th>
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<th><strong>PRICE</strong></th>
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**Item 4 Subtotal**  
TOTAL: 973.00  1,652.00

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**TABULATION OF BIDS**

**PROPOSAL**
Annual Contract for Fire Extinguishers

**FOR**
Maintenance and Service

**TIME & DATE**
3:00 p.m., July 8, 2016 (Date of Award through June 30, 2017)

**ITEM NO:** DESCRIPTION AND APPROXIMATE QUANTITY

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**Item 4: Repair**

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**Item 5: Replacement**

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<tr>
<td>UNIT</td>
<td>PRICE</td>
</tr>
<tr>
<td>20 each</td>
<td>Fire Extinguisher 2.5 lb Halon 1211</td>
</tr>
<tr>
<td>UNIT</td>
<td>PRICE</td>
</tr>
<tr>
<td>20 each</td>
<td>Fire Extinguisher 5 lb Halon</td>
</tr>
<tr>
<td>UNIT</td>
<td>PRICE</td>
</tr>
<tr>
<td>20 each</td>
<td>Fire Extinguisher 9 lb Halon 1211</td>
</tr>
<tr>
<td>UNIT</td>
<td>PRICE</td>
</tr>
<tr>
<td>20 each</td>
<td>Fire Extinguisher 11 lb Halon 1211</td>
</tr>
<tr>
<td>UNIT</td>
<td>PRICE</td>
</tr>
<tr>
<td>20 each</td>
<td>Fire Extinguisher 2.5 lb gal CO2</td>
</tr>
<tr>
<td>UNIT</td>
<td>PRICE</td>
</tr>
</tbody>
</table>
# SAN ANTONIO WATER SYSTEM

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

**PROPOSAL**  
Annual Contract for Fire Extinguishers  
Maintenance and Service  
(Date of Award through June 30, 2017)

**TIME & DATE**  
3:00 p.m., July 8, 2016

<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>Item 5</td>
<td>20 each Fire Extinguisher 5 lb CO2</td>
<td>95.00</td>
<td>1,900.00</td>
</tr>
<tr>
<td>Item 5</td>
<td>20 each Fire Extinguisher 10 lb CO2</td>
<td>139.00</td>
<td>2,780.00</td>
</tr>
<tr>
<td>Item 5</td>
<td>20 each Fire Extinguisher 15 lb CO2</td>
<td>189.00</td>
<td>3,780.00</td>
</tr>
<tr>
<td>Item 5</td>
<td>20 each Fire Extinguisher 20 lb CO2</td>
<td>195.00</td>
<td>3,900.00</td>
</tr>
<tr>
<td>Item 5 Subtotal</td>
<td></td>
<td></td>
<td>12,020.00</td>
</tr>
<tr>
<td>Item 6</td>
<td>Reporting</td>
<td>100.00</td>
<td>100.00</td>
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<tr>
<td>Item 6 Subtotal</td>
<td></td>
<td></td>
<td>100.00</td>
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<tr>
<td>Item 7</td>
<td>Emergency</td>
<td>39.00</td>
<td>2,028.00</td>
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<td>Item 7 Subtotal</td>
<td></td>
<td></td>
<td>2,028.00</td>
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<tr>
<td>EXTENSION 4 TOTAL</td>
<td></td>
<td></td>
<td>82,031.00</td>
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<tr>
<td>GRAND TOTAL (BASE, EXT 1, EXT 2, EXT 3, EXT 4)</td>
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<td></td>
<td>419,055.00</td>
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</table>

**Terms**  
Net 30 days  
Net 30 days

**Net**  
30 days  
30 days

**LOW BIDDER**

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

- Citywide Fire Protection  
- AAA Fire & Safety  
- ABC Fire Systems  
- A Tex Fire & Safety  
- A-1 Fire and Safety  
- Angel Fire & Safety  
- Automatic Fire Protection  
- Blue Star  
- Cintas  
- Firetrol  
- Koetter Fire Protection of SA  
- Northstar Fire Protection of TX  
- Southwestfire  
- Texas Fire and Safety  
- Texas Metro Fire SA

**Demandstar**  
**SAWS Website**

**NOT CONSIDERED FOR AWARD**

- Automatic Fire Protection  
- Blue Star  
- Cintas  
- Firetrol  
- Koetter Fire Protection of SA  
- Northstar Fire Protection of TX  
- Southwestfire  
- Texas Fire and Safety  
- Texas Metro Fire SA
## SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS  78298-2449

### TABULATION OF BIDS

**DESCRIPTION AND APPROXIMATE QUANTITY**

<table>
<thead>
<tr>
<th>GROUP A</th>
<th>BASE PERIOD REPORTS</th>
<th>UNIT</th>
<th>TOTAL</th>
<th>UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Initial Site Assessment Report</td>
<td>20 ea.</td>
<td>1,110.00</td>
<td>22,200.00</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Final Comprehensive Electrical Inspection Report</td>
<td>20 ea.</td>
<td>6,500.00</td>
<td>130,400.00</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Power System Study Report</td>
<td>10 ca.</td>
<td>65,000.00</td>
<td>1,110,000.00</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Infrared Thermography Report</td>
<td>10 ca.</td>
<td>2,400.00</td>
<td>48,000.00</td>
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</tr>
</tbody>
</table>

**SUBTOTAL (Group A)**

<table>
<thead>
<tr>
<th>GROUP B</th>
<th>REGULAR HOURLY RATES (Mon - Fri, 8 a.m. - 5 p.m.)</th>
<th>UNIT</th>
<th>TOTAL</th>
<th>UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Master Electrician</td>
<td>50 hr</td>
<td>75.26</td>
<td>3,763.00</td>
<td>4,139.50</td>
</tr>
<tr>
<td>2.</td>
<td>Journeyman Electrician</td>
<td>480 hr</td>
<td>55.88</td>
<td>26,822.40</td>
<td>29,500.80</td>
</tr>
<tr>
<td>3.</td>
<td>Apprentice Electrician</td>
<td>480 hr</td>
<td>41.36</td>
<td>19,852.80</td>
<td>21,840.00</td>
</tr>
<tr>
<td>4.</td>
<td>Electrician Test Technician IV (ETT-IV) - Sr. Field Services Technician</td>
<td>480 hr</td>
<td>143.00</td>
<td>68,640.00</td>
<td>75,200.00</td>
</tr>
<tr>
<td>5.</td>
<td>Electrician Test Technician III (ETT-III) - Field Services Technician</td>
<td>480 hr</td>
<td>110.00</td>
<td>52,800.00</td>
<td>58,000.00</td>
</tr>
<tr>
<td>6.</td>
<td>Electrician Test Technician II (ETT-II) - Jr. Field Services Technician</td>
<td>480 hr</td>
<td>88.00</td>
<td>42,240.00</td>
<td>46,000.00</td>
</tr>
<tr>
<td>7.</td>
<td>Electrician Test Technician I (ETT-I) - Technical Assistant/Helper</td>
<td>480 hr</td>
<td>66.00</td>
<td>31,680.00</td>
<td>35,520.00</td>
</tr>
<tr>
<td>8.</td>
<td>Laborer</td>
<td>480 hr</td>
<td>31.25</td>
<td>15,000.00</td>
<td>15,120.00</td>
</tr>
</tbody>
</table>

**SUBTOTAL (Group B)**

| TOTAL | 260,798.20 | 269,800.30 |
# SAN ANTONIO WATER SYSTEM

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

---

## PROPOSAL FOR

Annual Contract for Electrical Maintenance and Repair Services

---

### TIME & DATE

3:00 p.m., June 30, 2016

---

### TABULATION OF BIDS

**GROUP C**  
**Overtime Hourly Rates**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Unit Hourly Rates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Master Electrician</td>
<td>96.63 24 hr</td>
<td>2,319.12</td>
</tr>
<tr>
<td>2.</td>
<td>Journeyman Electrician</td>
<td>81.49 160 hr</td>
<td>13,038.40</td>
</tr>
<tr>
<td>3.</td>
<td>Apprentice Electrician</td>
<td>59.55 160 hr</td>
<td>9,528.00</td>
</tr>
<tr>
<td>4.</td>
<td>Electrical Test Technician IV (ETT-IV) - Sr. Field Services Technician</td>
<td>214.50 160 hr</td>
<td>34,320.00</td>
</tr>
<tr>
<td>5.</td>
<td>Electrical Test Technician III (ETT-III) - Field Services Technician</td>
<td>165.00 160 hr</td>
<td>26,400.00</td>
</tr>
<tr>
<td>6.</td>
<td>Electrical Test Technician II (ETT-II) - Jr. Field Services Technician</td>
<td>132.00 160 hr</td>
<td>21,120.00</td>
</tr>
<tr>
<td>7.</td>
<td>Electrical Test Technician I (ETT-I) - Technical Assistant/Helper</td>
<td>43.75 160 hr</td>
<td>7,000.00</td>
</tr>
<tr>
<td><strong>SUBTOTAL (Group C)</strong></td>
<td></td>
<td></td>
<td>129,565.52</td>
</tr>
</tbody>
</table>

**GROUP D**  
**Weekend /Holiday Hourly Rates**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Unit Hourly Rates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Master Electrician</td>
<td>126.90 24 hr</td>
<td>3,045.60</td>
</tr>
<tr>
<td>2.</td>
<td>Journeyman Electrician</td>
<td>106.71 80 hr</td>
<td>8,536.80</td>
</tr>
<tr>
<td>3.</td>
<td>Apprentice Electrician</td>
<td>77.46 80 hr</td>
<td>6,196.80</td>
</tr>
<tr>
<td>4.</td>
<td>Electrical Test Technician IV (ETT-IV) - Sr Field Services Technician</td>
<td>214.50 80 hr</td>
<td>17,160.00</td>
</tr>
<tr>
<td>5.</td>
<td>Electrical Test Technician III (ETT-III) - Field Services Technician</td>
<td>165.00 80 hr</td>
<td>13,200.00</td>
</tr>
<tr>
<td>6.</td>
<td>Electrical Test Technician II (ETT-II) - Jr. Field Services Technician</td>
<td>132.00 80 hr</td>
<td>10,560.00</td>
</tr>
</tbody>
</table>

---

**BID NOT TABULATED INCOMPLETE BID**

---

**SAN ANTONIO, TEXAS 78298-2449**
## SAN ANTONIO WATER SYSTEM

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

### TABULATION OF BIDS

**Annual Contract for Electrical Maintenance and Repair Services**

**TIME & DATE** 3:00 p.m., June 30, 2016

<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>7.</td>
<td>80 hr Electrical Test Technician I (ETT-I) - Technical Assistant/Helper</td>
<td>99.00</td>
<td>7,920.00</td>
</tr>
<tr>
<td></td>
<td>80 hr Laborer</td>
<td>56.25</td>
<td>4,500.00</td>
</tr>
<tr>
<td></td>
<td><strong>SUBTOTAL (Group D)</strong></td>
<td><strong>71,119.20</strong></td>
<td><strong>90,906.96</strong></td>
</tr>
<tr>
<td>1.</td>
<td>Parts and Materials</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>2.</td>
<td>Rental Equipment</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>3.</td>
<td>Bid Markups</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td><strong>SUBTOTAL (Group E)</strong></td>
<td><strong>351,000.00</strong></td>
<td><strong>345,000.00</strong></td>
</tr>
<tr>
<td></td>
<td><strong>FIRST YEAR BASE PERIOD TOTAL CONTRACT AMOUNT (Groups A, B, C, D and E)</strong></td>
<td><strong>942,882.92</strong></td>
<td><strong>1,368,743.02</strong></td>
</tr>
<tr>
<td>1.</td>
<td>Initial Site Assessment Report</td>
<td>960.00</td>
<td>19,200.00</td>
</tr>
<tr>
<td>2.</td>
<td>Final Comprehensive Electrical Inspection Report</td>
<td>1,110.00</td>
<td>22,200.00</td>
</tr>
<tr>
<td>3.</td>
<td>Power System Study Report</td>
<td>6,500.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td>4.</td>
<td>Infrared Thermography Report</td>
<td>2,400.00</td>
<td>8,800.00</td>
</tr>
<tr>
<td></td>
<td><strong>SUBTOTAL (Group A)</strong></td>
<td><strong>130,400.00</strong></td>
<td><strong>78,600.00</strong></td>
</tr>
<tr>
<td>1.</td>
<td>Master Electrician</td>
<td>76.77</td>
<td>4,222.50</td>
</tr>
</tbody>
</table>

**BID NOT TABULATED INCOMPLETE BID**
# SAN ANTONIO WATER SYSTEM

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

**TABULATION OF BIDS**

**FOR:** Annual Contract for Electrical Maintenance and Repair Services

**TIME & DATE:** 3:00 p.m., June 30, 2016

**ITEM NO.** | DESCRIPTION AND APPROXIMATE QUANTITY | UNIT PRICE | TOTAL |
---|---|---|---|
2. | 480 hr Journeyman Electrician | | |
3. | 480 hr Apprentice Electrician | | |
4. | 480 hr Electrician Test Technician IV (ETT-IV) - Sr. Field Services Technician | | |
5. | 480 hr Electrical Test Technician III (ETT-III) - Field Services Technician | | |
6. | 480 hr Electrical Test Technician II (ETT-II) - Jr. Field Services Technician | | |
7. | 480 hr Electrical Test Technician I (ETT-I) - Technical Assistant/Helper | | |
8. | 480 hr Laborer | | |

**SUBTOTAL (Group B)**

**GROUP C**

**OVERTIME HOURS**

**24 HR**

| UNIT PRICE | TOTAL |
---|---|

**1. Master Electrician** | 98.56 | 2,365.44 |

**2. Journeyman Electrician** | 83.12 | 13,299.20 |

**3. Apprentice Electrician** | 60.74 | 9,718.40 |

**4. Electrician Test Technician IV (ETT-IV) - Sr. Field Services Technician** | 214.50 | 34,320.00 |

**5. Electrician Test Technician III (ETT-III) - Field Services Technician** | 165.00 | 26,400.00 |

**6. Electrician Test Technician II (ETT-II) - Jr. Field Services Technician** | 132.00 | 21,120.00 |

**7. Electrician Test Technician I (ETT-I) - Technical Assistant/Helper** | 99.00 | 15,840.00 |

**TOTAL** | 261,804.90 | 270,910.50 |
### SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

**TABULATION OF BIDS**

**Annual Contract for Electrical Maintenance and Repair Services**

**DESCRIPTION AND APPROXIMATE QUANTITY**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td>Laborer</td>
<td>43.75</td>
<td>7,000.00</td>
</tr>
</tbody>
</table>

**GROUP C**

**SUBTOTAL (Group C)**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Master Electrician</td>
<td>129.44</td>
<td>3,106.56</td>
</tr>
<tr>
<td>2.</td>
<td>Journeyman Electrician</td>
<td>108.85</td>
<td>9,579.20</td>
</tr>
<tr>
<td>3.</td>
<td>Apprentice Electrician</td>
<td>79.01</td>
<td>6,952.80</td>
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</tbody>
</table>

**GROUP D**

**Weekend /Holiday Hourly Rates**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>24 hr Master Electrician</td>
<td>129.44</td>
<td>3,106.56</td>
</tr>
<tr>
<td>2.</td>
<td>80 hr Journeyman Electrician</td>
<td>108.85</td>
<td>9,579.20</td>
</tr>
<tr>
<td>3.</td>
<td>80 hr Apprentice Electrician</td>
<td>79.01</td>
<td>6,952.80</td>
</tr>
</tbody>
</table>

**GROUP E**

**Electrical Repairs (mark-ups not to exceed 20%)**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Parts and Materials</td>
<td>15%</td>
<td>230,000.00</td>
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<tr>
<td>2.</td>
<td>Rental Equipment</td>
<td>10%</td>
<td>55,000.00</td>
</tr>
<tr>
<td>3.</td>
<td>Bid Markups</td>
<td>10%</td>
<td>60,000.00</td>
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</table>

**SUBTOTAL (Group E)**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>351,000.00</td>
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</tbody>
</table>

**SUBTOTAL**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>134,981.28</td>
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<td>18,400.00</td>
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<td>18,400.00</td>
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<tr>
<td></td>
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<td></td>
<td>210.00</td>
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<td>16,800.00</td>
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<td></td>
<td></td>
<td></td>
<td>16,800.00</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>15,200.00</td>
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<td>4,949.60</td>
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<tr>
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<td>91,298.72</td>
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</tbody>
</table>
## SAN ANTONIO WATER SYSTEM

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

### TABULATION OF BIDS

**Annual Contract for Electrical Maintenance and Repair Services**

**TIME & DATE**
3:00 p.m., June 30, 2016

**ITEM NO.**

<table>
<thead>
<tr>
<th>OPTION YEAR 1 TOTAL CONTRACT AMOUNT (Groups A, B, C, D and E)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>944,743.30</td>
<td>920,790.50</td>
</tr>
</tbody>
</table>

**GROUP A**

### OPTION YEAR 2

**REPORTS**

<table>
<thead>
<tr>
<th>20 ea. Initial Site Assessment Report</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,020.00</td>
<td>20,400.00</td>
<td>13,200.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>20 ea. Final Comprehensive Electrical Inspection Report</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,170.00</td>
<td>23,400.00</td>
<td>6,600.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10 ea. Power System Study Report</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,135.00</td>
<td>71,350.00</td>
<td>50,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10 ea. Infrared Thermography Report</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,630.00</td>
<td>26,300.00</td>
<td>8,800.00</td>
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</tbody>
</table>

**SUBTOTAL (Group A)**

<table>
<thead>
<tr>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>141,450.00</td>
</tr>
</tbody>
</table>

**GROUP B**

### Regular Hourly Rates (Mon - Fri, 8 a.m. - 5 p.m.)

<table>
<thead>
<tr>
<th>50 hr Master Electrician</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>78.27</td>
<td>3,913.50</td>
<td>4,305.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>480 hr Journeyman Electrician</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>58.11</td>
<td>27,892.80</td>
<td>30,681.60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>480 hr Apprentice Electrician</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>43.01</td>
<td>20,644.80</td>
<td>22,708.80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>480 hr Electrician Test Technician IV (ETT-IV) Sr. Field Services Technician</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>159.30</td>
<td>76,560.00</td>
<td>55,200.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>480 hr Electrical Test Technician III (ETT-III) Field Services Technician</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>121.00</td>
<td>58,080.00</td>
<td>50,400.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>480 hr Electrical Test Technician II (ETT-II) Jr. Field Services Technician</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.00</td>
<td>47,520.00</td>
<td>48,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>480 hr Electrical Test Technician I (ETT-I) Technical Assistant/Helper</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>71.50</td>
<td>34,320.00</td>
<td>45,600.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>480 hr Laborer</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>34.38</td>
<td>16,502.40</td>
<td>18,153.60</td>
</tr>
</tbody>
</table>

**SUBTOTAL (Group B)**

<table>
<thead>
<tr>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>285,433.50</td>
</tr>
</tbody>
</table>

**BID NOT TABULATED INCOMPLETE BID**
### SAN ANTONIO WATER SYSTEM

**Annual Contract for Electrical Maintenance and Repair Services**

**3:00 p.m., June 30, 2016**

#### TABULATION OF BIDS

**GROUP C - OVERTIME HOURLY RATES**

<table>
<thead>
<tr>
<th>Position</th>
<th>Description</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Master Electrician</td>
<td>100.49</td>
<td>2,411.76</td>
</tr>
<tr>
<td>2.</td>
<td>Journeymen Electrician</td>
<td>84.79</td>
<td>192.77</td>
</tr>
<tr>
<td>3.</td>
<td>Apprentice Electrician</td>
<td>61.93</td>
<td>1,238.60</td>
</tr>
<tr>
<td>4.</td>
<td>Electrical Test Technician IV (ETT-IV) - Sr. Field Services Technician</td>
<td>239.25</td>
<td>478.50</td>
</tr>
<tr>
<td>5.</td>
<td>Electrical Test Technician III (ETT-III) - Field Services Technician</td>
<td>161.50</td>
<td>323.00</td>
</tr>
<tr>
<td>6.</td>
<td>Electrical Test Technician II (ETT-II) - Technical Assistant/Helper</td>
<td>46.88</td>
<td>93.76</td>
</tr>
<tr>
<td>7.</td>
<td>Laborer</td>
<td>100.74</td>
<td>2,014.80</td>
</tr>
</tbody>
</table>

**TOTAL** | | **141,627.76** |

**GROUP D - WEEKEND/HOLIDAY RATES**

<table>
<thead>
<tr>
<th>Position</th>
<th>Description</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Master Electrician</td>
<td>141.08</td>
<td>2,821.60</td>
</tr>
<tr>
<td>2.</td>
<td>Journeymen Electrician</td>
<td>110.98</td>
<td>2,219.60</td>
</tr>
<tr>
<td>3.</td>
<td>Apprentice Electrician</td>
<td>88.62</td>
<td>1,772.40</td>
</tr>
<tr>
<td>4.</td>
<td>Electrical Test Technician IV (ETT-IV) - Sr. Field Services Technician</td>
<td>136.08</td>
<td>2,721.60</td>
</tr>
<tr>
<td>5.</td>
<td>Electrical Test Technician III (ETT-III) - Field Services Technician</td>
<td>118.08</td>
<td>2,361.60</td>
</tr>
</tbody>
</table>

**GROUP C (TOTAL)** | | **110,866.56** |

**GROUP D (TOTAL)** | | **3,484.32** |

**TOTAL** | | **114,350.88** |

---

**SAN ANTONIO, TX 78249**

**SAN ANTONIO, TX 78239**

**SAN ANTONIO, TX 78237**

**SAN ANTONIO, TX 78238-2449**

**SAN ANTONIO, TX 78239**

**SAN ANTONIO, TX 78249**

**SAN ANTONIO, TX 78249**

**SAN ANTONIO, TX 78249**

---

**NOTE:**

- Unit Price: 100%
- Total: 24 hr
- Master Electrician: 160 hr
- Journeymen Electrician: 160 hr
- Apprentice Electrician: 160 hr
- Electrical Test Technician IV (ETT-IV): 160 hr
- Electrical Test Technician III (ETT-III): 160 hr
- Electrical Test Technician II (ETT-II): 160 hr
- Field Services Technician: 160 hr
- Technical Assistant/Helper: 160 hr
- Laborer: 160 hr

---

**BID NOT TABULATED**

**INCOMPLETE BID**
# SAN ANTONIO WATER SYSTEM

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

**PROPOSAL**  
Annual Contract for Electrical Maintenance and Repair Services

**TIME & DATE:**  
3:00 p.m., June 30, 2016

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>80 hr Electrical Test Technician I (ETT-I) - Technical Assistant/Helper</td>
<td>UNIT</td>
<td>107.25</td>
<td>8,580.00</td>
</tr>
<tr>
<td></td>
<td>80 hr Laborer</td>
<td>UNIT</td>
<td>59.38</td>
<td>4,750.40</td>
</tr>
<tr>
<td></td>
<td><strong>SUBTOTAL (Group D)</strong></td>
<td>TOTAL</td>
<td>77,361.12</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Electrical Repairs (mark-ups not to exceed 20%)</td>
<td>UNIT</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Parts and Materials</td>
<td>PRICE</td>
<td>230,000.00</td>
<td>230,000.00</td>
</tr>
<tr>
<td>2.</td>
<td>$50,000 / YR Rental Equipment</td>
<td>UNIT</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>PRICE</td>
<td>55,000.00</td>
<td>55,000.00</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>$60,000 / YR Bid Markups</td>
<td>UNIT</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>PRICE</td>
<td>60,000.00</td>
<td>60,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>SUBTOTAL (Group E)</strong></td>
<td>TOTAL</td>
<td>351,000.00</td>
<td>345,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>OPTION YEAR 2 TOTAL CONTRACT AMOUNT (Groups A, B, C, D and E)</strong></td>
<td>TOTAL</td>
<td>996,872.38</td>
<td>926,701.48</td>
</tr>
<tr>
<td>1.</td>
<td>OPTION YEAR 3 REPORTS</td>
<td>UNIT</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20 ca. Initial Site Assessment Report</td>
<td>PRICE</td>
<td>1,020.00</td>
<td>720.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>20,400.00</td>
<td>14,400.00</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>20 ca. Final Comprehensive Electrical Inspection Report</td>
<td>PRICE</td>
<td>1,170.00</td>
<td>360.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>23,400.00</td>
<td>7,200.00</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>10 ca. Power System Study Report</td>
<td>PRICE</td>
<td>7,135.00</td>
<td>5,500.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>71,350.00</td>
<td>55,000.00</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>10 ca. Infrared Thermography Report</td>
<td>PRICE</td>
<td>2,630.00</td>
<td>960.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>26,300.00</td>
<td>9,600.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>SUBTOTAL (Group A)</strong></td>
<td>TOTAL</td>
<td>141,450.00</td>
<td>86,200.00</td>
</tr>
<tr>
<td>1.</td>
<td>Regular Hourly Rates (Mon - Fri, 8 a.m. - 5 p.m.)</td>
<td>UNIT</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50 hr Master Electrician</td>
<td>PRICE</td>
<td>80.53</td>
<td>88.58</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>4,026.50</td>
<td>4,429.00</td>
<td></td>
</tr>
</tbody>
</table>

**BID NOT TABULATED INCOMPLETE BID**
### SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

**TABULATION OF BIDS**

<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>2.</td>
<td>480 hr Journeyman Electrician</td>
<td>59.79</td>
<td>28,699.20</td>
</tr>
<tr>
<td>3.</td>
<td>480 hr Apprentice Electrician</td>
<td>44.26</td>
<td>21,244.80</td>
</tr>
<tr>
<td>4.</td>
<td>480 hr Electrician Test Technician IV (ETT-IV) - Sr. Field Services Technician</td>
<td>159.50</td>
<td>76,560.00</td>
</tr>
<tr>
<td>5.</td>
<td>480 hr Electrical Test Technician III (ETT-III) - Field Services Technician</td>
<td>121.00</td>
<td>58,080.00</td>
</tr>
<tr>
<td>6.</td>
<td>480 hr Electrical Test Technician II (ETT-II) - Jr. Field Services Technician</td>
<td>99.00</td>
<td>47,520.00</td>
</tr>
<tr>
<td>7.</td>
<td>480 hr Electrical Test Technician I (ETT-I) - Technical Assistant/Helper</td>
<td>71.50</td>
<td>34,320.00</td>
</tr>
<tr>
<td>8.</td>
<td>480 hr Laborer</td>
<td>37.50</td>
<td>18,000.00</td>
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</table>

**SUBTOTAL (Group B)**

<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>1.</td>
<td>Overtime Hourly Rates 24 hr Master Electrician</td>
<td>103.39</td>
<td>2,481.36</td>
</tr>
<tr>
<td>2.</td>
<td>160 hr Journeyman Electrician</td>
<td>87.19</td>
<td>13,950.40</td>
</tr>
<tr>
<td>3.</td>
<td>160 hr Apprentice Electrician</td>
<td>63.72</td>
<td>10,195.20</td>
</tr>
<tr>
<td>4.</td>
<td>160 hr Electrical Test Technician IV (ETT-IV) - Sr. Field Services Technician</td>
<td>239.25</td>
<td>38,280.00</td>
</tr>
<tr>
<td>5.</td>
<td>160 hr Electrical Test Technician III (ETT-III) - Field Services Technician</td>
<td>181.50</td>
<td>29,040.00</td>
</tr>
<tr>
<td>6.</td>
<td>160 hr Electrical Test Technician II (ETT-II) - Jr. Field Services Technician</td>
<td>148.50</td>
<td>23,760.00</td>
</tr>
<tr>
<td>7.</td>
<td>160 hr Electrical Test Technician I (ETT-I) - Technical Assistant/Helper</td>
<td>107.25</td>
<td>17,160.00</td>
</tr>
</tbody>
</table>

**TOTAL**

288,450.50 287,969.80
Santal Antonio, Texas 78298-2449

Annual Contract for Electrical Maintenance and Repair Services

3:00 p.m., June 30, 2016

<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>8.</td>
<td>160 hr Laborer</td>
<td>40.00</td>
<td>6,400.00</td>
</tr>
<tr>
<td></td>
<td><strong>SUBTOTAL (Group C)</strong></td>
<td></td>
<td>141,266.96</td>
</tr>
</tbody>
</table>

**GROUP D**

Weekend /Holiday Hourly Rates

<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>1.</td>
<td>Master Electrician</td>
<td>135.78</td>
<td>3,258.72</td>
</tr>
<tr>
<td>2.</td>
<td>80 hr Journeyman Electrician</td>
<td>114.18</td>
<td>9,134.40</td>
</tr>
<tr>
<td>3.</td>
<td>80 hr Apprentice Electrician</td>
<td>82.88</td>
<td>6,630.40</td>
</tr>
<tr>
<td>4.</td>
<td>80 hr Electrical Test Technician IV (ETT-IV) - Sr Field Services</td>
<td>239.25</td>
<td>19,140.00</td>
</tr>
<tr>
<td>5.</td>
<td>80 hr Electrical Test Technician III (ETT-III) - Field Services Technician</td>
<td>181.50</td>
<td>14,520.00</td>
</tr>
<tr>
<td>6.</td>
<td>80 hr Electrical Test Technician II (ETT-II) - Jr. Field Services Technician</td>
<td>148.50</td>
<td>11,880.00</td>
</tr>
<tr>
<td>7.</td>
<td>80 hr Electrical Test Technician I (ETT-I) - Technical Assistant/Helper</td>
<td>107.25</td>
<td>8,580.00</td>
</tr>
<tr>
<td>8.</td>
<td>80 hr Laborer</td>
<td>62.50</td>
<td>5,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>SUBTOTAL (Group D)</strong></td>
<td></td>
<td>78,143.52</td>
</tr>
</tbody>
</table>

**GROUP E**

Electrical Repairs (mark-ups not to exceed 28%)

<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>1.</td>
<td>Parts and Materials</td>
<td>15%</td>
<td>230,000.00</td>
</tr>
<tr>
<td>2.</td>
<td>Rental Equipment</td>
<td>10%</td>
<td>55,000.00</td>
</tr>
<tr>
<td>3.</td>
<td>Bid Markups</td>
<td>10%</td>
<td>66,000.00</td>
</tr>
</tbody>
</table>

Bid Not Tabulated

Incomplete Bid
## SAN ANTONIO WATER SYSTEM
### P. O. BOX 2449
### SAN ANTONIO, TEXAS 78298-2449
### TABULATION OF BIDS

**PROPOSAL FOR:**
Annual Contract for Electrical Maintenance and Repair Services

**TIME & DATE:**
3:00 p.m., June 30, 2016

<table>
<thead>
<tr>
<th>ITEM #</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>TOTAL</th>
<th>LOW BIDDER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SUBTOTAL (Group E)</td>
<td>351,000.00</td>
<td>345,000.00</td>
</tr>
<tr>
<td></td>
<td>OPTION YEAR 3 TOTAL CONTRACT AMOUNT (Groups A, B, C, D and E)</td>
<td>1,000,310.98</td>
<td>955,925.56</td>
</tr>
<tr>
<td></td>
<td>Terms</td>
<td>Net 30 days</td>
<td>Net 30 days</td>
</tr>
<tr>
<td></td>
<td>Delivery Days</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LOW BIDDER**

**ERROR IN UNIT PRICE**

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

- Alterman
- Central Electric
- Gerard Electric
- Grubb Engineering
- Morlandt Electric
- Power Engineering Services Inc.
- Schneider Electric
- Shermco Industries, Inc.
- TRC Solution

- [Demandstar](#)
- [SAWS Website](#)
## SAN ANTONIO WATER SYSTEM

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

### TABULATION OF BIDS

**Annual Contract for Ten Hand Wipes**  
**San Antonio, Texas 78298-2449**  
**TABULATION OF BIDS**  
**October 1, 2015 through September 30, 2016**  
**3:00 p.m., September 9, 2015**

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Product Code</th>
<th>Price per Case</th>
<th>Quantity</th>
<th>Total</th>
<th>Other Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
<td>$1.67</td>
<td>6000</td>
<td>$9,990</td>
<td></td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
<td>$1.72</td>
<td>3000</td>
<td>$5,160</td>
<td></td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
<td>$2.13</td>
<td>5000</td>
<td>$10,650</td>
<td></td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
<td>$2.46</td>
<td>4000</td>
<td>$9,840</td>
<td></td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
<td>$2.89</td>
<td>2000</td>
<td>$4,780</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ANNUAL COST**

| Total | 45,890.00 |

| Extension 1 | 45,890.00 |

| Extension 2 | 45,890.00 |

| Extension 3 | 45,890.00 |

| Delivery Days | 5 days, 1 day, 2-5 days, 7-10 days, 20 days, 7-10 days, 5 days, 10 days |

*LOW BIDDER*

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

### BIDDER NAMES AND ADDRESSES

<table>
<thead>
<tr>
<th>Bidder Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>34865</td>
</tr>
</tbody>
</table>

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

**PROPOSAL:** Annual Contract for Transmission Repair for Chrysler, General Motors and Ford, Parts and Service  
**TIME & DATE:** (October 1, 2015 through September 30, 2016)  
3:00 p.m., August 6, 2015

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>A Best Transmission and Clutch Repair</th>
<th>A+ Transmission</th>
<th>AAMCO Transmission</th>
<th>Better Transmission LLC</th>
</tr>
</thead>
</table>
| **ITEM 1** | ALL MAKES & MODELS TRANSMISSION PARTS  
SAWS estimates that it will spend $20,000 on Transmission Parts annually | | | | |
| A) Parts | | | | | |
| 1. Based on Unit Cost Plus Vendor Markup Percentage | Percent Total | 20,000.00 | 20,000.00 | 20,000.00 | |
| 2. Product identification (Mfg.) / Verified by Invoice | Motorcraft | Transtar Industries |
| **ITEM 2** | SERVICE  
SAWS estimates that it will require 200 hours of service annually | | | | |
| A. Labor Rate for in Shop Service | Labor Rate Total | 43.00 | 15,000.00 | 19,000.00 |
| B. Up-Charge for Outside Labor, Cost Plus | Cost Plus | 10% | 10% | 10% |
| C. Parts will be available for pickup | Pickup Days | 7:30 a.m. - 6:00 p.m. | 7:00 a.m. - 6:00 p.m. | 8:00 a.m. - 6:00 p.m. |
| D. Business Hours | Bus. Hours 5 days per week | 5 days/week | 5 days/week | 5 days/week |
| **ITEM 3** | WARRANTY  
Required minimum warranty on Re-Build Transmission: (2) years or 24,000 miles | | | | |
| Warranty | 2 Years or 24,000 miles | 2/24 | 24,000 miles |
| **ITEM 4** | TOWING: NO CHARGE:  
Additional miles | | | | |
| | 5 miles | 10 miles | 4.00/mile |
| | 2.50/mile |
| **EXTENSION 1** | | | | | |
| | 30,600.00 |
| **EXTENSION 2** | | | | | |
| | 30,600.00 |
| **EXTENSION 3** | | | | | |
| | 30,600.00 |
| **Terms** | Net 30 days | Net 30 days | Net 30 days |

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

- A Best Transmission and Clutch Repair  
- A+ Transmission  
- AAMCO Transmission  
- Better Transmission LLC  
- Coxco Transmission  
- High Tech Transmission  
- Mr. Transmission  
- Select Transmission and Automotive Center  
- Demandstar  
- SAWSS Website
**SAN ANTONIO WATER SYSTEM**  
**P. O. BOX 2449**  
**SAN ANTONIO, TEXAS 78298-2449**  
**TABULATION OF BIDS**

**DESCRIPTION AND APPROXIMATE QUANTITY**

<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>1</td>
<td>Symantec Enterprise Vault E-Discovery Standard Edition for Microsoft Exchange 10.0 Win per User Renewal Essential, 12 months GOV BAND S-(40634807), Part No. EW8TWZ00-ERiggs (S) New Period: 08/31/2014 to 09/30/2015</td>
<td>6.15</td>
<td>11,070.00</td>
</tr>
<tr>
<td>2</td>
<td>Symantec Enterprise Vault Storage Management for Microsoft Exchange 10.0 Win per user Renewal Essential, 12 months GOV BAND S-(40634822), Part No. IP10WZ00-ERiggs (S) New Period: 08/31/2014 to 09/30/2015</td>
<td>6.75</td>
<td>12,150.00</td>
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</table>

**GRAND TOTAL**

<table>
<thead>
<tr>
<th></th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extension 1 (with provision for annual price increase of 5%)</td>
<td>6.38</td>
<td>24,381.00</td>
</tr>
<tr>
<td>Extension 2 (with provision for annual price increase of 5%)</td>
<td>6.94</td>
<td>25,600.05</td>
</tr>
<tr>
<td>Extension 3 (with provision for annual price increase of 5%)</td>
<td>7.52</td>
<td>26,880.05</td>
</tr>
<tr>
<td>Terms</td>
<td>Net</td>
<td>Net</td>
</tr>
<tr>
<td>Delivery Days</td>
<td>30 days</td>
<td>30 days</td>
</tr>
</tbody>
</table>

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

- Agilent Technologies
- Anixter
- ARC
- Catapult Systems
- CDW
- Commonwealth Computer
- Commsolutions
- Computer Solutions
- DLT Solutions
- Flair Data Systems
- Freeit Data Solutions
- Insight Government Sales
- Netsync Network Solutions
- Quill.com
- SHI Government
- Sigma Solutions
- Silotech Group
- Sirius Computer Solutions
- Solutions II, Inc.
- Tech Depot
- Teqsys
- Zones, Inc.
**SAN ANTONIO WATER SYSTEM**

P. O. BOX 2449
SAN ANTONIO, TEXAS 78228-2449

**TABULATION OF BIDS**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROPRIATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>5 each Adobe Captivate Version 8</td>
<td>832.27</td>
<td>4,156.35</td>
</tr>
<tr>
<td>2.</td>
<td>5 each Adobe Illustrator CC</td>
<td>216.00</td>
<td>1,074.00</td>
</tr>
<tr>
<td>3.</td>
<td>10 each Adobe Photoshop CC</td>
<td>216.00</td>
<td>2,156.00</td>
</tr>
<tr>
<td>4.</td>
<td>5 each Adobe Creative Cloud CC</td>
<td>512.07</td>
<td>2,553.35</td>
</tr>
<tr>
<td>5.</td>
<td>5 each Adobe Dreamweaver CC</td>
<td>216.00</td>
<td>1,074.00</td>
</tr>
<tr>
<td>6.</td>
<td>30 each Adobe Acrobat Std XI Full license</td>
<td>173.00</td>
<td>5,185.20</td>
</tr>
<tr>
<td>7.</td>
<td>25 each Adobe Acrobat Std XI Upgrade</td>
<td>82.00</td>
<td>2,049.50</td>
</tr>
<tr>
<td>8.</td>
<td>25 each Adobe Acrobat Pro XI Full</td>
<td>262.60</td>
<td>6,507.50</td>
</tr>
<tr>
<td>9.</td>
<td>25 each Adobe Acrobat Pro XI Upgrade</td>
<td>117.00</td>
<td>2,907.50</td>
</tr>
<tr>
<td>10.</td>
<td>5 each SAP Crystal Reports XI R2 Developer Edition</td>
<td>437.08</td>
<td>2,185.40</td>
</tr>
<tr>
<td>11.</td>
<td>5 each SAP CRYSTAL REPORTS 2013 WIN NUL</td>
<td>376.15</td>
<td>1,880.75</td>
</tr>
</tbody>
</table>

**TOTAL**

31,912.85

**GRAND TOTAL**

31,912.85

**Extension 1**

31,912.85

**Extension 2**

31,912.85

**Terms**

Net 30 days

Net 30 days

Net 30 days

**Delivery**

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

- CDW Government
- Dell Marketing LP
- Emergent LLC
- GovConnection
- PC Mall Gov Inc
- SHI Government Solutions
- SoftChoice Corporation
- Summus Industries

**DIR Contract DIR-SDD-2604**

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts' Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-200A, for June 25, 2013, for Software Reseller and Related Services. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-200A shall be posted by DIR on the Electronic State Business Daily.
<table>
<thead>
<tr>
<th>Service</th>
<th>Contract Cleaning Scr. - Inc.</th>
<th>Clean</th>
<th>On as Manager</th>
<th>KDHK.</th>
<th></th>
<th>ABM BID</th>
<th>EXTENSION 3</th>
<th>EXTENSION 1</th>
<th>EXTENSION 2</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**SAN ANTONIO WATER SYSTEM**

**F. O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

(Date of Award through August 31, 2017)

Date: July 15, 2016

**EDUCATION & ADMINISTRATION**

<table>
<thead>
<tr>
<th>Service</th>
<th>Contract Cleaning Scr. - Inc.</th>
<th>Clean</th>
<th>On as Manager</th>
<th>KDHK.</th>
<th></th>
<th>ABM BID</th>
<th>EXTENSION 3</th>
<th>EXTENSION 1</th>
<th>EXTENSION 2</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**For Proposal:**

- **KDHK.**: 1301 Thirdman, San Antonio, TX 78210
- **ABM**: 2025 South Arrowood Blvd, San Antonio, TX 78213
- **Multinational Nursery & Landscape: 8316 N. Zarzamora, San Antonio, TX 78217

- **Terms:**
  - 10 days
  - 10 days
  - 2 days
  - 2 days
  - 2 days

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

- **3rd Generation Services**
- **ABH Janitorial Services**
- **Alliance Services**
- **C&B Facility Services**
- **Carroll's Cleaning Services**
- **CMMS**
- **Contract Cleaning Services**
- **Do As Maintenance Facility Services**
- **Demson Cleaning Services**
- **Jan Pro Cleaning Systems**
- **Jiasking SA**
- **KDHK. Inc**
- **KDS Janitorial Services**
- **LaMed Facility Maintenance**
- **Maldonado Nursery & Landscape**
- **McLeoney Bldg. Maint.**
- **Retail Clean Mgmt Systems**
- **Servco Services**
- **Superior Maintenance**
- **TDC Services Inc**
- **Tree Services**
- **Unified Service Associates**
- **US Med Warehouses**
- **Vanguard Cleaning Services**
- **Vega's Commercial Cleaning Services**
- **Vanguard's Commercial Cleaning Services**

**SAWS Website**

18-10357
REQUEST FOR PROPOSAL OR BEST VALUE BID
FOR
Purchase of Environmental Laboratory Services Accredited under the National
Environmental Laboratory Accreditation Program (NELAP)
SAWS Bid # No. 16-14123

SUPPLEMENTARY COMMENTS:
Staff recommends that the contract be awarded to Pace Analytical Services, Inc., a non-local, non-SMWB, as the bidder who will provide the services at the best value for the 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 proposals were reviewed by an Evaluation Committee.

B) Weighted Evaluation Criteria: The following weighted criteria were considered to determine which proposal offers the “best value” to the System.

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Compensation Schedule</td>
<td>40</td>
</tr>
<tr>
<td>b. References/ Similar prior experience/ Operational History</td>
<td>15</td>
</tr>
<tr>
<td>c. Current Laboratory and Sampling Procedures, Quality Control, Compliance &amp; Audits</td>
<td>20</td>
</tr>
<tr>
<td>d. Performance Evaluation Sample</td>
<td>5</td>
</tr>
<tr>
<td>e. Contractor Data Validation, Reporting and Internal Control Procedures</td>
<td>5</td>
</tr>
<tr>
<td>f. Small, Minority and Woman Business Program Compliance</td>
<td>15</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
</tr>
</tbody>
</table>

System received bids from the following companies:

<table>
<thead>
<tr>
<th>NO</th>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>BEST VALUE SCORE</th>
<th>LOCAL/ SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>* Pace Analytical Services, Inc.</td>
<td>$118,335.20 Ext 1: $118,335.20 Ext 2: $118,335.20 Ext 3: $118,335.20 Total: $473,340.80</td>
<td>383.83 points</td>
<td>Non-Local/ Non-SMWB</td>
</tr>
<tr>
<td>2</td>
<td>Technical Testing International, LLC dba TTI Environmental Laboratories, LLC</td>
<td>$193,994.00 Ext 1: $193,994.00 Ext 2: $193,994.00 Ext 3: $193,994.00 Ext 4: $193,994.00 Total: $775,976.00</td>
<td>344.91 points</td>
<td>Non-Local/ WBE- Asian</td>
</tr>
</tbody>
</table>
Additionally, the overall SMWB analysis is shown in the following table:

| Request for Proposal SAWS Bid No. 16-14123  
| Annual Contract for Purchase of Environmental Laboratory Services Accredited Under the National Environmental Laboratory Accreditation Program (NELAP)  
| PACE ANALYTICAL SERVICES, INC.  
| SMWB ANALYSIS – BOARD AWARD  
| SBE | 0.00%  
| MBE - African American | 0.00%  
| MBE - Asian | 1.60%  
| MBE - Hispanic | 0.00%  
| MBE - Other | 0.00%  
| WBE - Minority | 3.30%  
| WBE - Non-Minority | 0.00%  
| SMWB Total | 4.90%  

**PERIOD OF AWARD:**

Contract period shall begin on “Date of Award” (September 6, 2016) and shall end on May 31, 2017. The contract shall include three (3) additional one-year options to extend subject to future years budgets.

In determining the best value, staff considered relevant criteria specifically listed in the request for bid. Staff has determined that Pace Analytical Services, Inc. will provide services at the best value to System.
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: AWARD OF CONSTRUCTION CONTRACT AND APPROVAL OF EXPENDITURES FOR THE EAST EVANS ROAD 24-INCH APPROACH AND BORDER MAIN PROJECT

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution accepts the low responsible bid from SACC, Inc., a local, non-SMWB contractor, in the amount of $502,020.50 on a Developer Customer construction contract, and authorizes the payment of $376,515.38 for associated construction fees for the cost to oversize the water main to SACC, Inc., and reimbursements of $37,651.54 for associated design fees to Mosaic Land Development, LLC.

- On July 21, 2014, by Resolution No. 14-183, the San Antonio Water System (the “System”) Board of Trustees approved a Utility Service Agreement (USA) to provide water and/or wastewater services to a tract of land known as the 47-Acre Evans Road Tract, being developed by Mosaic Land Development, LLC, (the “Developer”) and the oversizing of approximately 1,737 linear feet of 12-inch water main to 24-inch water main located between the proposed Green Mountain Pump Station and Dusty Canyon along Evans Road in order to conform with the Water Infrastructure Master Plan.

- The Developer is required to construct a 12-inch water main. System staff recommends oversizing a portion of the 12-inch water main to a 24-inch water main. The Developer is responsible for 25 percent of the oversizing and for $125,505.12 of the project costs. The System is responsible for 75 percent of the oversizing.

- The System solicited bids for the construction of the oversize water main. Upon Board authorization of the construction contract, the Developer, will enter into a contract with both the contractor and the System.

- This project consists of the oversize construction of approximately 1,737 linear feet of 24-inch water main. The construction area is located over the Edwards Aquifer Recharge Zone and over the Edwards Aquifer Contributing Zone.

- SACC, Inc., has submitted the low bid of $502,020.50 for construction of the project.
The System will pay to SACC, Inc., monthly, for the System’s proportionate share of the construction costs for the oversize project. The Developer, will pay SACC, Inc., within twelve working days of the notice of approval for payment(s) by the System.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

This is a Capital Improvement Project that will be financed by the Service Recovery Account, job number 16-1055. The applicable water main oversize payment will be made monthly to SACC, Inc., in accordance with the Utility Service Regulations. The applicable design fees payment will be made to the Developer. The responsible low bid for the project was SACC, Inc. The System will contribute $376,515.38 for construction costs and $37,651.54 for associated design fees for a total cost of $414,166.92. The Developer will pay $125,505.12 of the construction costs and the remainder of the design fees. The project will be funded from the 2016 Capital Improvements Plan Oversize Projects fund.

Upon completion of construction, the cost of the project will be recorded as a Developer contribution along with an allowance for reimbursement.

**SUPPLEMENTARY COMMENTS:**

Bids for this project were opened on July 15, 2016, at 10:00 a.m. The following bids were accepted for submittal:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>SACC, Inc.*</td>
<td>$502,020.50</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oilfield Services, Co., Inc.</td>
<td>$572,318.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>DNT Construction LLC</td>
<td>$574,713.18</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$588,032.60</td>
<td></td>
</tr>
<tr>
<td>D. Plata Construction Co., LLC</td>
<td>$592,771.93</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Benchmark Utilities Contractors, Inc.</td>
<td>$605,392.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Wauters Engineering, LLC</td>
<td>$607,220.38</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Veritas Management Company, LLC dba Black Castle</td>
<td>$607,242.70</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Benchmark Utilities Contractors, Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bartek Construction Co.</td>
<td>$607,247.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Pesado Construction Co.</td>
<td>$688,555.50</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Atlas Construction, Inc.</td>
<td>$715,248.00</td>
<td>Non–Local/MBE–Hispanic</td>
</tr>
</tbody>
</table>

*Low Responsible Bidder

The contract provides for the completion of this project within 90 calendar days.
Award of Construction Contract
East Evans Road 24-inch Approach and Border Main Project

East Evans Road 24-inch Approach and Border Main Project
SACC, INC.

SMWB ANALYSIS – BOARD AWARD

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
<td>6.97%</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-Minor</td>
<td>6.97%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td>13.94%</td>
</tr>
</tbody>
</table>

Sam Mills, P.E.
Director
Development

APPROVED:

Robert R. Puente
President/Chief Executive Office

Attachments:
1. Project Area Map
2. Project Site Map
EAST EVANS ROAD 24" APPROACH AND BORDER MAIN
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF SACC, INC., IN THE AMOUNT OF $502,020.50 FOR THE CONSTRUCTION OF THE 24-INCH WATER MAIN IN CONNECTION WITH THE EAST EVANS ROAD 24-INCH APPROACH AND BORDER MAIN PROJECT; AWARDING A CONSTRUCTION CONTRACT TO SACC, INC., IN THE AMOUNT OF $502,020.50 FOR THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF SYSTEM FUNDS IN THE AMOUNT OF $376,515.38 FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF SYSTEM FUNDS IN THE AMOUNT OF $37,651.54 FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE ENGINEERING DESIGN FEES; AUTHORIZING A TOTAL AMOUNT NOT TO EXCEED $414,166.92 FROM THE SYSTEM'S 2016 CAPITAL IMPROVEMENTS PLAN OVERSIZE PROJECTS FUND FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE PROJECT WORK AND ENGINEERING FEES RELATED TO THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH MOSAIC LAND DEVELOPMENT, LLC, AND SACC, INC., AND PROVIDE PAYMENT IN AN AMOUNT NOT TO EXCEED $376,515.38 TO SACC, INC., AND REIMBURSEMENTS OF $37,651.54 TO MOSAIC LAND DEVELOPMENT, LLC, FOR THE SYSTEM'S PROPORTIONATE SHARE OF THE COST TO OVERSIZE THE PROPOSED WATER MAIN; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, by Resolution No. 14-183, approved on July 21, 2014, the San Antonio Water System (the “System”) authorized the extension of water service within the 47-Acre Evans Road Tract being developed by Mosaic Land Development, LLC, and the oversize of approximately 1,737 linear feet of 12-inch water main to a 24-inch water main to conform with the Water Infrastructure Master Plan; and

WHEREAS, Mosaic Land Development, LLC, is required to construct a 12-inch water main and the System has elected to oversize a portion of the 12-inch water main to a 24-inch water main; and

WHEREAS, the System has solicited bids for the East Evans Road 24-inch Approach and Border Main Project (the “project work”); and
WHEREAS, the project work includes the oversize construction of approximately 1,737 linear feet of 12-inch water main to 24-inch water main; and

WHEREAS, SACC, Inc., a local, non-SMWB contractor, submitted the bid of $502,020.50 for construction of the project and this bid is determined to be the lowest responsible bid; and

WHEREAS, Mosaic Land Development, LLC, is responsible for funding their proportionate share of the construction of the project; and

WHEREAS, Mosaic Land Development, LLC, is responsible for 25 percent of the project costs for the 24-inch oversized main, the System is responsible for 75 percent of the project costs for the 24-inch oversized main; and

WHEREAS, the System will pay to SACC, Inc., monthly, for the System’s proportionate share of the cost to oversize the water main in accordance with the Utility Service Regulations; and

WHEREAS, the amount of $414,166.92 is available in the System’s 2016 Capital Improvements Plan Oversize Projects Fund for the System’s proportionate share of the project work costs and engineering fees related to oversizing the off-site water main; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of SACC, Inc., in the amount of $502,020.50 for the project work, in connection with the East Evans Road 24-inch Approach and Border Main Project, (ii) to award a construction contract to SACC, Inc., in the amount of $502,020.50 for the project work, (iii) to authorize System funds in the amount of $376,515.38 for the project work, (iv) to authorize System funds in the amount of $37,651.54 for design fees, (v) to make available an amount not to exceed $414,166.92 from the System’s 2016 Capital Improvements Plan Oversize Projects Fund for the System’s proportionate share of the project work and engineering fees related to oversizing the proposed off-site water main, and (vi) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Mosaic Land Development, LLC, and SACC, Inc., for the project work and to provide payment in an amount not to exceed $376,515.38 to SACC, Inc., and reimbursements in an amount not to exceed $37,651.54 to Mosaic Land Development, LLC, for the System’s cost to oversize the proposed off-site water main; now, therefore:

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

1. That the bid of SACC, Inc., in the amount of $502,020.50 for the project work in connection with the East Evans Road 24-inch Approach and Border Main Project is hereby accepted.
2. That a construction contract for the project work is hereby awarded to SACC, Inc., in the amount of $502,020.50.

3. That the expenditure of System funds in an amount of $376,515.38 for the System's proportionate share of the project work is hereby approved.

4. That the expenditure of System funds in the amount of $37,651.54 for the System’s proportionate share of engineering design fees associated with the project work is hereby authorized and approved.

5. That a sum not to exceed $414,166.92 consisting of the System’s proportionate share of the project work costs and engineering fees related to 24-inch Oversize (12-inch required) water main, is hereby made available and is to be expended from the System’s 2016 Capital Improvements Plan Oversize Projects Fund.

6. That the President/Chief Executive Officer or his duly appointed designee, is hereby authorized and directed to execute a contract with Mosaic Land Development, LLC, and SACC, Inc., and to further provide payment in an amount not to exceed $376,515.38 for the cost to oversize the off-site water main to SACC, Inc. and reimbursements in an amount not to exceed $37,651.54 to Mosaic Land Development, LLC, in accordance with the Utility Service Regulations in connection with the East Evans Road 24-inch Approach and Border Main Project.

7. 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.

8. 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.

9. This resolution shall take effect immediately upon its passage.

   PASSED AND APPROVED on this 13th day of September, 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: APPROVAL OF CHANGE ORDER NO. 7 AND THE CONTRIBUTION AGREEMENT IN CONNECTION WITH THE SOUTHWEST BEXAR SEWER PIPELINE – SEGMENT 3 PROJECT

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Change Order No. 7 in the amount of $750,000.00 payable to S.J. Louis Construction of Texas Ltd., (“S.J. Louis”) in connection with the Southwest Bexar Sewer Pipeline (“SBSP”) - Segment 3 Project (the “project”) and the Contribution Agreement with Pape-Dawson Engineers, Inc., (“Pape-Dawson”) in the amount of $100,000.00 payable to the San Antonio Water System (the “System”).

- The project was identified in the Comprehensive Wastewater Master Plan developed by the System’s Master Planning Division. SBSP called for design and construction of approximately 32 miles of large diameter sewer pipeline from a point in far western Bexar County known as U-Bar Ranch, ultimately flowing into the Dos Rios Water Recycling Center.

- In November 2007, the SBSP concept was originally approved by the System’s Board of Trustees (the “Board”) by Resolution No. 07-380. On September 9, 2008, the Medina River Sewer Outfall Participation Agreement and the commitment of the System for construction of the SBSP was approved by the Board by Resolution No. 08-321.

- Pape-Dawson was engaged to perform the professional engineering services in connection with the Project.

- The SBSP was constructed in six segments as shown on Attachment 3.

- On November 1, 2011, the Board, through Resolution 11-350, authorized a construction contract with S.J. Louis in the amount of $14,680,008.47 in connection with Segment 3 of the Project.
As part of the project work, open cut excavation of the proposed pipe alignment was undertaken for the majority of the project’s length. S.J. Louis alleged that it incurred additional costs as a result of very hard rock encountered during construction which they allege was a changed site condition and beyond the scope of the construction contract.

The System and S.J. Louis have proposed approval of a change order for changed site conditions in the amount of $750,000.00 (the “change order”).

Pape-Dawson has agreed to pay the System $100,000.00 in connection with the change order.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The authorizations for this project are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 11-350)</td>
<td>$14,680,008.47</td>
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<tr>
<td>Change Order Nos. 1 through 6</td>
<td>200,564.18</td>
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<tr>
<td>Proposed Change Order No. 7</td>
<td>750,000.00</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$15,630,572.65</td>
</tr>
</tbody>
</table>

As a result of Change Order No. 7, the new construction contract amount is $15,630,572.65. This represents a 6.48 percent increase to the original bid amount for the construction contract. The job number is 11-2504.

SUPPLEMENTARY COMMENTS:

Change Order No. 1 in the amount of $18,452.50 provided for additional work to use different materials and methods for installation of fences and gates on the project.

Change Order No. 2 in the amount of $5,172.75 provided for additional work to disc the soil and apply approved grass seed on a portion of the project alignment on which the tenant had applied unapproved seed without notice.

Change Order No. 3 in the amount of $108,217.83 provided for additional work to properly remove unanticipated construction and demolition debris from within the project alignment.
Change Order No. 4 in the amount of $64,968.70 provided for additional work to install an air bypass hydrant and manhole at station 834+25.

Change Order No. 5 in the amount of $3,752.40 provided for additional work to install additional gates within the project alignment.

Change Order No. 6 in the amount of $0.00 provided for additional to install drop piping inside several manholes.

Kathleen M. Price, P.E.
Director
Collection and Distribution Engineering

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
3. Overall Program Exhibit
SAN ANTONIO WATER SYSTEM
PROJECT AREA MAP
ATTACHMENT I

LEGEND

PROJECT SITE

EDWARDS AQUIFER RECHARGE ZONE

SOUTHWEST BEXAR SEWER PIPELINE
SEGMENT 3

San Antonio Water System
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CHANGE ORDER NO. 7 IN THE AMOUNT OF $750,000.00 IN CONNECTION WITH THE SOUTHWEST BEXAR SEWER PIPELINE – SEGMENT 3 PROJECT; APPROVING THE EXPENDITURE OF $750,000.00 FROM THE SYSTEM’S PROJECT FUND FOR CHANGE ORDER NO. 7; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CHANGE ORDER NO. 7 AND TO PAY S.J. LOUIS CONSTRUCTION OF TEXAS, LTD., AN ADDITIONAL AMOUNT OF $750,000.00 FOR CHANGE ORDER NO. 7; APPROVING A CONTRIBUTION AGREEMENT WITH PAPE-DAWSON ENGINEERS, INC. RELATED TO CHANGE ORDER NO. 7; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE CONTRIBUTION AGREEMENT WITH PAPE-DAWSON ENGINEERS, INC. AND ACCEPT PAYMENT OF $100,000.00 FROM PAPE-DAWSON ENGINEERS, INC. IN CONNECTION THERewith; 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 Southwest Bexar Sewer Pipeline – Segment 3 Project (the “Project”) involved the construction of approximately seven miles of 66-inch sanitary sewer pipeline in accordance with the San Antonio Water System (the “System”) Master Plan; and

WHEREAS, Pape-Dawson Engineers, Inc. (“Pape-Dawson”) was engaged to perform the professional engineering services in connection with the project; and

WHEREAS, on November 1, 2011, the System’s Board of Trustees, through Resolution No. 11-350, authorized a construction contract with S.J. Louis Construction of Texas Ltd. (“S.J. Louis”), in the amount of $14,680,008.47 in connection with the project; and

WHEREAS, S.J. Louis alleges that extra costs were incurred to excavate very hard rock as part of the project work that S.J. Louis alleges was beyond the scope of the construction contract; and

WHEREAS, the System and S.J. Louis have proposed approval of a change order for changed site conditions in the amount of $750,000.00 (the “change order”); and
WHEREAS, Pape-Dawson has agreed to pay the System $100,000.00 in connection with the change order; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the change order in the amount of $750,000.00 for the project, (ii) to approve the expenditure of $750,000.00 from the Project Fund for the change order, (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the change order and to pay an additional amount of $750,000.00 to S.J. Louis for the change order, (iv) to approve a Contribution Agreement with Pape-Dawson related to the change order, and (v) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Contribution Agreement with Pape-Dawson and accept payment of $100,000.00 from Pape-Dawson in connection therewith; now, therefore:

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

1. That the change order in the amount of $750,000.00 for the Project is hereby approved.

2. That the expenditure of $750,000.00 from the Project Fund for the change order is hereby approved.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the change order and to pay S.J. Louis Construction of Texas, Ltd., an additional amount of $750,000.00 for the change order in connection with the Project.

4. That a Contribution Agreement with Pape-Dawson Engineers, Inc. related to the change order in substantially the form attached hereto as Attachment 1 (the “Contribution Agreement”) and incorporated herein for all purposes is hereby approved.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Contribution Agreement and accept payment of $100,000.00 from Pape-Dawson Engineers, Inc. in connection therewith.

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 13th day of September, 2016.

ATTEST:

____________________________________
Berto Guerra, Jr., Chairman

____________________________________
Ernesto Arrellano, Jr., Secretary

Attachment 1 – Contribution Agreement
CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT ("Agreement") is entered into by and between Pape-Dawson Engineers, Inc., a Texas corporation ("Pape-Dawson") and the San Antonio Water System ("SAWS"), an agency of The City of San Antonio, a Texas home rule municipality.

WHEREAS, SAWS and Pape-Dawson executed a Professional Services Agreement for the Medina River Sewer Outfall Project on January 9, 2009 that has subsequently been amended (the Professional Services Agreement and all amendments are collectively referred to hereafter as the "Contract") in which Pape-Dawson agreed to perform professional engineering services in connection with the Medina River Sewer Outfall, Segment 3 project, SAWS Job No. 11-2504 (the "Project");

WHEREAS, Pape-Dawson drafted Addendum No. 2 to the Plans and Specifications for the Project that was provided to all bidders for the construction of the Project;

WHEREAS, SAWS engaged S.J. Louis Construction of Texas, Ltd. ("SJL") as the lowest responsible bidder to complete the construction of the Project in accordance with the Plans and Specifications prepared in accordance with the Contract;

WHEREAS, SJL alleges that it incurred additional costs that resulted from site conditions being different from those described in Addendum No. 2 to the Plans and Specifications for the Project when SJL encountered rock during excavation work on the Project (the "Contractor Claims"), and SJL has submitted a change order to SAWS for such additional costs;

WHEREAS, SAWS and Pape-Dawson both dispute the Contractor Claims, and deny all of the Contractor Claims and deny all liability for any of them;

WHEREAS, to avoid litigation and expense, SAWS intends to recommend approval of a change order with SJL for a portion of the additional costs that were alleged to be incurred by SJL, and Pape-Dawson has agreed to contribute to the settlement between SAWS and SJL by paying to SAWS a portion of the additional costs incurred by SAWS to effect the settlement and SAWS and Pape-Dawson have agreed to compromise and settle any claims between them that arise out of or in connection with the Contractor Claims;

NOW, THEREFORE, for and in consideration of the mutual promises and agreements set forth in this Agreement, Pape-Dawson and SAWS agree as follows (Pape-Dawson and SAWS may be referred to individually as a "Party" or collectively as the "Parties"):  

1. Pape-Dawson shall pay to SAWS in good funds the sum of one hundred thousand and no/100 U.S. Dollars ($100,000.00 USD) within ten (10) days after the date on which SAWS signs this Agreement.

2. Upon the execution of this Agreement by the Parties and payment by Pape-Dawson to
SAWS of the sum of $100,000.00 USD pursuant to the terms of this Agreement, SAWS, its agents, partners, officers, directors, employees, representatives and assigns forever release, acquit and discharge Pape-Dawson and its agents, officers, partners, employees, trustees, representatives and assigns from all claims, demands, liabilities, causes of action, damages, and expenses of whatsoever kind or nature, at law or in equity, known or unknown that SAWS, its agents, officers, partners, directors, employees, representatives or assigns had, now has, or may have in the future that are related to or that arise out of or are connected with the Contractor Claims. No claims, demands, liabilities, causes of action, or rights or remedies pertaining to or arising out of the Project or the Contract other than those relating to or arising out of the Contractor Claims are released, acquitted, discharged or settled in this Agreement.

3. Each Party agrees that it shall pay its own costs, fees, expenses and attorneys fees incurred in connection with this Agreement.

4. This Agreement represents the compromise of disputed claims. This Agreement may not be construed in any action or proceeding as an admission, direct or indirect, of liability, obligation or duty of any kind, other than as expressly set forth in this Agreement.

5. The terms, conditions and agreements contained in this Agreement shall be binding upon and the benefits and advantages of the same shall inure to all Parties and their respective successors and assigns. The Parties acknowledge, understand and agree that the agreements and representations contained in this Agreement were made to induce the other Party to enter into and sign this Agreement. The terms, provisions, agreements and representations made or contained in this Agreement are contractual and are not mere recitals, and the same will survive perpetually following the execution of this Agreement.

6. This Agreement may be extended, revised, waived, discharged, released, modified, terminated or otherwise amended only by a written instrument executed by the Party against whom enforcement of such revision is asserted.

7. This Agreement contains the final agreement between the Parties relating to the compromise and settlement of all matters described in the Agreement.

8. The Parties represent each to the other that they and their duly authorized representatives have read this Agreement and understand it; that they have executed this Agreement with the intent to be fully bound according to its terms; that in signing this Agreement they have relied solely on their own knowledge or their duly authorized representative's knowledge and judgment and/or the advice of their own attorneys and not in reliance upon any representation, advice, statement or action of any kind of the other Party or other Party's representatives or attorneys, except to the extent that such representations, statements, or actions are expressly set forth in this Agreement. The Parties expressly disclaim reliance on any fact or representation made by any other Party or any other Party's representatives or attorneys that is not expressly contained in this Agreement.
9. The construction, enforcement, interpretation and validity of this Agreement shall be governed by the laws of the State of Texas. The obligations of the Parties are performable and venue of any legal action arising out of this Agreement shall lie exclusively in Bexar County, Texas.

10. If any one or more of the provisions of this Agreement or the applicability of any such provision to a specific situation is held invalid or unenforceable, such provision will be modified to the minimum extent necessary to make it or its application valid and enforceable and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision will not be affected thereby.

11. No Party may assign this Agreement without the prior written consent of the other Party.

12. This Agreement will be executed in two (2) identical originals, which taken together shall constitute one and the same instrument.

13. Each person signing this Agreement for or on behalf of a Party to this Agreement represents and warrants to the other Party that the person signing has authority to and is authorized to execute this Agreement for and on behalf of the Party for whom this Agreement is executed, in the capacity in which this Agreement is executed.

14. In the event that this Agreement, or any provision hereof, is construed or determined to be ambiguous by a court of law, then in that event, the Parties agree that each Party has contributed to the preparation of this Agreement and that they have jointly written or composed this Agreement and that no Party shall be given any advantage over the other Party under the laws of construction of instruments based upon the authorship of this Agreement.

15. This Agreement is made by and for the benefit of the Parties to this Agreement only. There are no third-party beneficiaries of this Agreement.

16. Time is of the essence in the performance of every term and provision of this Agreement.

[SIGNATURE PAGE TO FOLLOW]
Agreed to, executed and effective as of the date of the last signature by a Party, below.

San Antonio Water System

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

Date: ________________________________

Pape-Dawson Engineers, Inc.

By: ________________________________
    Name: Gene Dawson, Jr., P.E.
    Title: President

Date: August 10, 2016

STATE of TEXAS §
COUNTY of BEXAR §

Before me, the undersigned notary public on this day personally appeared Robert R. Puente, known to me to be the person whose name is subscribed to the foregoing instrument who acknowledged to me that he executed the same for the purposes and consideration, and in the capacity therein stated.

Given under my hand and seal of office on this ___ day of ______________, 2016.

Notary Public in and for the State of Texas

STATE of TEXAS §
COUNTY of BEXAR §

Before me, the undersigned notary public on this day personally appeared Gene Dawson, Jr., known to me to be the person whose name is subscribed to the foregoing instrument who acknowledged to me that he executed the same for the purposes and consideration, and in the capacity therein stated.

Given under my hand and seal of office on this ___ day of August, 2016.

Notary Public in and for the State of Texas
SUMMARY AND RECOMMENDATION:

The attached resolution approves Recapitulation Change Order No. 9 in the decreased amount of $116,520.63 to be credited to the construction contract with S. J. Louis Construction of Texas, Ltd., a local, non-SMWB contractor, in connection with the W6: Western Watershed Sewer Relief Line Project 2. It further returns the remaining construction contingency funds in the amount of $56,486.84 for a total amount of $173,007.47 to the Project Fund and closes the contract.

- The contract that is the subject of the attached resolution will authorize work that is required by Section V. B. Early Action Program of 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.

- This project was identified in the Comprehensive Wastewater Master Plan developed by the System’s Master Planning Division. The mains were in poor condition due to deterioration and lacked sufficient capacity to handle future sewer flows due to growth and during peak storm events.

- The project included the construction of approximately one mile of sewer main from just north of a private road called Edward Schlundt Road to Quintana Road.

- S. J. Louis Construction of Texas, Ltd., a local, non-SWMB contractor, was declared the lowest responsible bidder at $5,291,206.01.

- The W6: Western Watershed Sewer Relief Line Project 2 with S. J. Louis Construction of Texas, Ltd., in the amount of $5,291,206.01 was authorized by Resolution No. 13-233 on August 13, 2013. Funds in the amount of $264,560.00 were authorized for construction contingency.
• Change Order No. 1, in an amount of $36,618.75, provided for the rental and purchase of portable message boards for transportation purposes.

• Change Order No. 2, in an amount of $24,749.34, provided for necessary concrete saddle removal.

• Change Order No. 3, in an amount of $6,729.22, provided for the temporary and permanent connections needed for three existing sewer services.

• Change Order No. 4, in an amount of $14,969.83, provided for the revised connection at the downstream diversion box #3A.

• Change Order No. 5, in an amount of $85,000.00, provided for the authorization for the settlement agreements with S. J. Louis Construction of Texas, Ltd., CDM Smith, Inc., and Ford Engineering, Inc.

• Change Order No. 6, in an amount of $20,941.59, provided for the additional work required connect to the revised inlet connection to junction box #4.

• Change Order No. 7, in an amount of $12,255.15, provided for the additional work required to provide manhole corings.

• Change Order No. 8, in an amount of $6,809.28, provided for the additional work required for the abandonment of temporary diversion structure #4.

• Change Order No. 9 recapitulates the construction contract quantities in the decreased amount of $116,520.63. It further returns the remaining construction contingency funds in the amount of $56,486.84 for a total amount of $173,007.47 to the Project Fund and closes the contract.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The authorizations for this project are as follows:
Approval of Recapitulation Change Order No. 9  
W6: Western Watershed Sewer Relief Line Project 2

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<th>Contract:</th>
<th>Amount Authorized</th>
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<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 13-233)</td>
<td>$5,291,206.01</td>
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<tr>
<td>Change Order Nos. 1 through 8</td>
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<tr>
<td>Proposed Recapitulation Change Order No. 9</td>
<td>(116,520.63)</td>
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<tr>
<td>Revised Contract Amount</td>
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<td>Original Contingency Amount (Resolution No. 13-233)</td>
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<tr>
<td>Change Order Nos. 1 through 8</td>
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</tr>
<tr>
<td>Remaining Contingency Balance</td>
<td>$56,486.84</td>
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<th>Balance Returned:</th>
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<tr>
<td>Proposed Recapitulation Change Order No. 9</td>
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<tr>
<td>Remaining Contingency Balance</td>
<td>56,486.84</td>
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<tr>
<td>Total Remaining Balance Returned</td>
<td>$173,007.47</td>
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</tbody>
</table>

Construction funds in the amount of $116,520.63 are being returned to the Project Fund. Construction contingency funds in the amount of $56,486.84 are also being returned to the Project Fund for a total of $173,007.47. The System’s job number is 13-2501.

SUPPLEMENTARY COMMENTS:

Previous change orders and Recapitulation Change Order No. 9 reflect a 1.73 percent increase to the original contract amount.

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 RECAPITULATION CHANGE ORDER NO. 9 IN THE DECREASED AMOUNT OF $173,007.47 TO THE CONSTRUCTION CONTRACT WITH S. J. LOUIS CONSTRUCTION OF TEXAS, LTD., IN CONNECTION WITH THE W6: WESTERN WATERSHED SEWER RELIEF LINE PROJECT 2; AUTHORIZING THE RETURN OF FUNDS IN THE AMOUNT OF $116,520.63 AND THE REMAINING CONSTRUCTION CONTINGENCY FUNDS IN THE AMOUNT OF $56,486.84 FOR A TOTAL AMOUNT OF $173,007.47 TO THE SYSTEM’S PROJECT FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE RECAPITULATION CHANGE ORDER NO. 9 AND CLOSE THE CONTRACT WITH S. J. LOUIS CONSTRUCTION OF TEXAS, LTD.; 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 completed the project work under the W6: Western Watershed Sewer Relief Line Project 2 as part of its Capital Improvement Program and

WHEREAS, funds in the amount of $5,291,206.01 for the construction contract with S. J. Louis Construction of Texas, Ltd., and $264,560.00 for construction contingency expenses were authorized for the project by Resolution 13-233, adopted August 13, 2013; and

WHEREAS, this project included the construction of approximately one mile of sewer main from just north of a private road called Edward Schlundt Road to Quintana Road; and

WHEREAS, the construction of this project is complete; and

WHEREAS, Change Order No. 9 recapitulates the construction contract quantities in the decreased amount of $116,520.63, and it further returns the remaining construction contingency funds in the amount of $56,486.84 for a total amount of $173,007.47; and

WHEREAS, funds in the amount of $173,007.47 are to be returned to the System’s Project Fund; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Recapitulation Change Order No. 9 in the decreased amount of $116,520.63 in connection with the W6: Western Watershed Sewer Relief Line Project 2, (ii) to return the amount of $116,520.63 and the remaining construction contingency funds in the amount of $56,486.84 for a total amount of $173,007.47 to the Project Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Recapitulation Change Order No. 9, and to close the contract with S. J. Louis Construction of Texas, Ltd.; now, therefore:

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

1. That Recapitulation Change Order No. 9 in the decreased amount of $116,520.63 in connection with the W6: Western Watershed Sewer Relief Line Project 2 is hereby approved.

2. That the amount of $116,520.63 and the remaining contingency balance of $56,486.84 for a total amount of $173,007.47 is hereby returned to the Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Recapitulation Change Order No. 9 and to close the contract with S. J. Louis Construction of Texas, Ltd.

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 its passage.

PASSED AND APPROVED this 13th day of September, 2016.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 10

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: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION OF ADDITIONAL FUNDS IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 2

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1, amends Resolution No. 16-075 by authorizing additional funds in an amount not to exceed $500,000.00 and authorizes the President/Chief Executive Officer to provide additional payment in an amount not to exceed $500,000.00 to Lockwood Andrews & Newnam, Inc., for additional engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 2.

- The San Antonio Water System (the “System”) Board of Trustees, by Resolution No. 16-075, adopted April 5, 2016, awarded an engineering contract and authorized funds in the amount of $950,000.00 payable to Lockwood Andrews & Newnam, Inc., for engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 2.

- The amendment to the contract that is the subject of the attached resolution will, if approved, authorize additional work that is required by Section V. B. Early Action Program of the Consent Decree between 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.

- In addition, these contracts are used for the design of water and sewer facility adjustments and replacements in connection with local and state agency projects. Additional local and state agency projects have been identified in which additional engineering design services will be required to ensure that the System is able to meet the design and construction schedules of upcoming projects initiated by other agencies.

- As designs for these projects are being developed, engineering and surveying services related to the System’s facilities continues to be required.

- Since Lockwood Andrews & Newnam, Inc. is familiar with these types of projects, it is beneficial to continue to use them to provide engineering and surveying services. An
additional amount not to exceed $500,000.00 will be required to supplement the funds originally approved. Contract Amendment No. 1 is required to add this work to the original contract and to increase the contract amount.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The revised authorization for this contract is as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 16-075)</td>
</tr>
<tr>
<td>Contract Amendment No. 1</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>

The new contract amount as a result of Contract Amendment No. 1 is $1,450,000.00. This represents a 53 percent increase to the original contract amount.

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 $170,000.00 for additional water related engineering work. The job numbers are 16-5001-000 and 16-4001-000.

The wastewater work is included in the Wastewater Core Business budget line item. The amount is $330,000.00 for additional sewer related engineering work. The job numbers are 16-5501-000 and 16-4503-000.

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 CONTRACT AMENDMENT NO. 1 IN AN AMOUNT NOT TO EXCEED $500,000.00 IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 2; AMENDING RESOLUTION NO. 16-075 BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $500,000.00 FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES BY LOCKWOOD ANDREWS & NEWNAM, INC., IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 2; APPROVING THAT AN ADDITIONAL AMOUNT NOT TO EXCEED $500,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM'S PROJECT FUND FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CONTRACT AMENDMENT NO. 1 AND TO PAY LOCKWOOD ANDREWS & NEWNAM, INC., AN ADDITIONAL AMOUNT NOT TO EXCEED $500,000.00 FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES IN CONNECTION WITH THE 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, it was necessary to develop engineering design services contracts for the design of water and sewer work in connection with certain governmental projects of the San Antonio Water System (the “System”); and

WHEREAS, the System’s Board of Trustees by Resolution No. 16-075, adopted April 5, 2016, awarded the 2016 Pipeline Engineering Services Work Order Contract - Package 2 to Lockwood Andrews & Newnam, Inc., and authorized the expenditure of $950,000.00 for engineering design services; and

WHEREAS, additional programmed Capital Improvement Program projects, as well as local and state agency projects have been identified in which additional engineering design services will be required to ensure that the System is able to meet the design and construction schedules; and

WHEREAS, since Lockwood Andrews & Newnam, Inc. is familiar with these types of projects it is beneficial to continue to use them to provide engineering and surveying services; and

WHEREAS, additional engineering services related to the System’s facilities are
required in connection with the project work (“additional engineering design services”); and

WHEREAS, Contract Amendment No. 1 in the amount of $500,000.00 is required to add the additional engineering design services to the original contract and to increase the contract by this amount; and

WHEREAS, System funds in an amount not to exceed $500,000.00 are required for the additional engineering design services; and

WHEREAS, an additional amount not to exceed $500,000.00 is available from the System’s Project Fund for the additional related engineering design services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 1 in an amount not to exceed $500,000.00 in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 2, (ii) to amend Resolution No. 16-075 by approving additional expenditures in an amount not to exceed $500,000.00 for additional engineering design services, (iii) to approve the expenditure of an amount not to exceed $500,000.00 from the System’s Project Fund for the additional engineering design services, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Contract Amendment No. 1 and to pay Lockwood Andrews & Newnam, Inc., an additional amount not to exceed $500,000.00 for additional engineering design services in connection with the project work; now, therefore:

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

1. That Contract Amendment No. 1 in an amount not to exceed $500,000.00 in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 2 is hereby approved.

2. That Resolution No. 16-075 is hereby amended by increasing the amount approved for engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 2 by $500,000.00 from the previous authorization of $950,000.00 to an amended authorization of $1,450,000.00.

3. That an additional amount not to exceed $500,000.00 for additional engineering design services is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Contract Amendment No. 1 and to pay Lockwood Andrews & Newnam, Inc. an additional amount not to exceed $500,000.00 for additional engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 2.

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 13th day of September, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. ____11____

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: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION OF ADDITIONAL FUNDS IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 4

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1, amends Resolution No. 16-077 by authorizing additional funds in an amount not to exceed $700,000.00 and authorizes the President/Chief Executive Officer to provide additional payment in an amount not to exceed $700,000.00 to K Friese & Associates, Inc., for additional engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 4.

- The San Antonio Water System (the "System") Board of Trustees, by Resolution No. 16-077, adopted April 5, 2016, awarded an engineering contract and authorized funds in the amount of $700,000.00 payable to K Friese & Associates, Inc., for engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 4.

- The amendment to the contract that is the subject of the attached resolution will, if approved, authorize additional work that is required by Section V. B. Early Action Program of the Consent Decree between 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.

- In addition, these contracts are used for the design of water and sewer facility adjustments and replacements in connection with local and state agency projects. Additional local and state agency projects have been identified in which additional engineering design services will be required to ensure that the System is able to meet the design and construction schedules of upcoming projects initiated by other agencies.

- As designs for these projects are being developed, engineering and surveying services related to the System’s facilities continues to be required.

- Since K Friese & Associates, Inc. is familiar with these types of projects, it is beneficial to continue to use them to provide engineering and surveying services. An additional amount
Approval of Contract Amendment No. 1 and Authorization of Additional Funds  
2016 Pipeline Engineering Services Work Order Contract - Package 4

not to exceed $700,000.00 will be required to supplement the funds originally approved. Contract Amendment No. 1 is required to add this work to the original contract and to increase the contract amount.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The revised authorization for this contract is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 16-077)</td>
<td>$700,000.00</td>
</tr>
<tr>
<td>Contract Amendment No. 1</td>
<td>700,000.00</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$1,400,000.00</td>
</tr>
</tbody>
</table>

The new contract amount as a result of Contract Amendment No. 1 is $1,400,000.00. This represents a 100 percent increase to the original contract amount.

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 $400,000.00 for additional water related engineering work. The job numbers are 16-5001-000 and 16-4001-000.

The wastewater work is included in the Wastewater Core Business budget line item. The amount is $300,000.00 for additional sewer related engineering work. The job numbers are 16-5501-000 and 16-4503-000.

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 CONTRACT AMENDMENT NO. 1 IN AN AMOUNT NOT TO EXCEED $700,000.00 IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 4; AMENDING RESOLUTION NO. 16-077 BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $700,000.00 FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES BY K FRIESE & ASSOCIATES, INC., IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 4; APPROVING THAT AN ADDITIONAL AMOUNT NOT TO EXCEED $700,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM'S PROJECT FUND FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CONTRACT AMENDMENT NO. 1 AND TO PAY K FRIESE & ASSOCIATES, INC., AN ADDITIONAL AMOUNT NOT TO EXCEED $700,000.00 FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES IN CONNECTION WITH THE 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, it was necessary to develop engineering design services contracts for the design of water and sewer work in connection with certain governmental projects of the San Antonio Water System (the “System”); and

WHEREAS, the System’s Board of Trustees by Resolution No. 16-077, adopted April 5, 2016, awarded the 2016 Pipeline Engineering Services Work Order Contract - Package 4 to K Friese & Associates, Inc., and authorized the expenditure of $700,000.00 for engineering design services; and

WHEREAS, additional programmed Capital Improvement Program projects, as well as local and state agency projects have been identified in which additional engineering design services will be required to ensure that the System is able to meet the design and construction schedules; and

WHEREAS, since K Friese & Associates, Inc. is familiar with these types of projects it is beneficial to continue to use them to provide engineering and surveying services; and

WHEREAS, additional engineering services related to the System’s facilities are
required in connection with the project work (“additional engineering design services”); and

WHEREAS, Contract Amendment No. 1 in the amount of $700,000.00 is required to add the additional engineering design services to the original contract and to increase the contract by this amount; and

WHEREAS, System funds in an amount not to exceed $700,000.00 are required for the additional engineering design services; and

WHEREAS, an additional amount not to exceed $700,000.00 is available from the System’s Project Fund for the additional related engineering design services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 1 in an amount not to exceed $700,000.00 in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 4, (ii) to amend Resolution No. 16-077 by approving additional expenditures in an amount not to exceed $700,000.00 for additional engineering design services, (iii) to approve the expenditure of an amount not to exceed $700,000.00 from the System’s Project Fund for the additional engineering design services, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Contract Amendment No. 1 and to pay K Friese & Associates, Inc., an additional amount not to exceed $700,000.00 for additional engineering design services in connection with the project work; now, therefore:

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

1. That Contract Amendment No. 1 in an amount not to exceed $700,000.00 in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 4 is hereby approved.

2. That Resolution No. 16-077 is hereby amended by increasing the amount approved for engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 4 by $700,000.00 from the previous authorization of $700,000.00 to an amended authorization of $1,400,000.00.

3. That an additional amount not to exceed $700,000.00 for additional engineering design services is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Contract Amendment No. 1 and to pay K Friese & Associates, Inc., an additional amount not to exceed $700,000.00 for additional engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 4.

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 13th day of September, 2016.

____________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO. 12

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: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION OF ADDITIONAL FUNDS IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 5

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1, amends Resolution No. 16-078 by authorizing additional funds in an amount not to exceed $300,000.00 and authorizes the President/Chief Executive Officer to provide additional payment in an amount not to exceed $300,000.00 to Maestas & Associates, Inc., for additional engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 5.

- The San Antonio Water System (the “System”) Board of Trustees, by Resolution No. 16-078, adopted April 5, 2016, awarded an engineering contract and authorized funds in the amount of $300,000.00 payable to Maestas & Associates, Inc., for engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 5.

- The amendment to the contract that is the subject of the attached resolution will, if approved, authorize additional work that is required by Section V. B. Early Action Program of the Consent Decree between 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.

- In addition, these contracts are used for the design of water and sewer facility adjustments and replacements in connection with local and state agency projects. Additional local and state agency projects have been identified in which additional engineering design services will be required to ensure that the System is able to meet the design and construction schedules of upcoming projects initiated by other agencies.

- As designs for these projects are being developed, engineering and surveying services related to the System’s facilities continues to be required.

- Since Maestas & Associates, Inc. is familiar with these types of projects, it is beneficial to continue to use them to provide engineering and surveying services. An additional amount
Approval of Contract Amendment No. 1 and Authorization of Additional Funds
2016 Pipeline Engineering Services Work Order Contract - Package 5

not to exceed $300,000.00 will be required to supplement the funds originally approved. Contract Amendment No. 1 is required to add this work to the original contract and to increase the contract amount.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The revised authorization for this contract is as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 16-078) $300,000.00</td>
</tr>
<tr>
<td>Contract Amendment No. 1 300,000.00</td>
</tr>
<tr>
<td>Revised Contract Amount $600,000.00</td>
</tr>
</tbody>
</table>

The new contract amount as a result of Contract Amendment No. 1 is $600,000.00. This represents a 100 percent increase to the original contract amount.

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. The wastewater work is included in the Wastewater Core Business budget line item. The amount is $300,000.00 for additional sewer related engineering work. The job numbers are 16-5501-000 and 16-4503-000.

There is no financial impact for the water related engineering work. The job numbers are 16-5001-000 and 16-4001-000.

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 CONTRACT AMENDMENT NO. 1 IN AN AMOUNT NOT TO EXCEED $300,000.00 IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 5; AMENDING RESOLUTION NO. 16-078 BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $300,000.00 FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES BY MAESTAS & ASSOCIATES, INC., IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 5; APPROVING THAT AN ADDITIONAL AMOUNT NOT TO EXCEED $300,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CONTRACT AMENDMENT NO. 1 AND TO PAY MAESTAS & ASSOCIATES, INC., AN ADDITIONAL AMOUNT NOT TO EXCEED $300,000.00 FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES IN CONNECTION WITH THE PROJECT; FINDING THAT THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, it was necessary to develop engineering design services contracts for the design of water and sewer work in connection with certain governmental projects of the San Antonio Water System (the “System”); and

WHEREAS, the System’s Board of Trustees by Resolution No. 16-078, adopted April 5, 2016, awarded the 2016 Pipeline Engineering Services Work Order Contract - Package 5 to Maestas & Associates, Inc., and authorized the expenditure of $300,000.00 for engineering design services; and

WHEREAS, additional programmed Capital Improvement Program projects, as well as local and state agency projects have been identified in which additional engineering design services will be required to ensure that the System is able to meet the design and construction schedules; and

WHEREAS, since Maestas & Associates, Inc. is familiar with these types of projects it is beneficial to continue to use them to provide engineering and surveying services; and

WHEREAS, additional engineering services related to the System’s facilities are
required in connection with the project work (“additional engineering design services”); and

WHEREAS, Contract Amendment No. 1 in the amount of $300,000.00 is required to add the additional engineering design services to the original contract and to increase the contract by this amount; and

WHEREAS, System funds in an amount not to exceed $300,000.00 are required for the additional engineering design services; and

WHEREAS, an additional amount not to exceed $300,000.00 is available from the System’s Project Fund for the additional related engineering design services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 1 in an amount not to exceed $300,000.00 in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 5, (ii) to amend Resolution No. 16-078 by approving additional expenditures in an amount not to exceed $300,000.00 for additional engineering design services, (iii) to approve the expenditure of an amount not to exceed $300,000.00 from the System’s Project Fund for the additional engineering design services, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Contract Amendment No. 1 and to pay Maestas & Associates, Inc., an additional amount not to exceed $300,000.00 for additional engineering design services in connection with the project work; now, therefore:

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

1. That Contract Amendment No. 1 in an amount not to exceed $300,000.00 in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 5 is hereby approved.

2. That Resolution No. 16-078 is hereby amended by increasing the amount approved for engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 5 by $300,000.00 from the previous authorization of $300,000.00 to an amended authorization of $600,000.00.

3. That an additional amount not to exceed $300,000.00 for additional engineering design services is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Contract Amendment No. 1 and to pay Maestas & Associates, Inc., an additional amount not to exceed $300,000.00 for additional engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 5.

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 13th day of September, 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: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION OF ADDITIONAL FUNDS IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 6

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1, amends Resolution No. 16-079 by authorizing additional funds in an amount not to exceed $300,000.00 and authorizes the President/Chief Executive Officer to provide additional payment in an amount not to exceed $300,000.00 to Don Durden Inc., dba Civil Engineering Consultants, for additional engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 6.

- The San Antonio Water System (the “System”) Board of Trustees, by Resolution No. 16-079, adopted April 5, 2016, awarded an engineering contract and authorized funds in the amount of $300,000.00 payable to Don Durden Inc., dba Civil Engineering Consultants, for engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 6.

- The amendment to the contract that is the subject of the attached resolution will, if approved, authorize additional work that is required by Section V. B. Early Action Program of the Consent Decree between 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.

- In addition, these contracts are used for the design of water and sewer facility adjustments and replacements in connection with local and state agency projects. Additional local and state agency projects have been identified in which additional engineering design services will be required to ensure that the System is able to meet the design and construction schedules of upcoming projects initiated by other agencies.

- As designs for these projects are being developed, engineering and surveying services related to the System’s facilities continues to be required.

- Since Don Durden Inc., dba Civil Engineering Consultants, is familiar with these types of services, they are the preferred provider for these services.

- The additional funds authorized by the resolution will allow the System to continue with the engineering design services necessary to complete the identified projects in a timely manner.

- The additional funds will not exceed $300,000.00 and will be used to cover the costs associated with the additional engineering design services required by the Consent Decree.

The resolution is recommended for approval.

AGENDA ITEM NO. 13
projects, it is beneficial to continue to use them to provide engineering and surveying services. An additional amount not to exceed $300,000.00 will be required to supplement the funds originally approved. Contract Amendment No. 1 is required to add this work to the original contract and to increase the contract amount.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The revised authorization for this contract is as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 16-079)</td>
</tr>
<tr>
<td>Contract Amendment No. 1</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>

The new contract amount as a result of Contract Amendment No. 1 is $600,000.00. This represents a 100 percent increase to the original contract amount.

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 $25,000.00 for additional water related engineering work. The job numbers are 16-5001-000 and 16-4001-000.

The wastewater work is included in the Wastewater Core Business budget line item. The amount is $275,000.00 for additional sewer related engineering work. The job numbers are 16-5501-000 and 16-4503-000.

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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 CONTRACT AMENDMENT NO. 1 IN AN AMOUNT NOT TO EXCEED $300,000.00 IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 6; AMENDING RESOLUTION NO. 16-079 BY APPROVING ADDITIONAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $300,000.00 FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES BY DON DURDEN INC., DBA CIVIL ENGINEERING CONSULTANTS, IN CONNECTION WITH THE 2016 PIPELINE ENGINEERING SERVICES WORK ORDER CONTRACT - PACKAGE 6; APPROVING THAT AN ADDITIONAL AMOUNT NOT TO EXCEED $300,000.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE CONTRACT AMENDMENT NO. 1 AND TO PAY DON DURDEN INC., DBA CIVIL ENGINEERING CONSULTANTS, AN ADDITIONAL AMOUNT NOT TO EXCEED $300,000.00 FOR THE ADDITIONAL ENGINEERING DESIGN SERVICES IN CONNECTION WITH THE 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, it was necessary to develop engineering design services contracts for the design of water and sewer work in connection with certain governmental projects of the San Antonio Water System (the “System”); and

WHEREAS, the System’s Board of Trustees by Resolution No. 16-079, adopted April 5, 2016, awarded the 2016 Pipeline Engineering Services Work Order Contract - Package 6 to Don Durden Inc., dba Civil Engineering Consultants, and authorized the expenditure of $300,000.00 for engineering design services; and

WHEREAS, additional programmed Capital Improvement Program projects, as well as local and state agency projects have been identified in which additional engineering design services will be required to ensure that the System is able to meet the design and construction schedules; and

WHEREAS, since Don Durden Inc., dba Civil Engineering Consultants, is familiar with these types of projects it is beneficial to continue to use them to provide engineering and surveying services; and
WHEREAS, additional engineering services related to the System’s facilities are required in connection with the project work (“additional engineering design services”); and

WHEREAS, Contract Amendment No. 1 in the amount of $300,000.00 is required to add the additional engineering design services to the original contract and to increase the contract by this amount; and

WHEREAS, System funds in an amount not to exceed $300,000.00 are required for the additional engineering design services; and

WHEREAS, an additional amount not to exceed $300,000.00 is available from the System’s Project Fund for the additional related engineering design services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve Contract Amendment No. 1 in an amount not to exceed $300,000.00 in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 6, (ii) to amend Resolution No. 16-079 by approving additional expenditures in the amount not to exceed $300,000.00 for additional engineering design services, (iii) to approve the expenditure of an amount not to exceed $300,000.00 from the System’s Project Fund for the additional engineering design services, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute Contract Amendment No. 1 and to pay Don Durden Inc., dba Civil Engineering Consultants, an additional amount not to exceed $300,000.00 for additional engineering design services in connection with the project work; now, therefore:

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

1. That Contract Amendment No. 1 in an amount not to exceed $300,000.00 in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 6 is hereby approved.

2. That Resolution No. 16-079 is hereby amended by increasing the amount approved for engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 6 by $300,000.00 from the previous authorization of $300,000.00 to an amended authorization of $600,000.00.

3. That an additional amount not to exceed $300,000.00 for additional engineering design services is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute Contract Amendment No. 1 and to pay Don Durden Inc., dba Civil Engineering Consultants, an additional amount not to exceed $300,000.00 for additional engineering design services in connection with the 2016 Pipeline Engineering Services Work Order Contract - Package 6.

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 13th day of September, 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: AWARD OF CONSTRUCTION CONTRACT FOR THE CAMP BULLIS ROAD 12-INCH WATER MAIN PROJECT

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $390,000.00 to Benchmark Utility Contractors, Inc., a local, SBE firm, in connection with the Camp Bullis Road 12-inch Water Main Project (the “project”).

- The 2016 Capital Improvement Program includes the construction of the project located west of the Camp Bullis Military Reservation along Camp Bullis Road, east of IH-10 and south of the Dominion in the northwest side of San Antonio.

- On October 6, 2015, San Antonio Water System (the “System”) Board of Trustees authorized Resolution No. 15-234, in support of a plan to partner with various entities to support the development of water services to military installations under Joint Base San Antonio (JBSA) that would ensure redundancy and future reliable water service.

- The System will install approximately 1,600 linear feet of 12-inch water main, bore and casing, water main tie-ins, fire hydrants, air release valves, one complete 8-inch meter and vault assembly, and other water related appurtenances.

- JBSA will build infrastructure to connect to our supply, and the System will begin service as their primary source of water, ending concerns about the current Trinity Aquifer supply, and securing the water future for this military installation.

- Bids for the construction of this project have been solicited and Benchmark Utility Contractors, Inc., has submitted a low responsible bid of $390,000.00.

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

The Project Fund will finance this expenditure included in the 2016 Capital Improvements Program, Water Delivery, Mains - New Category, Camp Bullis Road 12-inch Water Main Project. The amount is $390,000.00 under job number 16-7002.

SUPPLEMENTARY COMMENTS:

System staff prepared the specifications for this project. The engineer’s estimated construction cost was $530,000.00.

Bids were opened on July 25, 2016, at 10:00 a.m. The following list tabulates the bids that were submitted.

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benchmark Utility Contractors, Inc.*</td>
<td>$390,000.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Atlas Construction, Inc.</td>
<td>$457,000.00</td>
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<td>Harper Brothers Construction, LLC</td>
<td>$488,750.00</td>
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<tr>
<td>*Engineer’s Estimate</td>
<td>$530,000.00</td>
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<td>R.L. Jones, L.P.</td>
<td>$563,000.00</td>
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<tr>
<td>D. Plata Construction Co., LLC</td>
<td>$580,497.00</td>
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<td>Rockin Q Construction</td>
<td>$595,000.00</td>
<td>Non–Local/WBE–Caucasian</td>
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<tr>
<td>Veritas Management Company, LLC dba Black Castle General Contractor</td>
<td>$628,600.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil-Field Services Co., Inc.</td>
<td>$699,000.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Wauters Engineering, LLC</td>
<td>$799,291.14</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

*Low Responsible Bidder

The contract allows 90 calendar days for the completion of the work.

The bid amount represents a 36 percent decrease from the estimated construction cost.

Benchmark Utility Contractors Inc., has proposed to subcontract 7.69 percent of the work to SMWB firms.
Camp Bullis Road 12-inch Water Main Project

BENCHMARK UTILITY CONTRACTORS, INC.

<table>
<thead>
<tr>
<th>SBE</th>
<th>63.08%</th>
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</thead>
<tbody>
<tr>
<td>MBE – African American</td>
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</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
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<tr>
<td>MBE – Hispanic</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Other</td>
<td>0.00%</td>
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<tr>
<td>WBE – Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWB Total</td>
<td>63.08%</td>
</tr>
</tbody>
</table>

Vice President
Engineering and Construction

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

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
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

LEGEND

PROJECT LIMITS

CAMP BULLIS 12-INCH
WATER MAIN PROJECT
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF BENCHMARK UTILITY CONTRACTORS, INC., IN THE AMOUNT OF $390,000.00 FOR THE CONSTRUCTION OF THE CAMP BULLIS ROAD 12-INCH WATER MAIN PROJECT; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $390,000.00 TO BENCHMARK UTILITY CONTRACTORS, INC., AUTHORIZING AND MAKING AVAILABLE THE EXPENDITURE OF FUNDS FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH BENCHMARK UTILITY CONTRACTORS, INC., AND TO PAY BENCHMARK UTILITY CONTRACTORS, INC., AN AMOUNT NOT TO EXCEED $390,000.00 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 Camp Bullis Road 12-inch Water Main project located west of Camp Bullis Military Reservation along Camp Bullis Road, east of IH-10 and south of the Dominion in the northwest side of San Antonio; and

WHEREAS, on October 6, 2015, San Antonio Water System (the “System”) Board of Trustees authorized Resolution No. 15-234, in support of a plan to partner with various entities to support the development of water services to military installations under Joint Base San Antonio (JBSA) that would ensure redundancy and future reliable water service; and

WHEREAS, the System will install approximately 1,600 linear feet of 12-inch water main, bore and case, water main tie-in, fire hydrants, air release valves, one complete 8-inch meter and vault assembly, and other water related appurtenances; and

WHEREAS, JBSA will build infrastructure to connect to our supply, and the System will begin service as their primary source of water, ending concerns about the current Trinity Aquifer supply, and securing the water future for this military installation; and

WHEREAS, the System has solicited for the project work; and

WHEREAS, Benchmark Utility Contractors, Inc., a local, SBE firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $390,000.00 for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Benchmark Utility Contractors, Inc., in the amount of $390,000.00 for the project work in connection with the Camp Bullis 12-inch Main Project, (ii) to award a construction contract to Benchmark Utility Contractors, Inc., in the amount of $390,000.00 for the project work, (iii) to approve an expenditure and make available an amount not to exceed $390,000.00 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 Benchmark Utility Contractors, Inc., and to pay Benchmark Utility Contractors, Inc., an amount not to exceed $390,000.00 for the project work; now, therefore:

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

1. That the bid of Benchmark Utility Contractors, Inc., in the amount of $390,000.00 for the project work in connection with the Camp Bullis 12-inch Water Main Project is hereby accepted.

2. That a construction contract in the amount of $390,000.00 for the project work is hereby awarded to Benchmark Utility Contractors, Inc.

3. That a sum not to exceed $390,000.00 for the project work is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard contract for general construction with Benchmark Utility Contractors, Inc., for the project work and to pay Benchmark Utility Contractors, Inc., the amount of $390,000.00 for the project work in connection with the Camp Bullis Road 12-inch Water Main 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 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 13th day of September, 2016.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

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: AWARD OF CONSTRUCTION CONTRACT FOR THE STEVENS RANCH TANK REPLACEMENT PROJECT

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $1,580,351.00 to Vertitas Management Company, LLC dba Black Castle General Contractor, a local, SBE firm, in connection with the Stevens Ranch Tank Replacement Project (the “project”).

- The 2016 Capital Improvement Program includes the construction of the project located in the Stevens Ranch Subdivision in west Bexar County.

- The existing one million gallon Stevens Ranch ground storage steel tank is in poor condition and needs to be replaced in order to comply with the Texas Commission on Environmental Quality requirements.

- Work at the Stevens Ranch tank site will consist of the installation of a new one million gallon concrete ground storage tank, demolition of the existing one million gallon bolted steel ground storage tank, provide new yard piping, Supervisory Control and Data Acquisition System upgrades, drainage structures, electrical, and site lighting.

- Black Castle General Contractor has submitted the low responsible bid of $1,580,351.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the 2016 Capital Improvement Program. This project is included in the Water Delivery Core Business, Production Category, Stevens Ranch Ground Storage Tank Replacement project. The total amount is $1,580,351.00 under job number 15-6104.
SUPPLEMENTARY COMMENTS:

System staff prepared the specifications for this project. The engineer’s estimated construction cost was $1,650,000.00

A bid opening was held on August 2, 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>Vertitas Management Company, LLC dba Black Castle General Contractor*</td>
<td>$1,580,351.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,650,000.00</td>
<td></td>
</tr>
<tr>
<td>Associated Construction Partners, Ltd.</td>
<td>$1,891,000.00</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Payton Construction, Inc.</td>
<td>$1,949,000.00</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>Archer Western Construction, LLC</td>
<td>$2,046,000.00</td>
<td>Local/Non–SMWB</td>
</tr>
</tbody>
</table>

*Low Responsible Bidder

The contract allows 300 calendar days for the completion of the work.

The bid amount represents a 4.22 percent decrease from the estimated construction cost.
Award of Construction Contract  
Stevens Ranch Tank Replacement Project  

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

 APPROVED:  

Robert R. Puente  
President/Chief Executive Officer  

Attachments:  
1. Project Area Map  
2. Project Site Map  

Genoveva G. Gomez, P.E.  
Vice President  
Engineering and Construction
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

LEGEND
■ PROJECT LIMITS

STEVENS RANCH TANK REPLACEMENT PROJECT
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF BLACK CASTLE GENERAL CONTRACTOR IN THE AMOUNT OF $1,580,351.00 IN CONNECTION WITH THE STEVENS RANCH TANK REPLACEMENT PROJECT; AWARDING A CONTRACT TO BLACK CASTLE GENERAL CONTRACTOR IN THE AMOUNT OF $1,580,351.00 FOR THE PROJECT WORK; APPROVING EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,580,351.00 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 BLACK CASTLE GENERAL CONTRACTOR AND TO PAY BLACK CASTLE GENERAL CONTRACTOR AN AMOUNT NOT TO EXCEED $1,580,351.00 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 Stevens Ranch Tank Replacement Project located in the Stevens Ranch Subdivision in west Bexar County; and

WHEREAS, the existing one million gallon Stevens Ranch ground storage steel tank is in poor condition and needs to be replaced in order to comply with the Texas Commission on Environmental Quality requirements; and

WHEREAS, work at the Stevens Ranch tank site will consist of the installation of a new one million gallon concrete ground storage tank, demolition of the existing one million gallon bolted steel ground storage tank, provide new yard piping, Supervisory Control and Data Acquisition System upgrades, drainage structures, electrical, and site lighting; and

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

WHEREAS, Vertitas Management Company, LLC dba Black Castle General Contractor, a local, SBE firm, is declared the lowest responsible bidder and has submitted the low responsible bid of $1,580,351.00 for the project work; and
WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to accept the bid of Black Castle General Contractor in the amount of $1,580,351.00 for the project work in connection with the Stevens Ranch Tank Replacement Project, (ii) to award a construction contract to Black Castle General Contractor in the amount of $1,580,351.00 for the project work, (iii) to approve a total expenditure and make available an amount not to exceed $1,580,351.00 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 Black Castle General Contractor, and to pay Black Castle General Contractor an amount not to exceed $1,580,351.00 for the project work; now, therefore:

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

1. That the bid of Vertitas Management Company, LLC dba Black Castle General Contractor in the amount of $1,580,351.00 for the project work in connection with the Stevens Ranch Tank Replacement Project is hereby accepted.

2. That a construction contract in the amount of $1,580,351.00 for the project work is hereby awarded to Vertitas Management Company, LLC dba Black Castle General Contractor.

3. That a total sum not to exceed $1,580,351.00 for the project work is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard contract for general construction with Vertitas Management Company, LLC dba Black Castle General Contractor and to pay to Vertitas Management Company, LLC dba Black Castle General Contractor the amount not exceed $1,580,351.00 for the project work in connection with the Stevens Ranch 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 ineffectual.
7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 13th day of September, 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 DOWNTOWN STREETS: MAIN AND SOLEDAD FROM COMMERCE TO PECAN PROJECT

Board Action Date: September 13, 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 $1,782,021.15 for the joint construction of water and sewer facility replacements in connection with the Downtown Streets: Main and Soledad from Commerce to Pecan Project. This project is located in Council District 1.

- This project is a City 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 $9,561,830.31.

- Due to the street and drainage improvements within the Downtown Streets: Main and Soledad from Commerce to Pecan Project, the existing water mains constructed from 1964 to 1992 require replacement to meet current San Antonio Water System (the “System”) standards.

- The existing sewer mains within the project limits, constructed between 1900 and 2011, require replacement to meet current System standards.

- The water work will consist of the replacement of approximately 1,858 feet of 8-inch through 12-inch water main.

- The sewer work will consist of the replacement of approximately 1,207 feet of 8-inch sewer main.

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 $943,204.20 for water work. The job number is 12-5102-000.

The sewer work is included in the Wastewater Core Business, Governmental - Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $838,816.95 for sewer work. The job number is 12-5602-000.

SUPPLEMENTARY COMMENTS:

The City received three bids for this project on July 19, 2016. The lowest qualified, responsive bidder for this project is E-Z Bel Construction, LLC, a local, minority contractor. City Council approved the construction contract on September 1, 2016 and construction is expected to begin October 2016. Time allowed for total construction is 390 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 the 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

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

DOWNTOWN STREETS: MAIN AND SOLEDAD
FROM COMMERCE TO PECAN

LEGEND
★ PROJECT SITE
EDWARDS AQUIFER RECHARGE ZONE
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $1,782,021.15 FOR THE REPLACEMENT OF WATER AND SEWER FACILITIES BY THE CITY OF SAN ANTONIO IN CONNECTION WITH THE DOWNTOWN STREETS: MAIN AND SOLEDAD FROM COMMERCE TO PECAN PROJECT; APPROVING AN AMOUNT NOT TO EXCEED $1,782,021.15 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 AN AMOUNT NOT TO EXCEED $1,782,021.15 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 Downtown Streets: Main and Soledad from Commerce to Pecan Project as part of its Capital Improvement Program; and

WHEREAS, the City’s Downtown Streets: Main and Soledad from Commerce to Pecan Project will require the 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 1,858 feet of 8-inch through 12-inch water mains, and the replacement of approximately 1,207 feet of 8-inch sewer mains; and

WHEREAS, the City has received a bid for the project work from E-Z Bel Construction, LLC, and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $1,782,021.15 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 $1,782,021.15 for the replacement of water and sewer facilities by the City of San Antonio in connection with the Downtown Streets: Main and Soledad from Commerce to Pecan Project, (ii) to approve and make available an amount not to exceed $1,782,021.15 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 $1,782,021.15 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 $1,782,021.15 for the replacement of water
and sewer facilities by the City in connection with the Downtown Streets: Main and Soledad from
Commerce to Pecan Project is hereby approved.

2. That a sum not to exceed $1,782,021.15 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 $1,782,021.15 for the replacement of water
and sewer facilities by the City in connection with the Downtown Streets: Main and Soledad from
Commerce to Pecan 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 13th day of September, 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: APPROVING AN INTERLOCAL AGREEMENT AND AUTHORIZING EXPENDITURES TO THE CITY OF BALCONES HEIGHTS IN CONNECTION WITH THE LEISURE DRIVE RECONSTRUCTION – PHASE I PROJECT

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the President/Chief Executive Officer to execute an Interlocal Agreement with the City of Balcones Heights (the “City”) and authorizes expenditures to the City in an amount not to exceed $86,577.67 for the joint construction of water facility replacements in connection with the Leisure Drive Reconstruction – Phase I Project.

- The City proposes to construct street and sewer improvements in the area illustrated on the attached maps. The City’s improvement work is estimated to cost $289,438.00.

- Due to the street improvements of the Leisure Drive Reconstruction – Phase I Project, the existing water mains installed in 1964 require replacement to meet current San Antonio Water System (the “System”) standards.

- The existing sewer mains that were constructed between 1954 through 1962 are maintained by the City and will be replaced per the City’s current standards.

- The water replacement work will consist of approximately 600 feet of 8-inch main.

- The City approved the bid of San Antonio Constructors, Ltd. for construction of this project on August 22, 2016 as the low bid contractor. As part of the joint bidding, advanced approval for funding and for the execution of an Interlocal Agreement is required by the City prior to issuing a notice to proceed on construction.

- Funds, as determined by the amount bid, will be transferred to the City 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 the City of Balcones Heights for the
Leisure Drive Reconstruction – Phase I 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 $86,577.67 for water work. The job number is 16-5009-000.

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 SITE MAP
ATTACHMENT II

LEISURE DRIVE RECONSTRUCTION
PROJECT - PHASE I

LEGEND
PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF BALCONES HEIGHTS AND AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE THE INTERLOCAL AGREEMENT FOR THE REPLACEMENT OF WATER FACILITIES BY THE CITY OF BALCONES HEIGHTS IN CONNECTION WITH THE LEISURE DRIVE RECONSTRUCTION – PHASE I PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $86,577.67 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 Balcones Heights (the “City”) proposes to construct the Leisure Drive Reconstruction – Phase I Project; and

WHEREAS, the Leisure Drive Reconstruction – Phase I Project will require the replacement of certain water facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the project work will consist of water replacement work of approximately 600 feet of 8-inch water main; and

WHEREAS, the City has requested that the System execute an Interlocal Agreement and pay for the System’s share of the project work costs; and

WHEREAS, System funds in an amount not to exceed $86,577.67 are required for the project work; and

WHEREAS, the amount of $86,577.67 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 City for the replacement of water facilities by the City in connection with the Leisure Drive Reconstruction – Phase I 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 an amount not to exceed $86,577.67 for the System’s share of the project work; now, therefore:
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That an Interlocal Agreement with the City of Balcones Heights 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 City in connection with the Leisure Drive Reconstruction – Phase I Project.

2. That the expenditure of funds in an amount of $86,577.67 for the replacement of water facilities by the City in connection with the Leisure Drive Reconstruction – Phase I 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 the 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 13th day of September, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary

Attachment 1 – Interlocal Agreement
STATE OF TEXAS

COUNTY OF BEXAR

INTERLOCAL AGREEMENT

This Interlocal Agreement is made and entered into this _____ day of ____________, 2016, by and between the CITY OF BALCONES HEIGHTS, a political subdivision of the State of Texas ("CITY"), 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 CITY’s improvement of the Leisure Drive Reconstruction – Phase I Project (the “Project”) by including certain necessary SAWS replacements in CITY’s Specifications for the Project, thus assuring the coordination of CITY’s road improvement with SAWS’s adjustments and installations.

SERVICES

2.01 CITY agrees to include in the City of Balcones Heights Public Works Specifications for the Project the plans and specifications for SAWS Water Job No. 16-5009 which SAWS prepared and delivered to CITY and is incorporated by reference herein, and to contract for the performance of SAWS Water Job No. 16-5009 (the “SAWS Work”).

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

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

2.04 CITY 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 Within three (3) weeks of the approval and appropriation of funds by the SAWS’ Board of Trustees, SAWS shall conditionally deliver to CITY good and sufficient funds (the “Funds”) for the bid amount and shall have provided two signed copies of this Interlocal Agreement to the CITY. CITY will return one fully executed original to SAWS. Any and all control and/or beneficial use of the funds by the CITY pursuant to the delivery of the Funds by SAWS, will be contingent on SAWS receiving a fully executed original of this Interlocal Agreement from the CITY.
3.02 For materials and construction used in the SAWS Work, SAWS agrees to pay to CITY the amount of Eighty-Six Thousand, Five Hundred Seventy-Seven Dollars and Sixty-Seven Cents ($86,577.67), receipt of which is hereby acknowledged.

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

(a) **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’s staff or SAWS’s Consultant shall prepare the change order. If CITY 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 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’s deliberative process be allowed to jeopardize CITY’s timely completion of CITY’s Project, as determined by CITY. 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. If a change order results in total costs exceeding the amount stated in §3.02, CITY will send copies of invoices covering the additional amounts authorized by a change order approved by SAWS staff, and SAWS shall pay CITY 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 CITY agrees to refund the overpayment to SAWS within 15 days of determination of same.

**SAWS’ RESPONSIBILITY**

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

**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 and venue for all disputes shall be exclusively in Bexar County.
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 CITY’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 CITY, which consent may be withheld if CITY 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, CITY 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 CITY agrees to include SAWS in the list of parties being indemnified by the CITY 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 CITY for SAWS Work, City shall include provisions reflecting:

(a) With regard to insurance coverage during the construction phase of the Project, CITY shall require all consultants, contractors, subcontractors and suppliers to maintain insurance coverage limits that are sufficient to compensate CITY 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 CITY as an additional insured. CITY shall provide SAWS’s 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’s Risk Manager based upon changes in statutory law or court decisions. CITY will not allow any modifications to the insurance coverage through which SAWS may incur increased risks.
(b) CITY 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 CITY and SAWS.

(c) CITY 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, CITY shall determine whether to require performance bonds.

**MISCELLANEOUS PROVISIONS**

13.01 Records Retention and Review. The Parties are required to maintain all records relating to this Agreement and the Project as required by law, but not less than a period of three (3) years upon the acceptance of final completion of the Project. Each Party shall have the right to examine such records of the other Party during normal business hours. Such right shall survive the expiration of the term or earlier termination of this Agreement.

13.02 Assignment and Binding Effect. No assignment of this Agreement in whole or in part for any purpose shall be made by either Party without prior written consent of the other Party. This Agreement shall be binding upon and inure to the benefit of the successors and permitted and assigns of the Parties.

13.03 Notices. All written notices required by the terms of this Agreement shall be in writing and deposited in the United States mail addressed to each Party at the address set forth below:

If to City:

City of Balcones Heights  
Suzanne de Leon, Mayor  
3300 Hillcrest Drive  
Balcones Heights, Texas 78211

If to SAWS:

San Antonio Water System  
Robert R. Puente, President/Chief Executive Officer  
P.O. Box 2449  
San Antonio, Texas 78298-2449

13.04 Interpretation of Agreement. This Agreement or any portion thereof shall not be interpreted by a court of law to the detriment of a Party based solely upon a Party’s authorship of the Agreement or any portion thereof.

13.05 Authority to Contract. The undersigned City Manager acting on behalf of City hereby affirms that it has the authority to enter into this Agreement pursuant to a duly adopted Resolution, and he has the authority to execute this Agreement. The undersigned President/Chief Executive Officer of
SAWS hereby affirms that it has the authority to enter into this Agreement pursuant to a duly adopted resolution of its Board of Trustees and that he has the authority to execute this Agreement.

13.06 Effective Date. The effective date of this Agreement shall be the later date in time of the signatory dates set out below.

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

SAN ANTONIO WATER SYSTEM

By: __________________________________
    Robert R. Puente
    President and CEO

Date: __________________________________

CITY OF BALCONES HEIGHTS

By: __________________________________
    Suzanne de Leon
    Mayor

Date: __________________________________

ACKNOWLEDGEMENTS ON NEXT PAGE
ACKNOWLEDGEMENTS

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on the _____ day of ______________, 2016 by Robert R. Puente, President and CEO of the San Antonio Water System, a Texas municipal corporation, on behalf of said corporation.

______________________________
NOTARY PUBLIC

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on the _____ day of ______________, 2016 by Suzanne de Leon, Mayor of the City of Balcones Heights, a general law, type A municipality and political subdivision of the State of Texas, on behalf of said corporation.

______________________________
NOTARY PUBLIC
AGENDA ITEM NO. __18__

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 LIFT STATION ELIMINATION PHASE 3 PROJECT

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the purchase of a permanent sewer line easement and temporary construction easement (the “Easements”) containing approximately 0.266 acres for the permanent easement, and 0.275 acres for the temporary construction easement, for the Lift Station Elimination Phase 3 Project (the “Project”). It also authorizes the expenditure of $86,493.00 for the Easements.

- The Project that is the subject of the attached resolution will, if approved, authorize work that is required by Section V. B- Early Action 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.

- The Project was identified in the Comprehensive Wastewater Master Plan developed by SAWS Master Planning Division. Elimination of the existing lift stations will reduce operating and maintenance costs and eliminate unsustainable equipment.

- This Project will consist of the elimination of Lift Station #182, Copperfield, located on Copperfield Road and will be eliminated by constructing approximately 800 linear feet of 8-inch diameter gravity sewer main from Copperfield Road in an easement to Wiseman Blvd. The estimated construction cost for this project is $175,000.00

- SAWS requires the acquisition of the Easements located along Wiseman Blvd., Bexar County, Texas for the construction of the Project.

- The property on which the Easements are located is owned by Wise Ellis Associates, LLC a Nevada limited liability company (the “Owner”).

- SAWS initial offer of $86,493.00 was based on an appraisal dated February 11, 2016. SAWS and the Owner have agreed on the purchase amount of $86,493.00 for the Easements.
Authorization to Purchase Easements for the Lift Station Elimination Phase 3 Project

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The design for this project was initially budgeted in the 2010 Wastewater Core Business, Collection R&R Category. The funding for the acquisition of the Easements will come from the 2016 Capital Improvement Program, Wastewater Core Business, Collection R&R Category.

The total amount is $86,493.00 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
SAN ANTONIO WATER SYSTEM
PROJECT SITE MAP
ATTACHMENT II

LIFT STATION ELIMINATION
PROJECT PHASE 3
COPPERFIELD LIFT STATION #182

LEGEND
- PROJECT LIMITS
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 WISE ELLIS ASSOCIATES, LLC A NEVADA LIMITED LIABILITY COMPANY, BEING APPROXIMATELY 0.266 ACRES FOR THE PERMANENT EASEMENT, AND 0.275 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 LIFT STATION ELIMINATION PHASE 3 PROJECT IN A TOTAL AMOUNT NOT TO EXCEED $86,493.00; 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 Lift Station Elimination Phase 3 Project; and

WHEREAS, the property on which the Easements are located is owned by Wise Ellis Associates, LLC a Nevada limited liability company (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 $86,493.00; and

WHEREAS, funds in the amount not to exceed $86,493.00 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 Lift Station Elimination Phase 3 Project as herein described, and (ii) authorize the expenditure of funds in an amount not to exceed $86,493.00 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 and II, for the Lift Station Elimination Phase 3 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 $86,493.00 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 $86,493.00 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 13th day of September, 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, Wise Ellis Associates, LLC a Nevada limited liability company, 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 a metes and bounds description of a 0.266 acre (11,602 sq. ft.) tract of land situated in San Antonio, Bexar County, Texas, out of a 5.242 acre tract recorded in Volume 16355, Page 1517 of the Official Public Records of Real Property, Bexar County, Texas, said 0.266 of an acre bring out of the Thomas York Survey No. 201 ½, abstract No. 94, County Block 4400, NCB 14915, 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 5th day of August, 2016

Grantor:

Wise Ellis Associates, LLC, a Nevada limited liability company

By: ____________________________

Mark Milakovich

Print Name

Manager

Title

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on this 5th day of August, 2016, by Mark Milakovich (name), Manager (title), Wise Ellis Associates, LLC, a Nevada limited liability company, on behalf said company.

________________________________________

Kevin Lelor

Notary Public
SAWS Job No. 10-2504  
Parcel: P15-228  
Project: Lift Station Elimination Phase 3  
Owner: Wise Ellis Assoc. LLC.

FIELD NOTES  
for an 0.266 of an acre (11,602 sq. ft.)  
Permanent Sanitary Sewer Easement

A metes and bounds description of a 0.266 of an acre (11,602 sq. ft.) tract of land situated in the City of San Antonio, Bexar County, Texas, out of a 5.242 acre tract recorded in Volume 16355, Page 1517, of the Official Public Records of Real Property of Bexar County, Texas said 0.266 of an acre being out of the Thomas York Survey No. 201 1/2, Abstract No. 94, County Block 4400, NCB 14915:

BEGINNING at an iron pin found for the most northerly corner of Lot 32, Block 7, Oak Creek Community-unit 1 as recorded in Volume 7600, Page 230, of the Bexar County Plat Records and an angle point of said 5.242 acre tract;

Thence S 43° 55' 30" W, 20.01 feet, along the northwest line of said Lot 32, Block 7 and along a southeast line of said 5.242 acre tract to a point for the south corner of the herein described tract;

Thence N 44° 18' 55" W, 398.39 feet, along the west line of the herein described tract, crossing said 5.242 acre tract to the northwest corner of the herein described tract, said corner also being a point along the northwest line of said 5.242 acre tract and a point along the southeast right-of-way line of Wiseman Blvd, a 110 foot right-of-way recorded in Volume 9517, Page 64, of the Deed and Plat Records of Bexar County, Texas;

Thence N 45° 41' 05" E, 202.01 feet, along the northwest line of the herein described tract, along the northwest line of said 5.242 acre tract and along the southeast right-of-way of Wiseman Blvd. to the most northerly corner of the herein described tract;

Thence crossing said 5.242 acre tract as follows:
  S 44° 18' 55" E, 20.00 feet, to a point,
  S 45° 41' 05" W, 182.01 feet, to a point,
  S 44° 18' 55" E, 377.77 feet, to the point of beginning and containing
0.266 of an acres (11,602 sq. ft.) of land according to a survey conducted on the
ground by Bain Medina Bain, Inc.

Victor M. Mendez, Jr., R.P.L.S. #6056  
Project: C-1414_03S

A corresponding survey plat of even date herein accompanies this metes & bounds  
All set iron pins are ½ inch rebar with an orange plastic cap stamped Bain Medina Bain.  
All bearings are based on NAD 83 State Plane Coordinates, Texas, South Central Zone  
Copyright 2016. BAIN MEDINA BAIN, INC.
SURVEY PLAT OF A 0.266 OF AN ACRE (11,602 SQ.FT.) TRACT OF LAND Situated in the City of San Antonio, Bexar County, Texas, Out of a 5.242 ACRE TRACT Recorded in Volume 16355, Page 1517, of the Official Public Records of Real Property of Bexar County, Texas Said 0.266 OF AN ACRE BEING OUT OF THE THOMAS YORK SURVEY NO. 2011, ABSTRACT NO. 94, COUNTY BLOCK 4400, NCB 14915

BAIN MEDINA BAIN, INC.
ENGINEERS & SURVEYORS
7073 San Pedro Avenue
San Antonio, Texas 78216
210/494-7223

COPYRIGHT 2016. BAIN MEDINA BAIN, INC.

STATE OF TEXAS
COUNTY
THIS SURVEY PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION, AND THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE PROFESSIONAL AND TECHNICAL STANDARDS ADOPTED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYORS.

THIS 22ND DAY OF JUNE, 2016 A.D.

REGISTERED PROFESSIONAL LAND SURVEYOR
JOB NO.: S-5310

A METES AND BOUNDS DESCRIPTION OF EVEN DATE HERETO ACCOMPANIES THIS SURVEY PLAT.
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 §

§ KNOW ALL MEN BY THESE PRESENTS

COUNTY OF BEXAR §

THAT, Wise Ellis Associates, LLC a Nevada limited liability company, 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 a metes and bounds description of a 0.275 acre (11,965 sq. ft.) tract of land situated in San Antonio, Bexar County, Texas, out of a 5.242 acre tract recorded in Volume 16355, Page 1517 of the Official Public Records of Real Property, Bexar County, Texas, said 0.266 of an acre bring out of the Thomas York Survey No. 201 ½, abstract No. 94, County Block 4400, NCB 14915, 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 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 effective this 5th day of August, 2016.

Grantor:

Wise Ellis Associates, LLC, a Nevada limited liability company

By: ____________________________
   Mark Milakovich

Print Name
   Manager

Title

STATE OF TEXAS $

COUNTY OF BEXAR $

This instrument was acknowledged before me on this 5th day of August, 2016, by Mark Milakovich (name), Manager (title), Wise Ellis Associates, LLC, a Nevada limited liability company, on behalf said company.

Keven Barber
Notary Public
SAWS Job No. 10-2504  
Parcel: P15-228T  
Project: Lift Station Elimination Phase 3  
Owner: Wise Ellis Assoc. LLC.

FIELD NOTES  
for an 0.275 of an acre (11,965 sq. ft.)  
Temporary Construction Easement

A metes and bounds description of a 0.275 of an acre (11,965 sq. ft.) tract of land situated in the City of San Antonio, Bexar County, Texas, out of a 5.242 acre tract recorded in Volume 16355, Page 1517, of the Official Public Records of Real Property of Bexar County, Texas said 0.266 of an acre being out of the Thomas York Survey No. 201 1/2, Abstract No. 94, County Block 4400, NCB 14915:

BEGINNING at a point in the southeast line of said 5.242 acre tract and the northwest line of Lot 32, Block 7, Oak Creek Community-unit 1 as recorded in Volume 7600, Page 230, of the Bexar County Plat Records for the east corner of the herein described tract from which an iron pin found for the most northerly corner of said Lot 32, Block 7, and an angle point of said 5.242 acre tract, bears N 43°55'30" E, 20.01 feet;

Thence S 43° 55' 30" W, 30.01 feet, along the northwest line of said Lot 32, Block 7 and along a southeast line of said 5.242 acre tract to a point for the south corner of the herein described tract;

Thence N 44° 18' 55" W, 399.31 feet, along the west line of the herein described tract, crossing said 5.242 acre tract to the northwest corner of the herein described tract, said corner also being a point along the northwest line of said 5.242 acre tract and a point along the southeast right-of-way line of Wiseman Blvd, a 110 foot right-of-way recorded in Volume 9517, Page 64, of the Deed and Plat Records of Bexar County, Texas;

Thence N 45° 41' 05" E, 303.00 feet, along the northwest line of the herein described tract, along the northwest line of said 5.242 acre tract and along the southeast right-of-way of Wiseman Blvd. to a point for the most northerly corner of the herein described tract;

Thence S 44° 18' 55" E, 398.39 feet crossing said 5.242 acre tract to the point of beginning and containing 0.275 of an acre (11,965 sq. ft.) of land according to a survey conducted on the ground by Bain Medina Bain, Inc.

Victor M. Mendez, Jr., R.P.L.S. #6056  
Project: C-1414_03S

A corresponding survey plat of even date herein accompanies this metes & bounds.  
All set iron pins are ¼ inch rebar with an orange plastic cap stamped Bain Medina Bain.  
All bearings are based on NAD 83 State Plane Coordinates, Texas, South Central Zone.  
Copyright 2016.  BAIN MEDINA BAIN, INC.
SURVEY PLAT OF A 0.275 OF AN ACRE (11,965 SQ.FT.) TRACT OF LAND SITUATED IN THE CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS, OUT OF A 5.242 ACRE TRACT RECORDED IN VOLUME 16335, PAGE 1517, OF THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY OF BEXAR COUNTY, TEXAS SAID 0.266 OF AN ACRE BEING OUT OF THE THOMAS YORK SURVEY NO. 2014, ABSTRACT NO. 94, COUNTY BLOCK 4400, NCB 14915

STATE OF TEXAS
COUNTY
THIS SURVEY PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION, AND THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE PROFESSIONAL AND TECHNICAL STANDARDS ADOPTED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYORS.

THIS 22ND DAY OF JUNE, 2016 A.D.

A METES AND BOUNDS DESCRIPTION OF EVEN DATE HEREWITH ACCOMPLIES THIS SURVEY PLAT.
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 ANNUAL SANITARY SEWER MANHOLE ADJUSTMENT, REHABILITATION AND REPLACEMENT CONSTRUCTION CONTRACT, PACKAGE 5

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $978,065.00 to Facilities Rehabilitation, Inc., a non-local, MBE-Hispanic firm, in connection with the 2016 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 5.

- The San Antonio Water System (SAWS) is required under the Consent Decree to inspect small diameter gravity mains that are clay pipe installed prior to 1983, all small diameter concrete mains, and all large diameter mains over a period not to exceed four years using closed circuit television or pole cameras. SAWS is also required to visually inspect all other mains and clean all mains over a 10-year period.

- Inherent with such a program, there are occasions when numerous manholes require adjustment in order to access the mains for cleaning and inspection.

- This contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary manhole adjustments, rehabilitation, and replacement.

- The contract will allow for work orders to be issued for the adjustments, rehabilitation, and replacements. The work orders will be issued and managed by SAWS Distribution and Collection staff, and will be charged against the contract as the work orders are executed.

- The standard construction bidding process was used for this contract.

- Facilities Rehabilitation, Inc. has submitted the low bid of $978,065.00.

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 $978,065.00 for contract services (Company: 1000; Accounting Unit: 5044500; Account: 511220). The SAWS job number for the replacement of any manholes is 16-1403 (CIP). The SAWS job number for all other work is 16-0118 (O&M).

Funds for these contract services to be provided during FY 2017 and FY 2018 will be paid from System funds budgeted in the 2017 and 2018 budgets, pursuant to and contingent upon Board approval of the 2017 and 2018 budgets with a line item for such expenditures (Company 1000; Accounting Unit: 5044500; Account 511220).

SUPPLEMENTARY COMMENTS:

SAWS Sewer System Improvements Department staff prepared the specifications for this project. The engineer’s estimated construction cost is $1,000,000.00.

The bid opening was held on August 10, 2016 at 2:00 p.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities Rehabilitation, Inc.*</td>
<td>$978,065.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>D. Guerra Construction, LLC</td>
<td>$980,337.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,000,000.00</td>
<td></td>
</tr>
<tr>
<td>Guerra Underground, LLC</td>
<td>$1,046,519.00</td>
<td>Non-Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil Field Services Co., Inc.</td>
<td>$1,172,452.00</td>
<td>Local/MBE-Hispanic</td>
</tr>
</tbody>
</table>

*Low Responsible Bidder

2016 Annual Sanitary Sewer Manhole Adjustments, Rehabilitation and Replacement Construction Contract, Package 5

FACILITIES REHABILITATION, INC.

SMWB ANALYSIS – BOARD AWARD

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>SBE</td>
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</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>100.00%</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>SMWB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
The bid amount represents a 2.2% decrease from the estimated construction cost.

The construction contract will remain in full force for a period of 730 calendar days from the Notice to Proceed date or until funds are exhausted from the contract.

Tamsen R. McNarle  
Director, Operations Support

Jeffrey J. Hady, 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 $978,065.00 IN CONNECTION WITH THE 2016 ANNUAL SANITARY SEWER MANHOLE ADJUSTMENT, REHABILITATION AND REPLACEMENT CONSTRUCTION CONTRACT, PACKAGE 5; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $978,065.00 TO FACILITIES REHABILITATION, INC. IN CONNECTION WITH THE 2016 ANNUAL SANITARY SEWER MANHOLE ADJUSTMENT, REHABILITATION AND REPLACEMENT CONSTRUCTION CONTRACT, PACKAGE 5; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $978,065.00 FOR THE PROJECT WORK, AND THAT THE SUBSEQUENT YEARS’ EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE 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 FACILITIES REHABILITATION, INC. AND TO PAY FACILITIES REHABILITATION, INC. THE AMOUNT OF $978,065.00 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, San Antonio Water System (the “System”) is required under the Consent Decree to inspect small diameter gravity mains that are clay pipe installed prior to 1983, all small diameter concrete mains, and all large diameter mains over a period not to exceed four years from the date of lodging of the Consent Decree using closed circuit television or pole cameras; and

WHEREAS, the System requires construction services to perform the necessary manhole adjustments, rehabilitation, and replacement (the "project work") related to the wastewater collection system maintenance program; and

WHEREAS, this contract will supplement the Distribution and Collection Operations Group with outsourced construction services to perform the necessary manhole adjustments, rehabilitation, and repair work; 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 $978,065.00 for the project work, and this bid has been determined to be the lowest responsible bid; and

WHEREAS, the total amount of $978,065.00 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 $978,065.00 in connection with the 2016 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 5, (ii) award a construction contract in the amount of $978,065.00 to Facilities Rehabilitation, Inc. in connection with the 2016 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 5, (iii) approve the expenditure of funds in the amount of $978,065.00 for the project work, and that the subsequent years’ expenditures are pursuant to and contingent upon Board approval of the subsequent years’ budgets with a line item for such expenditures, and (iv) authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Facilities Rehabilitation, Inc. and to pay Facilities Rehabilitation, Inc. the amount not to exceed $978,065.00 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 $978,065.00 for the project work in connection with the 2016 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 5 is hereby accepted.

2. That the contract is hereby awarded to Facilities Rehabilitation, Inc. in the amount of $978,065.00 for the project work in connection with the 2016 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 5.

3. That the expenditure of System funds in the amount of $978,065.00 for the project work is hereby approved.

4. That a total amount not to exceed $978,065.00 consisting of project work costs is hereby made available from the System Fund, and that the subsequent years’ expenditures are pursuant to and contingent upon Board approval of the subsequent years’ budgets 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 contract with Facilities Rehabilitation, Inc. for the project work and to pay an amount not to exceed $978,065.00 to Facilities Rehabilitation, Inc. for the project work in connection with the 2016 Annual Sanitary Sewer Manhole Adjustment, Rehabilitation and Replacement Construction Contract, Package 5.

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 13th day of September, 2016.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

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

FROM: Sree Pulapaka, Chief of Information Systems and Douglas P. Evanson, Senior Vice President/Chief Financial Officer

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

SUBJECT: APPROVING AN EXTENDED SUPPORT AGREEMENT WITH INFOR PUBLIC SECTOR, INC. (INFOR) FOR LICENSING AND MAINTENANCE SERVICES RELATED TO INFOR’S LAWSON FINANCIAL APPLICATIONS

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves the Extended Support Agreement with Infor Public Sector, Inc. (“Infor”) related to the financial applications utilized at San Antonio Water System (SAWS).

- Since 2007, SAWS has utilized Infor’s financial applications software which includes the following modules: Human Resources, Payroll, Procurement, Supply Chain Management, Budgeting, General Ledger and Financial Reporting. This software is currently hosted on SAWS servers.

- In order to ensure continued support for the Infor financial applications, SAWS must utilize the extended support for the financial applications. SAWS has the option to upgrade to the latest version of the software and continue to host the applications on SAWS servers or upgrade to the cloud based solution offered by Infor.

- The Extended Support Agreement provides the Infor cloud based financial applications for a period of one year at a total cost of $96,385.99.

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

Total cost of the professional services related to the migration and upgrade of the Infor financial applications to Infor's cloud based solution and five years of licensing and maintenance services is not to exceed $96,385.99. These charges are operating expenses and will be paid from System Funds budgeted in 2016 (Company: 1000, Accounting Unit: 5021000, Account: 511381).
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING AN EXTENDED SUPPORT AGREEMENT IN AN AMOUNT NOT TO EXCEED $96,385.99 WITH INFOR PUBLIC SECTOR, INC.; AUTHORIZING TOTAL EXPENDITURES IN AN AMOUNT NOT TO EXCEED $96,385.99 TO PAY INFOR PUBLIC SECTOR, INC. FROM THE SYSTEM FUND FOR EXTENDED SUPPORT FOR THE INFOR FINANCIAL APPLICATIONS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, since 2007 San Antonio Water System (the “System”) has utilized Infor Public Sector, Inc. (Infor) financial applications software which includes the following modules: Human Resources, Payroll, Procurement, Supply Chain Management, Budgeting, General Ledger and Financial Reporting; and

WHEREAS, an extended support is required to ensure continued support and improve system performance and workflow process efficiencies; and

WHEREAS, the System has the option to upgrade the Infor software to the latest version and continue to host the financial applications on System servers or migrate and upgrade to a cloud based solution offered by Infor; and

WHEREAS, the extended support is required until the upgrade to the latest version is complete; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the extended support with Infor Public Sector, Inc. in an amount not to exceed $96,385.99; (ii) to authorize total expenditures in the amount not to exceed $96,385.99 to Infor Public Sector, Inc. from the System Fund for Infor financial applications; now, therefore:

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

1. That an Extended Support Agreement with Infor Public Sector, Inc. in an amount not to exceed $96,385.99 is hereby approved.

2. That total expenditures in the amount not to exceed $96,385.99 to Infor Public Sector, Inc. from the System Fund for Infor financial applications are 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 is effective immediately upon passage of this resolution.

   PASSED AND APPROVED this the 13th day of September, 2016.

   _____________________________________
   Berto Guerra, Jr., Chairman

   ATTEST:

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

FROM: Tina Southard, Director, Risk Management, and Sharon De La Garza, Vice President, Human Resources

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

SUBJECT: AWARD OF THE PROPERTY INSURANCE APPRAISAL SERVICES CONTRACT

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution accepts the proposal of and awards a contract to CBIZ Valuation Group, LLC, a non-local, non-SMWB Company, to serve as the San Antonio Water System’s (the “System”) Property Insurance Appraiser in an amount not to exceed $65,800.00, for a term commencing on September 30, 2016 and running through September 30, 2018.

The Insurance Appraisal Service consultant is responsible for:

- Providing property value appraisals for the replacement cost of structures, facilities and contents, not including land, fine arts or vehicles.
- The appraisals must conform with International Building Codes, therefore the Consultant must conduct research within the jurisdiction of the property to find which codes are adopted for enforcement.
- Consultant shall maintain the data in its web based program, providing access to the System for a minimum of 10 years.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Funds for these services provided during FY 2016 are included in the current annual operating budget (Company: 1000, Accounting Unit: 5020100, Account: 511312, Total 2016 Amount: $43,642.00). Funds for subsequent years will be incorporated in each annual years’ budget.
The estimated Annual Fee Schedule for the term of this contract is as follows:

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<thead>
<tr>
<th>YEAR</th>
<th>ANNUAL FEE</th>
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<tbody>
<tr>
<td>FY 2016</td>
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<tr>
<td>FY 2017</td>
<td>$32,000.00</td>
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<tr>
<td>FY 2018</td>
<td>$18,800.00</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$65,800.00</strong></td>
</tr>
</tbody>
</table>

**SUPPLEMENTARY COMMENTS:**

Staff prepared a Request for Proposal to acquire these services because of the complex and specialized nature of these tasks. This approach has been used in the past and has been effective.

The Request for Proposal approach affords the opportunity to establish a reasonable balance between price and qualifications in the selection of a qualified firm to perform the Insurance Appraisal Services.

A Request for Proposal was issued on January 8, 2016 with a due date of January 29, 2016. Proposals were received from five companies and were evaluated by the SAWS’ Selection Committee. In addition, four of the five companies were interviewed during the fourth week of June 2016.

Duff & Phelps, LLC, was determined to be the Best Value Bidder of the five companies that proposed. Their initial submission indicated “no exceptions” to contract provisions, based on a sample which was included in the Request for Proposal. While they had indicated “no exceptions”, there were exceptions to contract provisions and they added a request for limitation of liability. As such, an agreement could not be reached with Duff & Phelps, LLC and staff contacted the CBIZ Valuation Group, LLC, who agreed to the contract terms as listed in the Request for Proposal.

Staff recommends that the contract be awarded to CBIZ Valuation Group, LLC, as the firm who will provide the services for the System based on the selection criteria set forth below. In determining the most qualified firm, the Evaluation Criteria listed below have been considered and weighted as shown.

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

B) Weighted Evaluation Criteria: The following weighted criteria were considered to determine which proposal provides the best service to the System.
Award of Contract
Insurance Appraisal Services

Criteria:
(a) Project Team's Demonstrated Competence and Experience
(b) Project Team and Resume
(c) Project Approach
(d) Compensation Proposal
(e) Adherence to Affirmative Action and Small, Minority and Woman Business (SMWB) participation.

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>BEST VALUE SCORE</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duff &amp; Phelps, LLC**</td>
<td>$62,160</td>
<td>74.03</td>
<td>Non-Local/Non-SMWB</td>
</tr>
<tr>
<td>CBIZ Valuation Group, LLC*</td>
<td>$65,800</td>
<td>57.75</td>
<td>Non-Local/Non-SMWB</td>
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<tr>
<td>Specialty Property Properties, LLC</td>
<td>$39,495</td>
<td>56.75</td>
<td>Non-Local/Non-SMWB</td>
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<tr>
<td>Industrial Appraisal Company</td>
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<td>50.95</td>
<td>Non-Local/Non-SMWB</td>
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<tr>
<td>Accountable Assets, Inc.</td>
<td>$66,538</td>
<td>46.90</td>
<td>Non-Local/Non-SMWB</td>
</tr>
</tbody>
</table>

*Best Value Proposal
** Firm Not Agreeable to SAWS Contract Terms

Sharon De La Garza
Vice President
Human Resources

APPROVED:

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

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE PROPOSAL OF CBIZ VALUATION GROUP, LLC, IN AN AMOUNT NOT TO EXCEED $65,800.00 TO SERVE AS THE SYSTEM’S INSURANCE APPRAISAL SERVICE; AWARDING A CONTRACT COMMENCING ON SEPTEMBER 30, 2016 AND EXTENDING THROUGH SEPTEMBER 30, 2018; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $65,800.00 FOR INSURANCE APPRAISAL SERVICES FROM THE SYSTEM FUND FOR THE INITIAL TERM, AND THAT FUTURE YEARS’ EXPENDITURE SHALL BE AUTHORIZED TO BE MADE PURSUANT TO THE APPROPRIATIONS MADE IN THE ANNUAL BUDGET APPROVED BY THE BOARD WITH A LINE ITEM FOR SUCH EXPENDITURES, AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH CBIZ VALUATION GROUP, LLC AND PAY CBIZ VALUATION GROUP, LLC IN AN AMOUNT NOT TO EXCEED $65,800.00 FOR THE INSURANCE APPRAISAL SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is seeking an Insurance Appraisal Service to supply assistance in obtaining property insurance appraisals for insurance placement; and

WHEREAS, the System solicited a Request for Proposals for the Insurance Appraisal Services; and

WHEREAS, CBIZ Valuation Group, LLC was selected as having the best overall proposal for the System; and

WHEREAS, CBIZ Valuation Group, LLC has submitted a proposal in the amount of $65,800.00 to provide for the Insurance Appraisal Services and this proposal is deemed the most advantageous to the System; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the proposal of CBIZ Valuation Group, LLC and to award a contract to CBIZ Valuation Group, LLC to serve as the System’s Insurance Appraisal Service commencing September 30,
2016 and extending through September 30, 2018 in an amount not to exceed $65,800.00, (ii) to authorize the expenditure in an amount not to exceed $65,800.00 from the System Fund for such Insurance Appraisal Services for the initial term, and that future year’s expenditures shall be authorized to be made pursuant to the appropriations made in the annual budget approved by the Board with a line item for such expenditure, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute the Consulting Agreement for Insurance Appraisal Service (the “Contract”) in substantially the form attached hereto as Attachment I, together with any related or necessary documents with CBIZ Valuation Group, LLC, and to pay an amount not to exceed $65,800.00 to CBIZ Valuation Group, LLC, for Insurance Appraisal Services; now, therefore:

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

1. That the proposal of CBIZ Valuation Group, LLC to serve as the System’s Insurance Appraisal Service commencing September 30, 2016 and extending through September 30, 2018 in an amount not to exceed $65,800.00 is hereby accepted.

2. That a contract is hereby awarded to CBIZ Valuation Group, LLC for the period of September 30, 2016 through September 30, 2018 for Insurance Appraisal Services.

3. That expenditures in an amount not to exceed $65,800.00 for such Insurance Appraisal Services are hereby made available and are to be expended from the System Fund for the initial term, and that future years’ expenditures shall be authorized to be made pursuant to the appropriations made in the annual budget approved by the Board with a line item for such expenditures.

4. That the President/Chief Executive Office or his duly appointed designee is hereby authorized to execute the Contract in substantially the form attached hereto as Attachment I, together with any other related or necessary documents with CBIZ Valuation Group, LLC, for the System’s Insurance Appraisal Services from September 30, 2016 through September 30, 2018, and to pay CBIZ Valuation Group, LLC an amount not to exceed $65,800.00 for the initial term.

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 the 13th day of September, 2016.

____________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________________
Ernesto Arrellano, Jr, Secretary

Attachments:
Attachment I: Consulting Agreement for Insurance Appraisal Services
SAN ANTONIO WATER SYSTEM
CONSULTING AGREEMENT

AGREEMENT FOR

INSURANCE APPRAISAL SERVICES
(the “Project”)

Contract No. S-16-017-PC

THIS IS A CONSULTING AGREEMENT (this “Agreement”) by and between

CBIZ Valuation Group, LLC
4851 LBJ Freeway, 8th Floor
Dallas, TX 75244

(“the Consultant”), and San Antonio Water System, municipally-owned utility of the City of San Antonio in the State of Texas (the "Water System" or "SAWS"), and by which parties to this Agreement, in consideration of the mutual covenants set forth below and other good and valuable consideration (the mutuality, adequacy, and sufficiency of which are hereby acknowledged), hereby agree as follows:

1. Consulting.

(a) Consulting and Advisory Services. During the term of this Agreement, the Consultant will provide consulting and advisory services to the Water System in accordance with the highest professional standards. Consultant shall perform the services described on Exhibit B attached hereto and incorporated herein. The Consultant shall perform such duties in accordance with the time schedule attached hereto as Exhibit D and comply with the Security Procedures attached as Exhibit E. Acceptance of work of the Consultant by the Water System shall not constitute or be deemed a release of the responsibility, obligations or liability of the Consultant under this Agreement for any errors, omissions, defect in the design, drawings, specifications, documents, reports and work performed by the Consultant. Consultant will utilize only qualified personnel to perform the work under this Agreement. All of such work shall be under the direct supervision of properly licensed professionals as appropriate for the Project and work.

(b) Compensation and Expenses. The Water System shall pay Consultant as set forth on the attached Exhibit A. If Consultant's services do not conform to the specifications stated on Exhibit B, as determined by Water System, Consultant shall promptly re-perform such services to the satisfaction of Water System at no additional charge to Water System.

(c) Independent Contractor. It is acknowledged and agreed that the Consultant is an independent contractor of the Water System and not an employee or agent or fiduciary of Water System, and each of the parties to this Agreement agrees to take actions consistent with the
foregoing. Consultant is not being engaged to perform any fiduciary functions of Water System. Further, nothing in this Agreement shall be construed to create a partnership, joint venture, or other association between the parties.

(d) **Water System's Responsibilities.** Water System will use its reasonable best efforts to provide Consultant with all documentation and information in the possession of the Water System required to enable Consultant to provide the services, and will cause its employees and agents to cooperate with Consultant's reasonable requests in order to assist Consultant in providing the services.

(e) **Work Papers.** All final work product and work papers directly relating thereto delivered to Water System by the Consultant in connection with the performance of services pursuant to this Agreement, including public records obtained by the Consultant, shall be the property of the Water System whether or not in the possession of the Consultant, for use and re-use by the Water System, its agents, employees, contractors and consultants, as needed from time-to-time.

(f) **Nondisclosure.** The Water System has a proprietary interest in this Agreement and in the advisory and consulting services provided by Consultant. Accordingly, this Agreement, the services, and any information obtained by Consultant through Water System in connection with the performance of the services shall not be disclosed by Consultant to any third party. In the event Consultant is subject to the Texas Public Information Act, upon receipt of a request for any information obtained by Consultant in the performance of this Agreement, Consultant shall provide written notice to Water System of the request along with a copy of the request, and give Water System the opportunity to respond to the request prior to its release by Consultant. In no event shall Consultant or any of its sub-consultants provide or participate in any public presentations or prepare or present any papers for public dissemination concerning the Project, or with information obtained in connection with the Project, without receiving the prior written approval from the Water System, which approval may be withheld in the sole and absolute discretion of the Water System.

(g) **Compliance with Law.** In performing this Agreement, the Consultant agrees to comply with applicable laws and regulations, and to secure, pay for and comply with all permits, governmental fees, licenses, inspections, bonds, security or deposits necessary for proper execution and completion of the services. Consultant agrees to not make or permit to be made any improper payments, or to perform any unlawful acts.

(h) **Insurance.** Consultant shall maintain and keep in force for the duration of this Agreement such insurance as set forth on Exhibit C of this Agreement, which is attached hereto and incorporated herein for all purposes as if fully set forth herein. Approval of insurance by the Water System shall not relieve or decrease the liability of the Consultant hereunder and shall not be construed to be a limitation of liability on the part of the Consultant. Consultant shall be responsible for all premiums, deductibles and self-insured retentions, if any, stated in the policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance. All endorsements naming the Water System and the City of San Antonio (the "City") as additional insureds, waivers, and notices of cancellation endorsements as well as the Certificates
of Insurance shall indicate: San Antonio Water System, c/o Ebix BPO, P.O. Box 12010-ZD, Hemet, CA 92543.

(i) Right To Audit. Consultant agrees to maintain appropriate accounting records of costs, expenses, and payrolls of its employees and agents working on the Project for a period of three years after final payment for completed work has been made and all other pending matters concerning the Agreement have been closed. Consultant agrees that the Water System or its authorized representative shall have access during normal business hours to any and all books, documents, papers, and records of the Consultant which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits and examinations.

The Consultant further agrees to make the above requirement apply to any and all sub-consultant agreements in which the Consultant has a contractual relationship for the services to be performed under the Agreement. All sub-consultants shall agree that the Water System or its authorized representatives shall have access during normal business hours to any and all books, documents, papers, and records of the sub-consultant which are directly pertinent to the services to be performed under the Agreement for the purposes of making audits and examinations.

(j) Equal Employment Opportunity/Minority Business Enterprise. The Consultant agrees not to engage in employment practices which have the effect of discriminating against any employee or applicant for employment; and, will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, age, handicap, or political belief or affiliation. Specifically, the Consultant agrees to abide by all applicable provisions of the Nondiscrimination Clause and the Small and Minority Business Advocacy Clause as contained in the City of San Antonio's current Affirmative Action Plan on file in the City Clerk's Office. In the event non-compliance occurs the Consultant, upon written notification by the Water System, will commence compliance procedures within thirty (30) days.

(k) Sub-consultants. The Consultant acknowledges that it is the policy of the Water System to assist in increasing the competitiveness and qualifications of Small, Minority, and Woman-owned Businesses (SMWB) to afford greater opportunity for such groups to obtain and participate in Water System contracts. Consultant agrees to complete and submit a Good Faith Effort Plan as part of its response to the Water System’s request for a proposal. Consultant shall take all reasonable steps to be in compliance with and maintain compliance with at least the minimum percentage participations for SMWB set out in Consultant’s proposal to the Water System. Consultant shall be required to electronically report the actual payments to all subcontractors, whether SMWB or non-SMWB, utilizing the Subcontractor Payment and Utilization Reporting (S.P.U.R.) System, beginning with the first SAWS payment for services under the contract, and with every payment thereafter (for the duration of the contract). After Consultant receives payment from SAWS, electronic submittals will require data entry of the amount paid to each subcontractor, whether SMWB or non-SMWB, listed on the Contractor’s Good Faith Effort Plan. Data entry is required even if the actual payment amount is zero dollars and zero cents ($0.00). This information will be utilized for subcontractor utilization tracking purposes. Any unjustified failure to comply with the committed SWMB levels may be considered breach of contract.
Electronic submittal of subcontractor payment information will be accessed through a link on SAWS’ “Business Center” web page. Consultant and all subcontractors will be provided a unique log-in credential and password to access the SAWS subcontractor payment reporting system. The link may also be accessed through the following internet address: https://saws.smwbe.com.

Respondents and/or their agents may contact the SMWB Program Manager at 210-233-3420 for assistance or clarification with issues specifically related to the Small, Minority, and Woman-owned Business (SMWB) Program, and S.P.U.R. System reporting.

By entering into this Contract, the Water System approves the use of subcontractors and subconsultants identified in Exhibit F (attached).

(l) Consultant's Warranty. The Consultant warrants that he has not employed or retained any company or person other than a bona fide employee working solely for the Consultant, to solicit or secure this Agreement, and that he has not for the purpose of soliciting or securing this Agreement paid or agreed to pay any company or person, other than a bona fide employee working solely for the Consultant, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach of this warranty, the Water System shall have the right to terminate this Agreement under the provisions of Section 2 below.

(m) Indemnification. Consultant agrees to and does hereby fully indemnify, defend, and hold harmless Water System and the City of San Antonio, and their respective members, agents, employees, directors, trustees and representatives (collectively, "Indemnitees"), individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees (including, without limitation, attorneys’ fees), fines, penalties, proceedings, actions, demands, causes of action, liability, and suits of any kind and nature, including, without limitation, personal injury or death and property damage, incurred by, asserted against or made upon any of the Indemnitees arising out of, resulting from or related to the negligent acts, commissions or omissions of Consultant, any agent, officer, director, representative, employee, consultant, contractor or sub-consultant or subcontractor of Consultant, and their respective officers, agents, employees, directors, and representatives, while in the exercise or performance of the rights or duties under this Agreement. Consultant shall promptly advise the Water System in writing of any claim or demand against the Consultant or any of the Indemnitees which relates to or arises out of the Consultant’s activities under this Agreement at Consultant's cost. Any of the Indemnitees shall have the right, at their option and at their own expense, to participate in such defense without relieving Consultant of any of its obligations under this paragraph. The terms and provisions of this Section 1(m) shall survive the expiration of the term or earlier termination of this Agreement. Nothing in this Section 1(m) shall be interpreted to constitute a waiver of any governmental immunity available under Texas law or any available defenses under Texas law.

(n) Default. In the event Consultant fails to perform its duties or obligations under this Agreement, Water System shall be entitled to any and all remedies available at law or in equity (including, without limitation, the recovery from Consultant of all losses and
damages, whether actual, direct, consequential, liquidated or otherwise, and all reasonable attorneys’ and other professional fees and costs suffered or incurred by the Water System arising from such default), and, in addition, the Water System shall have the right to terminate this Agreement by written notice as provided in Section 2 below. The Water System shall be entitled to recover reasonable attorneys’ fees and costs of dispute resolution incurred in connection with enforcement of this Agreement. In addition, the Water System shall have the right to (1) take possession of all materials and work completed under this Agreement, (2) accept assignment of any sub-consultant agreements relating to this Agreement on terms and conditions acceptable to the Water System, and (3) recover from the Consultant and/or deduct from any sums then owed to the Consultant, all losses, damages, penalties and fines, whether actual or liquidated, direct, consequential and/or exemplary, and all reasonable attorneys’ and other professional fees and costs suffered or incurred by the Water System by reason of or as a result of Consultant’s default. Such amounts, together with interest on same at the highest rate allowed by law until paid in full, shall be binding on Consultant and are due upon demand. No action by the Water System shall constitute an election of remedies.

2. Term, Termination and Suspension.

(a) Term. The term of this Agreement shall be for the period provided in Exhibit D attached hereto and incorporated herein, beginning and ending on the dates provided in Exhibit D.

(b) Termination For Cause. Water System may terminate this Agreement at any time for "Cause" in accordance with the procedures provided below. Termination by Water System of this Agreement for "Cause" shall mean termination upon (i) the neglect, breach or inattention by Consultant of its duties hereunder, and such neglect, breach or inattention has not been cured within five (5) days after written notice thereof given by Water System to Consultant, (ii) the engaging by Consultant in willful or fraudulent conduct that is injurious to Water System, monetarily or otherwise, (iii) the failure by Consultant to otherwise perform its duties hereunder and such failure has not been cured within five (5) days after written notice thereof given by Water System to Consultant. Notice shall be deemed given as provided in Section 3(a) of this Agreement. Upon such termination for cause, the Consultant shall not be entitled to any further compensation under this Agreement, except for the compensation which has been earned for services rendered by Consultant in accordance with this Agreement through the date of notice of such termination, subject to offset for damages as set forth in Section 1(n) above, and which shall be paid only after final completion of the work provided for under this Agreement by the Water System.

In the event termination for cause is not proper under this Section, the termination shall be deemed to constitute a termination for convenience as set forth in Section 2(c) below.

(c) Other Termination. The Water System may terminate this Agreement at any time for any reason upon thirty (30) days written notice to the Consultant. Upon termination of this Agreement, the Consultant will be entitled only to the compensation and expenses which have been earned for services rendered in accordance with this Agreement through the date of such termination. No termination of this Agreement shall impair or defeat those obligations set forth elsewhere in this Agreement which require either party to do or refrain from doing any specified
act or acts after termination of this Agreement, or to perform any obligation which by its terms or normal meaning survives termination of this Agreement.

(d) Suspension. The Water System reserves the right to suspend work under this Agreement at any time and from time-to-time work for the convenience of the Water System by issuing a written notice of suspension, which notice outlines the reasons for the suspension and the then estimated duration of the suspension, but in no way will guarantee the total number of days of suspension. Such suspension shall take effect immediately upon the date specified in the notice and if no date is specified, the date of delivery of the notice of suspension to the Consultant. Upon receipt of a notice of suspension in excess of one hundred eighty (180) days, the Consultant shall have the right to terminate this Agreement by written notice to the Water System. Consultant may exercise this right to terminate any time after a suspension has continued for more than one hundred eighty (180) days, but before the Water System gives Consultant written notice to resume the work. Termination (under this paragraph) by Consultant shall be effective immediately upon the Water System’s receipt of said written notice from Consultant.

(e) Winding Up. Upon receipt of a written notice of suspension or termination, unless the notice otherwise directs, Consultant shall immediately phase-out and discontinue all services in connection with the performance of this Agreement and shall proceed to promptly cancel all existing orders and contracts insofar as such orders and contracts are chargeable to the Water System under this Agreement.

3. Miscellaneous.

(a) Notices. Any notice, communication or request under this Agreement to any of the parties shall be in writing and shall be effectively delivered if delivered personally or sent by overnight courier service (with all fees prepaid), or by facsimile as follows:

If to Water System: San Antonio Water System
Contract Administration
2800 U.S. Hwy. 281 North
San Antonio, Texas 78212
Attn: Tina Southard
Email: tina.southard@saws.org

With copy to: San Antonio Water System
2800 U.S. Hwy. 281 North
San Antonio, Texas 78212
Attn: Vice President and General Counsel
Email: nancy.belinsky@saws.org

If to Consultant: CBIZ Valuation Group, LLC
10616 Scripps Summit Court, Suite 100
San Diego, CA 92131
Attn: Timothy Kolgen
Email: tkolgen@cbiz.com
Any such notice, request, demand or other communication shall be deemed to be given if delivered in person, on the date delivered, if made by facsimile, on the date transmitted, or, if sent by overnight courier service, on the date sent as evidenced by the date of the bill of lading; and shall be deemed received if delivered in person, on the date of personal delivery, if made by facsimile, upon confirmation of receipt (including electronic confirmation), or if sent by overnight courier service, on the first business day after the date sent.

(b) **Interest in Water System Agreements Prohibited.** No officer or employee of the City shall have a financial interest, direct or indirect, in any Agreement with the Water System, or shall be financially interested, directly or indirectly, in the sale to the Water System of any land, materials, supplies or service, except on behalf of the City or Water System as an officer or employee. Any violation of this Section, with the knowledge, expressed or implied, of Consultant contracting with Water System shall render this Agreement voidable by the Board of Trustees or the President/Chief Executive Officer of the Water System.

To report suspected ethics violations impacting the San Antonio Water System, please call 1-800-687-1918.

(c) **Gift Policy.** Water System employees are prohibited from soliciting, accepting or agreeing to accept any gifts from outside sources; please see Section M. – Gifts or Benefits of the Water System’s Code of Ethical Standards. Section M of the Water System’s Code of Ethical Standards regarding Gifts or Benefits is available on the SAWS Business Center website.

(d) **Tax Matters.** Consultant shall be solely responsible for payment of all taxes related to Consultant's provision of the services. A tax exempt certificate is available upon request for the purchase of materials and goods only, with regards to the contracted services of this Agreement.

(e) **Assignment; Binding Effect.** No assignment, transfer, or delegation of any rights or obligations under this Agreement by Consultant shall be made without the prior written consent of the Water System, which may be withheld in the sole and absolute discretion of the Water System. This Agreement shall be binding upon the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, or other successors and permitted assigns, and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, or other permitted successors and permitted assigns.

(f) **Interpretation; Captions.** Whenever the context so requires, the singular number shall include the plural and the plural shall include the singular, and the gender of any pronoun shall include the other genders. Titles and captions of or in this Agreement are inserted only as a matter of convenience and for reference and in no way affect the scope for this Agreement or the intent of its provisions.

(g) **Entire Agreement.** This Agreement constitutes the entire agreement of the parties to this Agreement with respect to its subject matter, supersedes all prior agreements, if any, of the parties to this Agreement with respect to its subject matter, and may not be amended except
in writing signed by the party to this Agreement against whom the change is being asserted. This Agreement consists of this document and attached Exhibits A, B, C, D, E, and F, all of which are incorporated herein by reference for all purposes. Should any conflict arise between the terms of this document and the attached Exhibits, this document shall be controlling.

(h) **No Waiver.** The failure of any party to this Agreement at any time or times to require the performance of any provisions of this Agreement shall in no manner affect the right to enforce the same; and no waiver by any party to this Agreement of any provision (or of a breach of any provision) of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed either as a further or continuing waiver of any such provision or breach or as a waiver of any other provision (or of a breach of any other provision) of this Agreement.

(i) **Governing Law; Jurisdiction.** This Agreement has been entered in, and shall be governed by and construed in accordance with the laws of the State of Texas, without regard to principles of conflict or choice of law. This Agreement is performable in Bexar County and sole venue shall be in the courts of Bexar County, Texas.

(j) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or its terms to produce or account for more than one of such counterparts.

(k) **Non-Appropriation.** Consultant agrees that the Water System has projected costs for this Agreement and Water System expects to pay all obligations of this Agreement from projected revenues of the Water System. All obligations of the Water System are subject to annual appropriations by its Board of Trustees. Accordingly, notwithstanding anything in this Agreement to the contrary, in the event that the Water System should fail to appropriate funds to pay any of Water System’s obligations under the terms of this Agreement, then the Water System’s obligations under this Agreement shall terminate, and the Consultant’s sole option and remedy shall be to terminate this Agreement by written notice to Water System, and neither the Water System nor the Consultant shall have any further duties or obligations hereunder, except those which expressly survive.
DULY EXECUTED and delivered by the parties to this Agreement, effective on the date counter signed by the Water System.

THE WATER SYSTEM:  
San Antonio Water System

By:___________________________________  
Philip C. Campos, Jr., CPA  
Director, Contracting

___________________________________  
Date

CONSULTANT:  
CBIZ Valuation Group, LLC

By:__________________________________  
Signature

___________________________________  
Business Development Manager  
Title

8/12/2016  
Date

LIST OF EXHIBITS:

Exhibit A:  Compensation for Consulting Agreement  
Exhibit B:  Scope of Services  
Exhibit C:  Standard Insurance Specifications  
Exhibit D:  Term and Timeframe for Deliverables  
Exhibit E:  Security Procedures  
Exhibit F:  List of Sub-consultants
EXHIBIT A
COMPENSATION FOR CONSULTING AGREEMENT
NOT TO EXCEED AMOUNT – BASED ON UNIT PRICES

Section 1 - Basis of Compensation

1.1 The total of all fees, costs and expenses for all services set forth under this Agreement shall be compensated on a unit price basis at a Not-To-Exceed amount of $65,800.00 – Sixty Five Thousand Eight Hundred dollars and no cents (the “Total Fee”), and it is agreed and understood that this amount, when earned, shall constitute full compensation to the Consultant. This amount has been approved and appropriated by the San Antonio Water System for expenditure under this Agreement.

1.2 Compensation for all fees, costs and services defined by this Contract shall be compensated at a Not-To-Exceed amount per year:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Not-To-Exceed Amount</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
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<tr>
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<tr>
<td>2018</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$65,800.00</strong></td>
</tr>
</tbody>
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1.3 For the purpose of establishing unit prices to the Water System to provide Insurance Appraisal Services during this Agreement, the following Pricing Table shall apply:

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Facility Type Count</th>
<th>Unit Price Per Facility</th>
<th>Total Price Per Facility Type</th>
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<tr>
<td>Chilled Water Plant Count</td>
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<td>$600.00</td>
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<td>Customer Pay Station Count</td>
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<td>Elevated Storage Tank Count</td>
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<td>Odor Control Injection Point Count</td>
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<td>RW Booster Pump Station Count</td>
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<td>RW Duel Pump Stations &amp; Tank Count</td>
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<tr>
<td>RW Pump Station Count</td>
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<tr>
<td>RW Pump Station &amp; Tank Count</td>
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<td>$600.00</td>
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<td><strong>Grand Count</strong></td>
<td><strong>370</strong></td>
<td></td>
<td><strong>$65,800.00</strong></td>
</tr>
</tbody>
</table>

**Section 2 - Changes**

The Consultant and the Water System acknowledge the fact that the Not-To-Exceed Amount contained in paragraph 1.1 above has been established at the scope of work outlined in Exhibit B.

**Section 3 – Method of Payments**

Contractor shall provide invoices for the work performed under this Agreement on a regular basis. Invoicing shall not be performed more frequently than once a month unless requested by the Water System Project Manager.

**Section 4 - Reimbursable Expenses**

There are no reimbursable expenses allowed under this contract. All expenses are included in the fee set forth in section 1 above.

**Section 5 - Payment for Services**

5.1 No initial payment shall be paid to the Consultant prior to rendering services.
5.2 Invoices shall be submitted with a breakdown of the number of Facility Types as listed in paragraphs 1.3.
5.3 For all services rendered, payment by the Water System is due within thirty (30) days after receipt of invoice. If payment of the amounts due, or any portion thereof, is not made as described above, interest on the unpaid balance thereof will accrue at the lesser rate of 6 percent per annum (0.5 percent per month) or the maximum lawful rate under Section 271.005 (c) of the Texas Local Government Code until such payment is made, unless delay in payment is due to improper invoicing procedures followed by the Consultant.
5.4 For all services rendered, Consultant's payment to sub-consultant is due within ten calendar days after receipt of payment from the Water System.

5.5 For services that are to be compensated on an hourly rate basis, the Consultant's invoice shall show the name of all Consultant, employees, titles, charging time to the project, the amount of time billed, the hourly rates, and the activity or activities performed by all Consultants and employees. Payroll time sheets shall be provided on request of the Water System.

5.6 For services that are to be compensated on a lump sum basis, the Consultant's invoice shall include a detailed summary of the progress and completion of tasks to substantiate the percentage of completion of services as rendered during the previous month.

Section 6 - Payment for Additional Services

Payments for Consultant’s additional services shall show the same information required in subparagraphs 5.2 through 5.6 dependent upon the type of compensation and other evidence of expenses.

Section 7 - Payments Withheld

The Water System may withhold, amend, or reject any request for payment by the Consultant under conditions that include those described below:

7.1 Consultant's failure to provide adequate documentation for reimbursable expenses.

7.2 Consultant's failure to invoice as required in subparagraphs 5.2 through 5.6.

7.4 Errors or mistakes in the Consultant's invoice and/or defects, errors and omissions in the documents prepared by the Consultant/Contractor or Consultant’s sub-consultants which are the basis for the payment request.

7.5 Water System’s receipt of evidence that the Consultant's sub-consultants have not been duly paid for their services in connection with this project subsequent to the Water System having disbursed compensation to the Consultant in consideration of and stemming from the efforts extended by the sub-consultant.

7.6 Failure of the Consultant to render any service as stipulated by this Agreement.

If any of these conditions exist, then interest charges will not be applicable. The Water System shall provide the Consultant with written notice of its intention to withhold, amend, or reject any request for payment by the Consultant. Upon written request by the Consultant to the Water System made within ten (10) days after the date of notice sent by the Water System, representatives of the Water System will meet with representatives of the Consultant at a mutually agreed time to discuss the circumstances surrounding the determination to withhold, amend, or reject any request for payment by the Consultant.
EXHIBIT B
SCOPE OF SERVICE

The Consultant shall perform the following Scope of Service in accordance with the terms and conditions of the Agreement.

i. Provide appraisals for the replacement cost of structures, facilities, and contents, not including land, fine arts or vehicles.

ii. Provide appraisals which consider the replacement of the property to conform to Technical Specifications in Construction Specifications Institute (CSI) 16 divisions’ format. Technical Specifications shall be based on Consultant’s standard, unless standard specifications are made available by SAWS. All specifications shall be prepared using Microsoft Word.

iii. Provide appraisals which consider the replacement of the property to conform with International Building Codes (IBC), Consultant must conduct research within jurisdiction of property to find which codes are adopted for enforcement.

iv. In developing replacement cost estimates, sources of information used may include:
   - Manufacturers’ price lists, catalog, and quotes;
   - Distributor and supply company catalogs;
   - Industry publications, directories, and trade journals;
   - Consulting, cost engineering, cost estimating manuals, and handbooks;
   - Technical and pricing subscription services and pricing guides;
   - Contract documents/invoices supplied by SAWS; and
   - Technical service organizations and industry experts.

v. Perform the on-site field work shall complete the pricing phase themselves, utilizing their own notes from the field and the other sources identified above, as well as any other pertinent sources. Results shall be reviewed by managers in Consultant's company for quality assurance.

vi. Valuation Approach. As this engagement requires an estimation of Cost of Reproduction New of the subject assets, Consultant shall rely solely on the cost approach to value.

vii. Methodology. Consultant shall inspect and appraise designated properties and buildings, and upon conclusion of field work and pricing, provide final report(s).

viii. Consultant shall schedule a preliminary meeting with SAWS staff to:
   - Review the procedures and methods Consultant shall follow;
• Identify the specific nature of property coverage, including possible variances from standard policy requirements, such as function replacement or agreed amount endorsements;
• Establish a mutually agreeable work schedule that will not interrupt operations;
• Develop procedures for admission to the facilities, if needed, and discuss any restrictions;
• Arrange for identification badges, if needed;
• Gather any information relevant to the work, such as blueprints and drawings;
• Discuss Consultant’s standard report format to see if minor changes should be made to accommodate any internal requirements SAWS may have.

ix. SAWS’s participation will be minimal and generally limited to providing access to locked areas, supplying building plans and assistance in locating property in remote or unmarked areas.

Following the preliminary meeting, Consultant’s project manager and assigned staff shall perform the field work phase of this engagement, which shall include:

• An inspection and inventory of the pertinent data, such as size, type of construction, configurations and classification of buildings, building fixtures, building services, interior and exterior finish, roof type;
• Confirmation of addresses and zip codes for each location;
• An independent gathering of local prices for labor and materials applicable to the properties; and
• Two or more digital color photographs of each structure.

x. Contents Valuation. Consultant’s appraisals shall include an estimate of the insurable value of the building contents. The modeling approach for building contents shall be an analysis of the square footage of space, the usage (occupancy) of each building, and Consultant's internally developed, proprietary data base for equipment values. Consultant asserts that its equipment data base contains contents data from hundreds of detailed equipment inventories performed by Consultant's Fixed Asset Management & Insurance Solutions practice over the last several years. Consultant's system categorizes buildings by like type (occupancy) and develops an average contents value per-square-foot of building area. Consultant asserts that this approach will allow Consultant to generate a replacement cost estimate for a given building's contents (based on building type and size) without requiring the lengthier and costly physical inventory process.

xi. Deliverables. Reports shall be provided in hard copy and PDF formats, both with pertinent photographs and also shall be entered into Consultant’s eRisk web-based program, which contains the appraisal information previously created by Consultant for SAWS. Consultant shall maintain the data in its web based program, providing access to SAWS, for a minimum of 10 years. This provision shall survive termination of this Agreement.

• Summary Appraisal Report. Consultant shall provide SAWS with a Summary Appraisal Report, in accordance with the reporting requirements set forth by the
Uniform Standards of Professional Appraisal Practice (USPAP). The report will present only summary discussion of the data, reasoning, and analyses used in the appraisal process to develop Consultant's opinion of value. Supporting documentation concerning the data, reasoning, and analyses will be retained by Consultant as part of the work papers.

- **Property Insurance - Statement of Insurable Values Report.** Consultant shall provide SAWS with a Statement of Insurable Values Report, which shall display a description of fields being summarized, and Cost of Reproduction New for each property.

- **Property Insurance - Inspection and Appraisal Report.** Consultant shall provide SAWS with an Inspection and Appraisal Report. This report will include building COPE and fixed equipment details, and photographs for each property. The following information shall be provided for each building: Site & Building Designation, Address, Year Built, ISO Classification, Square Feet, Story Height, Number of Floors, Wall Type, Roof Pitch, Heating, Cooling, Entry Alarm, Fire Alarm, Cost of Reproduction New, Additional Features, and at least two photographs of the building.

- **Data File -** Consultant shall provide an Excel spreadsheet with all data fields completed for all locations and buildings.

xii. Consultant shall engage a qualified subcontractor to establish flood zone identification for each property. The subcontractor shall determine whether each property is located in a Federal Emergency Management Agency ("FEMA") designated special flood hazard area as shown on FEMA's Flood Insurance Rate Maps and Flood Hazard Boundary Maps as of the date of the flood zone determination. The subcontractor shall identify the specific FEMA flood zone applicable to each property.

xiii. All work performed hereunder shall be performed to the satisfaction of Risk Management Director, and the determination made by Risk Management Director shall be final, binding and conclusive on all Parties hereto. SAWS shall be under no obligation to pay for any work performed by Consultant, which is not satisfactory to Risk Management Director. SAWS shall have the right to terminate this Agreement, termination, in whole or in part, should Consultant's work not be satisfactory to Risk Management Director; however, SAWS shall have no obligation to terminate and may withhold payment for any unsatisfactory work, as stated herein, even should SAWS elect not to terminate.

xiv. Service Related Terms. Client of Record and Limited Reliance - The SAWS is the Intended User of, and may rely on, Consultant's report. SAWS may not substitute this reliance for its own due diligence. SAWS may disclose a complete copy of the report to its insurance broker or advisors. However, no third party shall have the right of reliance on the report, and neither receipt nor possession of the report by any third party shall create any express or implied third-party beneficiary rights.

xv. Engagement Limits - Consultant’s report may only be used for the specific purpose and premise of value stated in this Agreement.
xvi. Information Provided by SAWS - Consultant will not independently verify information provided by SAWS, its advisors, or third parties acting at SAWS's direction. Consultant will assume and rely on the accuracy and completeness of all such information.

xvii. Environmental Policy - Consultant will not investigate, nor assume responsibility for, the existence or impact of any contamination or hazardous substance related to property or assets associated with this engagement.

xviii. Optional Additional Services. SAWS may, at its option, require Consultant to perform the additional services described in this section. SAWS shall notify Consultant in writing at least 30 days before the final report is due, if SAWS requires these services.
EXHIBIT C
SAWS STANDARD INSURANCE SPECIFICATIONS

1. **Commercial Insurance Specifications (“Specifications”):**

a. Commencing on the date of this Contract, the CONSULTANT shall, at his own expense, purchase, maintain and keep in force such lines of insurance coverage as will protect him and the San Antonio Water System (“SAWS”) and the City of San Antonio (“the City”) and their employees and agents from claims, which may arise out of or result from his operations under this Contract, whether such operations are by himself, by any sub-consultant, supplier or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable, including, without limitation, the following lines of insurance coverage:

   1) **Commercial General Liability (CGL)** insurance that will protect the CONSULTANT, SAWS and the City from claims for damages because of bodily injury, personal injury, sickness, disease or death and insurance that will protect the CONSULTANT, SAWS and the City from claims for damages to or destruction of tangible property of others, including loss of use thereof.

   This line of insurance coverage shall:

   - Cover independent contractors;
   - Afford coverage for Products Liability and/or Completed Operations and, Contractual Liability.

   The **minimum policy limits of liability** for this line of insurance coverage shall be:

<table>
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<tr>
<th>Limit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occurrence Limit</td>
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<td>$2,000,000.00</td>
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<tr>
<td>Personal and Advertising Injury</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>Contractual Liability</td>
<td>$1,000,000.00</td>
</tr>
</tbody>
</table>

   This line of insurance coverage shall be endorsed:

   - Naming SAWS and the City as an **Additional Insured**; and
   - To provide a **Waiver of Subrogation** in favor of SAWS and the City.

2) **Commercial/Business Automobile Liability (AL)** insurance that will protect the CONSULTANT, SAWS and the City from claims for damages arising out of the maintenance, operation, or use of any owned, non-owned or hired vehicles.

   Minimum policy limits of liability for this line of insurance coverage for bodily injury and property damage **combined** shall be not less than $1,000,000.00 per each occurrence.

   This line of insurance coverage shall be endorsed:

   - Naming SAWS, and the City as an **Additional Insured**; and
   - To provide a **Waiver of Subrogation** in favor of SAWS and the City.
3) **Workers' Compensation (WC)** insurance that will protect the CONSULTANT, SAWS and the City from claims under statutory Workers' Compensation laws, disability laws or such other employee benefit laws and that will fulfill the requirements of the jurisdiction in which the work is to be performed.

This line of insurance coverage shall be endorsed to provide a Waiver of Subrogation in favor of SAWS and the City with respect to both this insurance coverage and the Employers' Liability (EL) insurance (as specified immediately below in section 1.a.2)).

**Employers' Liability (EL)** insurance (Part 2 under the standard Workers’ Compensation insurance policy) that will protect the CONSULTANT, SAWS and the City for damages because of bodily injury, sickness, disease of vendor's employees apart from that imposed by Workers' Compensation laws.

The EL line of insurance coverage shall have minimum policy limits of liability of not less than:

- $1,000,000.00 Bodily Injury by Accident
- $1,000,000.00 Bodily Injury by Disease - Each Employee
- $1,000,000.00 Bodily Injury by Disease - Policy Limit

4) **Professional Liability (PL)** (errors and omissions) insurance with minimum coverage limits of $1,000,000.00 per claim, $1,000,000.00 in the aggregate and, if this line of coverage is written on a “Claims Made” form, the CONSULTANT must maintain this line of insurance coverage for a period of at least twenty-four (24) months after the date of Contract termination.

**NOTE** - For Professional Liability, include in writing on the Certificate of Liability Insurance (“Certificate”) the coverage form under which the respective line of coverage is written – either:

- **Claims-made form**; if the coverage form declared on the Certificate is the Claims-made form, the “Retroactive-date” for the line of coverage must also be included on the Certificate as well; or
- **Occurrence basis** – no additional wording required.

b. CONSULTANT shall require all sub-consultants to carry lines of insurance coverage appropriate to their scope of Work and submit copies of Sub-consultants’ Certificates of Liability Insurance upon request by SAWS.

c. CONSULTANT agrees that with respect to the above required lines of insurance, all insurance policies are to contain or be endorsed to the extent, not inconsistent with the requirements of the issuing insurance carrier, to provide for an endorsement that the "other insurance" clause shall not apply where SAWS and the CITY are an Additional Insured shown on the policy if such endorsement is permitted by law and regulations.

d. CONSULTANT shall, upon request of SAWS, provide copies of all insurance policies and endorsements required under Contract.

e. CONSULTANT is responsible for the deductibles under all lines of insurance coverage required by these Specifications.

f. The stated policy limits of each line of insurance coverage required by these Specifications are MINIMUM
ONLY and it shall be the CONSULTANT's responsibility to determine what policy limits are adequate and the length of time each line of insurance coverage shall be maintained; insurance policy limits are not a limit of the CONSULTANT's liability.

g. These minimum limits required of each line of insurance coverage may be either basic policy limits of the CGL and any combination of basic limits or umbrella (Umbrella form) or excess (Other Than Umbrella form) limits. SAWS acceptance of Certificate(s) that in any respect, do not comply with these Specifications, does not release the CONSULTANT from compliance herewith.

h. Within five (5) calendar days of a suspension, cancellation or non-renewal of any required line of insurance coverage, the CONSULTANT shall provide SAWS a replacement Certificate with all applicable endorsements included. SAWS shall have the option to suspend the CONSULTANT's performance should there be a lapse in coverage at any time during this Contract.

i. SAWS recommends that each line of insurance coverage that is required under these Specifications shall be so written so as to provide the CONSULTANT thirty (30) calendar days advance written notice directly of any suspension, cancellation or non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

j. Failure to provide and to maintain the required lines of insurance coverage shall constitute a material breach of this contract.

k. In addition to any other remedies, SAWS may have, upon the CONSULTANT's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, SAWS shall have the right to order the CONSULTANT to stop performing services hereunder and/or withhold any payment(s) which become due to the CONSULTANT hereunder until the CONSULTANT demonstrates compliance with the Specifications hereof.

l. Nothing herein contained shall be construed as limiting, in any way, the extent to which the CONSULTANT may be held responsible for payments for damages to persons or property resulting from the CONSULTANT's or its sub-consultant's performance of the services covered under this Contract.

m. It is agreed that the CONSULTANT’s insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by SAWS, the City and their employees and agents for liability arising out of operations under this Contract.

n. CONSULTANT agrees that all lines of insurance coverage required by these Specifications shall be with insurance companies, firms or entities that have an A.M. Best rating of “A- (“A”- minus)” and a Financial Size Category of a “VII” or better. All lines of insurance coverage shall be of an “Occurrence” type except for the Professional Liability line of insurance coverage.

SAWS will accept worker's compensation insurance coverage written by the Texas Workers Compensation Insurance Fund.

o. SAWS reserves the right to review the above stated Insurance Specifications during the effective period of this Contract and any extension or renewal hereof and to request modification of lines of insurance coverage and their respective liability limits when deemed necessary and prudent by SAWS’ Risk Manager and Legal Department based upon changes in statutory law, court decisions, or circumstances surrounding this Contract.
In no instance will SAWS and the City allow modification whereupon SAWS and the City may incur increased risk exposure.

2. **Certificate(s) of Liability Insurance (“Certificate”) Requirements**

Prior to the commencement of any Services under this Contract and once notified by SAWS Contracting Official that your Company has been selected as the apparent successful CONSULTANT pursuant to an Informal Request for Proposal, RFP selection process, pending Board final approval, and, a request is made for you to submit your Company’s Certificate of Liability Insurance, that Certificate must meet all of the following requirements:

a. The CONSULTANT shall have completed by its insurance agent(s), and submitted to SAWS Contracting Department within 5 business days, a **Certificate(s) of Liability Insurance** (“Certificate(s)” providing evidence of the lines of insurance coverage pursuant to Section 1.a.1) through 1.a.2) above.

b. The original Certificate(s) or form must include the agent's original signature (stamped or typed is acceptable), including the signer's company affiliation, mailing address, Office and FAX phone numbers, email address, and contact person’s name; and, be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative in strictly compliance with sections 2.g. **(Certificate Holder)** and 2.h. **(Distribution of Completed Certificates)** below.

c. SAWS will not accept Memorandum of Insurance or Binders as proof of insurance.

d. SAWS shall have no duty to pay or perform under Consulting Services Agreement until such certificate(s) and applicable endorsements have been received, reviewed and deemed 100% compliant with the Insurance Specifications (contained herein) by SAWS’ Risk Management/Contract Services Department. No one other than SAWS Risk Manager shall have authority to waive any part of these requirements.

e. The SAWs Project/Contract number(s) along with its Descriptor Caption **must be included** in the Description of Operations section located in the bottom half of the standard ACORD Certificate forms.

f. **Certificate Holder** - SAWS shall be shown as the Certificate Holder in the Certificate Holder section located in the bottom half of the standard ACORD Certificate forms and formatted as follows:

   San Antonio Water System  
   c/o Ebix BPO  
   PO Box 12010-ZD  
   Ref. #S-16-017-PC  
   Hemet, CA 92543

g. **Distribution of Completed Certificates** - Completed **Certificates** shall be distributed by the Consultant as follows:

   1) Send Original:

      a) **By Mail:**

         San Antonio Water System
b) By Fax: 1-770-325-6502

c) By E-Mail: saws@ebix.com

d) To Upload Online: http://www.ebixcerts.com (preferred method)

2) Send Copy to the following:

San Antonio Water System
Attention: Contract Administration
P.O. Box 2449
San Antonio, TX 78298-2449

h. CONSULTANT shall be responsible for obtaining certificates of Insurance from the first tier Sub-consultant, and upon request furnish copies to SAWS.

3. **SURVIVAL**

Any and all representations, conditions and warranties made by Consultant under this Contract including, without limitation, the provisions of Section 1.a.1) of these Commercial Insurance Specifications and Certificates of Liability Insurance Requirements are of the essence of this Contract and shall survive the execution and delivery of it, and all statements contained in any document required by SAWS whether delivered at the time of the execution, or at a later date, shall constitute representations and warranties hereunder.
EXHIBIT D
TERM OF AGREEMENT FOR DELIVERABLES

The Term of this Agreement shall commence upon September 30, 2016, and automatically expire on September 30, 2018, or upon the expenditure of all funds provided for in Exhibit A, whichever occurs first.
EXHIBIT E
SECURITY PROCEDURES

If work will be conducted on SAWS property, on a SAWS customer’s property, involve any SAWS networks or any SAWS facility the Contractor shall ensure a Prime Contractor Data Form (PCDF) and a Background Screening Letter (provided by SAWS Security) is properly completed for all employees performing work under this Agreement and is on file with SAWS Security prior to work commencement. Any person found to have an unacceptable background check will not be allowed to perform work under this Agreement (A waiver may be given by SAWS Security for an unacceptable finding but must be signed off by the Director of SAWS Security). Sub-Contractors performing work must be listed on the PCDF and the Background Screening Letter. Contractor shall be responsible for the accuracy of information on the PCDF and the Background Screening Letter, and for obtaining any and all required items (badges and parking tags) necessary to fulfilling the work under this Agreement. The PCDF and Background Screening Letter must be sent electronically to securitygroup@saws.org. Contractor shall advise the SAWS Project Manager/Inspector of any employee terminations or changes to personnel performing work under this Agreement and the Contractor shall immediately turn in any and all badges and/or parking tags of employees who are terminated or no longer performing work under this Agreement. If there are any changes in the information contained in the PCDF or the Background Screening Letters, Contractor shall immediately notify the SAWS Project Manager/Inspector and provide updated PCDF and Background Screening Letters, with copies to securitygroup@saws.org.

Contractor, its employees, and agents shall obtain a SAWS photo identification badge (Contractor’s Badge) and parking tag, prior to any work on SAWS property, which shall be used only for purposes necessary to perform the work under this Agreement. SAWS Badge Office hours are Monday, Wednesday and Friday 8:00am to 12:00pm excluding SAWS holidays (hours are subject to change). Security staff can be contacted at (210) 233-3177 or (210) 233-3338. A replacement fee may be charged for lost or damaged badges or parking tags. As a condition of final payment, Contractor shall return all badges and parking tags to the Security Office. In the event Contractor fails to return all security badges and parking tags, in addition to any other rights or remedies to which SAWS may be entitled at law or in equity, SAWS may withhold from payment to the Contractor the sum of $500.00 dollars per badge or parking tag as liquidated damages. Contractor agrees that the actual amount of damages for failure to return the badges and/or parking tags is difficult to determine, and the liquidated damages herein are not a penalty, but are a reasonable estimate of the costs and expenses that may be incurred by SAWS for failure to return the badges or parking tags.

SAWS facilities require a SAWS employee to physically escort Contractor at all times. SAWS may, in its sole discretion, waive the escort requirements if the PCDF and a “clean” Background Screening Letter, signed by an authorized representative of Contractor are approved by SAWS Security.

Sub-Contractors must always be under escort of the Contractor while performing work on any SAWS property. Sub-Contractors must display either a company photo badge, vehicle photo badge, or a valid driver’s license at all times while working on any SAWS property. Contractor is solely responsible for the actions of its employees, agents, sub contractors and Contractors.

Contractor MUST be prepared for additional security requirements at its expense if violations of SAWS Security procedures are noted. Some examples of additional requirements include hiring of SAWS approved security guards, temporary fencing, mobile Closed Circuit Television Monitoring trailer(s) or extra lighting. Notwithstanding anything herein to the contrary, any provisions in these Security Procedures that may appear to give SAWS the right to direct Contractor as to details of doing any work under this Agreement or to exercise a measure of control over any security measures or such work shall be deemed to mean that Contractor shall follow the desires of SAWS in the results of the work or security measures only.

Advance coordination by Contractor with SAWS Security for these security requirements is necessary to ensure no delays with timely performance of the work. In the event Contractor fails to comply with SAWS Security requirements, SAWS may, with no penalty or claim against SAWS:

- Issue a Work Stoppage Order until the security violation(s) are remedied
- Ask any unidentified or improperly identified person or equipment to leave SAWS site immediately and not return until items are remedied.
EXHIBIT F
LIST OF SUBCONSULTANTS

<table>
<thead>
<tr>
<th>Sub-consultant Name</th>
<th>Service Provided</th>
<th>Percent of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
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: September 13, 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 280.07 acres; 433 water Equivalent Dwelling Units (EDUs); and 40 wastewater water 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 is located outside the System’s water and/or wastewater CCN.

- The Dominion Phase 8B Tract is located within the City of San Antonio limits, inside the System’s water CCN and outside the wastewater CCN. The USA provides 103 EDUs of water and 40 EDUs of wastewater services.

- The Scenic Loop Tract is located within the City of San Antonio Extra Territorial Jurisdiction, inside the System’s water CCN and outside the wastewater CCN. The USA provides 330 EDUs of water and 0 EDUs of wastewater services and consists of oversized infrastructure.

- The Developer is required to install all necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.
The Developer is 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.

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### 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>Dominion Phase 8B Tract</td>
<td>$500,683.00</td>
<td>$132,240.00</td>
<td>$632,923.00</td>
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<tr>
<td>2</td>
<td>270 Scenic Loop Tract</td>
<td>$1,604,130.00</td>
<td>$0.00</td>
<td>$1,604,130.00</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td><strong>$2,104,813.00</strong></td>
<td><strong>$132,240.00</strong></td>
<td><strong>$2,237,053.00</strong></td>
</tr>
</tbody>
</table>
Utility Service Agreement to the Specified Tract Requiring Oversizing And/or Outside the System’s Water and/or Wastewater CCN

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>2</td>
<td>270 Scenic Loop Tract 16-inch Water Main*</td>
<td>$227,500</td>
<td>$292,500</td>
<td>$520,000</td>
<td>56.25%</td>
<td>43.75%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$227,500</strong></td>
<td><strong>$292,500</strong></td>
<td><strong>$520,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: The Developer is eligible for impact fee credits for their share of the cost for the 16-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.

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>Dominion Phase 8B Tract</td>
<td>Leon Creek, LTD</td>
<td>Linda Bean</td>
<td>CoSA</td>
<td>INSIDE</td>
<td>11</td>
<td>10.224</td>
<td>103</td>
<td>40</td>
<td>Headwaters Leon Creek</td>
<td>CCN</td>
</tr>
<tr>
<td>2</td>
<td>270 Scenic Loop Tract</td>
<td>270 Scenic Loop Investments, LP</td>
<td>Lloyd A. Denton</td>
<td>CoSAETJ</td>
<td>INSIDE</td>
<td>12</td>
<td>269.85</td>
<td>330</td>
<td>0</td>
<td>Headwaters Leon Creek</td>
<td>OVR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>280.07</td>
<td>433</td>
</tr>
</tbody>
</table>

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- OVR = Oversizing
- IFC = Impact Fee Credits
- CZ = Edwards Aquifer Contributing Zone
- WW = Wastewater
- PZ = Pressure Zone
- CoSA = City of San Antonio limits
- ETJ – Extraterritorial Jurisdiction
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>WW 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>Dominion Phase 8B Tract</td>
<td>Leon Creek, LTD</td>
<td>16.74</td>
<td>103</td>
<td>40</td>
<td>CoSA</td>
<td>INSIDE</td>
<td>CCN</td>
<td>IN</td>
<td>OUT</td>
</tr>
<tr>
<td>2</td>
<td>270 Scenic Loop Tract</td>
<td>270 Scenic Loop Investments, LP</td>
<td>269.85</td>
<td>330</td>
<td>0</td>
<td>CoSA ETJ</td>
<td>INSIDE</td>
<td>OVR</td>
<td>IN</td>
<td>OUT</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td></td>
<td>280.07</td>
<td>433</td>
<td>40</td>
<td></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 Agreement 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 Agreement
BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the System hereby approves the Utility Service Agreement 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 Agreement shall be honored for a period of thirty-six months, and if not exercised during this thirty-six-month period, the Utility Service Agreement 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 13th day of September, 2016.

_______________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary

Attachment:
1. Project Maps
Tract Located:
- Over Edwards Aquifer Contributing Zone
- Within 5-mile Camp Bullis Awareness Zone

Option I:
Construct border main which connects back to 20-inch main

Option II:
Connect services directly to 20-inch main

Legend:
- Existing PZ:11 Water Main
- Proposed Water Mains
- USA Tract
- Parcels Update
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 TO FILE AN AMENDMENT WITH THE TEXAS PUBLIC UTILITIES COMMISSION FOR THE CONDITIONAL RELEASE OF THE CIBOLO VALLEY RANCH TRACT FROM THE SAN ANTONIO WATER SYSTEM WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves filing an amendment with the Texas Public Utilities Commission (PUC) for the conditional release of the Cibolo Valley Ranch (CVR) Tract from the San Antonio Water System’s (the “System’s”) Wastewater Certificate of Convenience and Necessity (CCN) within Comal County.

- The CVR Tract is located within the City of San Antonio Extra Territorial Jurisdiction, outside the System’s water CCN and inside the wastewater CCN.

- The overall tract is 498 acres, of which 394 acres is located within the System’s wastewater CCN. The 104 acres located outside of the System’s CCN will be served by a South Central Water Company (SCWC) facility located immediately north of the tract. Potable water service for the entire tract will be provided through the Canyon Lake Water Service Company. The developer, Cibolo Valley Partners, LLC, has requested wastewater service exclusively from the SCWC for the remaining 394 acres within the System’s CCN.

- The release of the CVR Tract from the System’s wastewater CCN benefits the System by deferring the capital improvement costs associated with a new lift station, force main and miles of gravity wastewater main that would be needed for the System to provide wastewater service to the CVR tract.

- The estimated cost of the deferred System’s infrastructure is $14,500,000.00. The cost includes oversizing for the region surrounding the CVR Tract with $12,400,000.00 of the infrastructure cost constituted as the System’s share.

- Conditions for release from the System’s CCN are necessary to protect the Edward’s Aquifer and to ensure adequate infrastructure standards are being met within the CVR Tract.
Approval to file an Amendment with the Texas PUC for the Conditional Release of the Cibolo Valley Ranch Tract from the System’s Wastewater CCN

- The CVR Tract, if released from the System’s CCN, must follow the System’s aquifer protection standards. The development will be limited to residential land use with impervious cover less than or equal to 40 percent. The creek proper and 100 year floodplain will be excluded from the final impervious cover calculation. TCEQ EARZ Best Management Practices will be applied to the entire tract. The System will have approval authority over the State Water Pollution Abatement Plan.

- The CVR Tract development, if released from the System’s CCN, must follow the System’s infrastructure standards. SCWC will not amend its plant permit to seek less restrictive conditions. The collection system should meet or exceed System standards within the CVR Tract.

- The System’s release of the wastewater CCN would only apply to the portion of the tract within Comal County. The Developer does not plan to develop the portion of the tract within Bexar County, which would remain within the System’s CCN.

- The release of the CCN is subject to the consent of the City of San Antonio, and final approval from the Texas PUC.

- Upon conditional release from System’s CCN, the developer will then acquire wastewater service from the SCWC. Cibolo Valley Partners, LLC and SCWC will agree that the System will have no obligation to serve in the future.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The conditional release of the CVR Tract from the System’s CCN defers potential capital costs totaling an estimated $12,355,000.00. However, based on the projected 668 Equivalent Dwelling Units, an estimated $2,208,000.00 of impact fees will not be collected by the System.
Approval to file an Amendment with the Texas PUC for the Conditional Release of the Cibolo Valley Ranch Tract from the System’s Wastewater CCN

Sam Mills, P.E.
Director
Development

APPROVED:

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

Robert R. Puente
President/Chief Executive Officer

Attachment:
1. Table 1, Tract Information
<table>
<thead>
<tr>
<th>Tract Name</th>
<th>Developer</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>
</tr>
</thead>
<tbody>
<tr>
<td>Cibolo Valley Ranch Tract</td>
<td>Cibolo Valley Partners, LLC</td>
<td>CoSA ETJ</td>
<td>INSIDE</td>
<td>N/A</td>
<td>394</td>
<td>0</td>
<td>668</td>
<td>Indian Creek- Cibolo Creek</td>
</tr>
</tbody>
</table>

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- OVR = Oversizing
- AC = Acreage
- CZ = Edwards Aquifer Contributing Zone
- WW = Wastewater
- BMWD = Bexar Metropolitan Water District
- CoSA = City of San Antonio limits
- ETJ – Extraterritorial Jurisdiction
- PZ = Pressure Zone
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING FILING AN AMENDMENT WITH THE TEXAS PUBLIC UTILITIES COMMISSION TO THE RELEASE OF THE AREA BOUNDED BY THE CIBOLO VALLEY RANCH TRACT WITHIN COMAL COUNTY FROM THE SAN ANTONIO WATER SYSTEM’S CERTIFICATE OF CONVENIENCE AND NECESSITY; 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, specified in the table below, has requested the San Antonio Water System (the “System”) to conditionally release the area bounded by the Cibolo Valley Ranch Tract within Comal County from the System’s Certificate of Convenience and Necessity (CCN) in order to receive service from the South Central Water Company; and

<table>
<thead>
<tr>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>WDUs</th>
<th>WWFDUs</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cibolo Valley Ranch Tract</td>
<td>Cibolo Valley Partners, LLC</td>
<td>394</td>
<td>0</td>
<td>668</td>
<td>CoSA ETJ</td>
<td>INSIDE</td>
<td>OUT</td>
<td>IN</td>
</tr>
</tbody>
</table>

WHEREAS, the System will defer the estimated capital expenditure of $12,355,000.00 that would have been required to construct infrastructure to provide wastewater service to the Cibolo Valley Ranch Tract; and

WHEREAS, the location of the Cibolo Valley Ranch Tract in relation to System’s CCN and the deferred System infrastructure improvements is generally illustrated in the attached Site Maps; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the filing an amendment with the Texas Public Utilities Commission (PUC) for the conditional release of the Cibolo Valley Ranch Tract from the System’s Certificate of Convenience and Necessity in order to receive wastewater service from the South Central Water Company; now, therefore:

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

1. That the System hereby approves filing an amendment with the Texas PUC for the conditional release of the area bounded by the Cibolo Valley Tract within Comal County from the System’s Certificate of Convenience and Necessity. The location and the infrastructure that would be required if the System were to provide wastewater service is 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 conditions for release require that the Cibolo Valley Ranch Tract is limited to residential land use with impervious cover not to exceed 40 percent. The creek proper and 100 year floodplain are excluded from the final impervious cover calculation. TCEQ EARZ Best Management Practices are applied to the entirety of the Cibolo Valley Ranch Tract. The South Central Water Company will not amend its wastewater treatment facility permit to less restrictive conditions. The wastewater collection system will meet or exceed the System’s infrastructure standards within the Cibolo Valley Ranch Tract.

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 13th day of September, 2016.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

____________________________
Ernesto Arrellano, Jr., Secretary

Attachment:
1. Project Maps
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 CONSTRUCTION CONTRACT FOR THE C-12 DONALDSON TERRACE PROJECT

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $6,758,717.46 to S.J. Louis Construction of Texas, Ltd., a local, non-SMWB contractor, in connection with the C-12 Donaldson Terrace Project. This project is located in Council District 7.

- The contract that is the subject of the attached resolution will authorize work that is required by Section V. B. Early Action Program of 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 C-12 Donaldson Terrace Project includes the construction of approximately two miles of 8-inch through 30-inch gravity sewer pipeline. Project limits extend from Mulberry Avenue to Babcock Road along Morning Glory, Senisa Drive, St. Cloud, Evelyn Drive, and Overbrook Drive.

- This project was identified in the Wastewater Master Plan development by the System’s Master Planning Division. This project will replace sewer pipe that is in poor condition and lacks capacity.

- Originally, the project limits extended approximately 3,000 feet downstream to the Wilson Boulevard and Mistletoe Avenue intersection along the Seeling Channel. Since this section overlapped with the City of San Antonio (the “City”) Seeling Channel Phase II drainage project, this portion of the C-12 Donaldson Terrace project was joint bid with the City project and is currently under construction.

- S.J. Louis Construction of Texas, Ltd., a local, non-SMWB contractor, is now declared the lowest responsible bidder and has submitted the low responsible bid of $6,758,717.46.

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

The Project Fund will finance this Capital Improvement Program project included in the CY 2016 Capital Improvement Program wastewater core business, Main Replacement Category, C-12 Donaldson Terrace Project. The amount is $6,758,717.46 for sewer related work and the job number is 13-2506.

SUPPLEMENTARY COMMENTS:

Kimley-Horn and Associates, Inc. prepared the plans and specifications for this project under their professional services contract. The engineer’s estimated construction cost was $7,099,261.00.

Four firms responded to the request for bids. A bid opening was held on August 09, 2016, at 9:00 A.M. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.J. Louis Construction of Texas, Ltd.*</td>
<td>$6,758,717.46</td>
<td>Local/Non–SMWB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$7,099,261.00</td>
<td></td>
</tr>
<tr>
<td>Facilities Rehabilitation, Inc.</td>
<td>$7,315,255.00</td>
<td>Non–Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Spiess Construction Co., Inc.</td>
<td>$7,444,884.25</td>
<td>Non–Local/SBE</td>
</tr>
<tr>
<td>Pronto Sandblasting &amp; Coating &amp; Oil-Field Services Co., Inc.</td>
<td>$7,539,412.00</td>
<td>Local/MBE–Hispanic</td>
</tr>
</tbody>
</table>

*Low Responsible Bidder

<table>
<thead>
<tr>
<th>SMWB ANALYSIS – BOARD AWARD</th>
</tr>
</thead>
<tbody>
<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>
Award of Construction Contract
C-12 Donaldson Terrace Project

The bid amount represents a 4.8 percent decrease from the estimated construction cost.

This contract has 540 days for construction completion.

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 ACCEPTING THE BID OF S.J. LOUIS CONSTRUCTION OF TEXAS, LTD., IN THE AMOUNT OF $6,758,717.46 IN CONNECTION WITH THE C-12 DONALDSON TERRACE PROJECT; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $6,758,717.46 TO S.J. LOUIS CONSTRUCTION OF TEXAS, LTD., FOR THE PROJECT WORK; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT OF $6,758,717.46 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 S.J. LOUIS CONSTRUCTION OF TEXAS, LTD., AND TO PAY S.J. LOUIS CONSTRUCTION OF TEXAS, LTD., AN AMOUNT NOT TO EXCEED $6,758,717.46 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 construct wastewater facilities for the C-12 Donaldson Terrace Project (the “project work”) as part of its Capital Improvements Program and was identified in the Wastewater Master Plan development by the System’s Master Planning Division to replace sewer mains that are in poor condition and lack capacity; and

WHEREAS, this project includes the construction of approximately two miles of 8-inch through 30-inch gravity sewer pipeline with the project limits extending from Mulberry Avenue to Babcock Road along Morning Glory, Senisa Drive, St. Cloud, Evelyn Drive, and Overbrook Drive; and

WHEREAS, the System has solicited bids for the project work; and

WHEREAS, S.J. Louis Construction of Texas, Ltd., a local, non-SMWB contractor, has submitted a bid in the amount of $6,758,717.46 for the project work and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $6,758,717.46 are required for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of S.J. Louis Construction of Texas, Ltd., in the amount of $6,758,717.46 for the project work in connection with the C-12 Donaldson Terrace Project, (ii) to award a construction contract to S.J. Louis Construction of Texas, Ltd., in the amount of $6,758,717.46 for the project work, (iii) to authorize and make available an amount not to exceed $6,758,717.46 from the System’s Project Fund for the sewer project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with S.J. Louis Construction of Texas, Ltd., for the project work and to pay an amount not to exceed $6,758,717.46 to S.J. Louis Construction of Texas, Ltd., for the project work; now, therefore:

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

1. That the bid of S.J. Louis Construction of Texas, Ltd., in the amount of $6,758,717.46 for the project work in connection with the C-12 Donaldson Terrace Project is hereby accepted.

2. That a construction contract in the amount of $6,758,717.46 for the project work is hereby awarded to S.J. Louis Construction of Texas, Ltd.

3. That the expenditure of System funds in the amount of $6,758,717.46 for the project work is hereby authorized and made available from the System Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a construction contract with S.J. Louis Construction of Texas, Ltd., for the project work and to pay an amount not to exceed $6,758,717.46 to S.J. Louis Construction of Texas, Ltd., for the project work in connection with the C-12 Donaldson Terrace 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 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 13th day of September, 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: APPROVING AN INTERLOCAL AGREEMENT AND AUTHORIZING EXPENDITURES TO BEXAR COUNTY IN CONNECTION WITH THE HUEBNER CREEK ENHANCED CONVEYANCE LC17 - PHASE III PROJECT

Board Action Date: September 13, 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 Flood Control Program (the “County”) and authorizes expenditures to the County in the amount not to exceed $6,894,524.82 for the joint construction of sewer and recycled water facility replacements and adjustments in connection with the Huebner Creek Enhanced Conveyance LC17 - Phase III Project.

- The County proposes to widen Huebner Creek in order to alleviate flooding within the limits of Phase III of the Huebner Creek Enhanced Conveyance LC17 Project as illustrated on the attached maps. The County’s drainage improvement work is estimated to cost $15,794,701.91.

- Due to the widening of Huebner Creek, the existing sewer mains within the County’s project boundaries, constructed in 1975 and 2008, are proposed for replacement to meet current San Antonio Water System (the “System”) standards.

- In addition, the existing 24-inch sewer main is proposed to be replaced and upsized to a 42-inch main due to insufficient capacity as identified by the System’s Master Planning Division.

- The agreement that is the subject of the attached resolution will authorize work that is required by the Consent Decree between 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 existing recycled water mains within the County project boundaries were constructed in 2001 and require adjustment due to the conflicts with the proposed drainage improvements.

- The existing water mains within the project limits were constructed in 2007 and do not
Approval of an Interlocal Agreement and Authorization for Expenditure of Funds to Bexar County for Huebner Creek Enhanced Conveyance LC17 - Phase III Project

require adjustment or replacement; therefore, there is no water work on this project.

- The sewer replacement work will consist of approximately 783 feet of 8-inch and 10-inch sewer main and 4,624 feet of 24-inch sewer main to be upsized to a 42-inch sewer main.

- The recycled water adjustment work will consist of approximately 3,817 feet of 36-inch recycled water main.

- Since the County’s proposed drainage improvements will conflict with the existing recycled water main and the existing recycled water main is within an easement, the County has agreed to pay for all of its associated engineering design services and easement acquisition fees at a cost of $241,540.75 and construction costs at a cost of $2,751,784.41 for this recycled water adjustment work.

- Within thirty calendar days of the execution of this Interlocal Agreement by the last signatory, the County has agreed to reimburse the System all engineering design costs and easement acquisition fees associated with the relocation of the recycled water main.

- The County will consider the bid of Oscar Renda Contracting, Inc., for approval for construction of this project on October 4, 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 County following the execution of the Interlocal Agreement. Only the funds not eligible for reimbursement will be advanced to the County.

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 sewer work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $6,894,524.82 for sewer work. The job number is 13-5570-000.

There is no financial impact for the recycled water work. The job number is 13-8612-202.
Approval of an Interlocal Agreement and Authorization for Expenditure of Funds to Bexar County for Huebner Creek Enhanced Conveyance LC17 - Phase III Project

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

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 REPLACEMENTS AND ADJUSTMENTS OF SEWER AND RECYCLED WATER FACILITIES BY BEXAR COUNTY IN CONNECTION WITH THE HUEBNER CREEK ENHANCED CONVEYANCE LC17 - PHASE III PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $6,894,524.82 FOR THE SYSTEM’S SHARE OF 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 Flood Control Program (the “County”) proposes to construct the Huebner Creek Enhanced Conveyance LC17 - Phase III Project; and

WHEREAS, the Huebner Creek Enhanced Conveyance LC17 - Phase III Project will require the replacement and adjustment of certain sewer and recycled water facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the project work will consist of the replacement of approximately 783 feet of 8-inch and 10-inch sewer main, the replacement of approximately 4,624 feet of 24-inch sewer main to be upsized to a 42-inch main, and the adjustment of approximately 3,817 feet of 36-inch recycled water main; and

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

WHEREAS, System funds in the amount of $6,894,524.82 are required for the System’s share of the project work; and

WHEREAS, the amount of $6,894,524.82 is available from the System’s Project Fund for the project work; and

WHEREAS, since the County’s proposed drainage improvements will conflict with the existing recycled water main that lie within an existing easement, the County has agreed to pay for all of its associated engineering design services and easement acquisition fees at a cost of $241,540.75 and construction costs at a cost of $2,751,784.41 associated with the project recycled water work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve an Interlocal Agreement with the County for the replacement and adjustment of sewer and recycled water facilities by the County in connection with the Huebner Creek Enhanced Conveyance LC17 - Phase III 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 $6,894,524.82 for the System’s share of 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 Huebner Creek Enhanced Conveyance LC17 - Phase III Project.

2. That the expenditure of funds in the amount of $6,894,524.82 for the replacement and adjustment of sewer and recycled water facilities by the County in connection with the Huebner Creek Enhanced Conveyance LC17 - Phase III 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 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.

5. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 13\textsuperscript{th} day of September, 2016.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary

Attachment:
1. Interlocal Agreement
This Interlocal Agreement (also referred to herein as the “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 Huebner Creek Enhanced Conveyance LC17 – Phase III Project, also known as Segment III (the “Project”) by including certain necessary SAWS replacements and adjustments in COUNTY’s Specifications for the Project, thus assuring the coordination of COUNTY’s drainage improvements with SAWS’ replacements and adjustments.

SERVICES

2.01 COUNTY agrees to include in the Bexar County Flood Control Specifications for the Project the plans and specifications for SAWS Recycled Water Job No. 13-8612-202 (the “SAWS Recycled Water Work”) which SAWS prepared and delivered to COUNTY and is incorporated by reference herein, and to contract for the performance of SAWS Recycled Water Work. Except as provided for in the § 4.02 herein, COUNTY shall pay for all costs from commencement through Substantial Completion, including consulting fees for design and construction documents, engineering fees, real estate acquisition (See Exhibit “A”) as well as construction associated with SAWS Recycled Water Work as shown on Exhibit “B”. The fee for engineering services on the SAWS Recycled Water Work will be reimbursed to SAWS pursuant to § 3.02 herein.

2.02 In addition, COUNTY agrees to include in the Bexar County Flood Control Specifications for the Project, the plans and specifications for SAWS Sewer Job No. 13-5570 (the “SAWS Sewer Work”) which SAWS prepared and delivered to COUNTY and is incorporated by reference herein, and to contract for the performance of SAWS Sewer Work.

2.03 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 Recycled Water Work and SAWS Sewer Work (together known as the “SAWS work”).

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

2.05 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 agrees to provide funding reimbursing SAWS for all engineering design fee and associated work to be performed by the SAWS Engineering Design Consultant that is attributed to the County’s portion of the SAWS Recycled Water Work being performed on the Project (see Exhibit “A”). County also agrees to contribute costs for construction of SAWS Recycled Water Work associated with the Project that are necessitated by SAWS having to relocate certain infrastructure out of its current easement. This work is defined in Exhibit “B” (footnote 1) and referred to as “SAWS Recycled Water Work”. The costs associated with SAWS Recycled Water Work are delineated in Exhibit “A” and “B”, attached hereto and incorporated for all purposes.

3.02 Within thirty (30) calendar days of the execution of this Interlocal Agreement by the last signatory, COUNTY shall deliver to SAWS good and sufficient funds (the “Total County Professional Services Contribution”) in the amount of Two Hundred Forty-One Thousand, Five Hundred Forty Dollars and Seventy-Five Cents ($241,540.75) for the engineering design fees associated with SAWS Recycled Water Work as further defined in Exhibit “A”.

3.03 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. Within thirty (30) calendar days of the execution of this Interlocal Agreement by the last signatory, SAWS shall deliver to COUNTY good and sufficient funds (the “SAWS Funds”) for the bid amount for SAWS Sewer Work as identified in Exhibit “B” plus two percent (2%) contingency, for a total of Six Million, Eight-Hundred Ninety-Four Thousand, Five Hundred Twenty-Four Dollars and Eighty-Two Cents ($6,894,524.82). 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 and the funds owed by County to SAWS as described in Exhibit “A”.

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

(a) Costs exceed Original Bid for the SAWS Sewer Work but do not exceed the Original Bid for the SAWS Sewer Work plus two percent (2.0%) contingency. Once COUNTY receives notice from the Contractor that additional funds will be needed for SAWS Sewer 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 Sewer 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 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’s 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 SAWS Sewer Work change orders that are not approved by SAWS staff.

(c) If a change order results in total costs exceeding the amount stated in §3.03, 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 fifteen (15) days, unless further time is required for Board action to appropriate funds. SAWS is not responsible for the cost of SAWS Recycled Water Work Change Order unless SAWS requests the modification.

3.05 If the cost of performing the SAWS Sewer Work is less than the amount stated in §3.03, COUNTY agrees to refund the overpayment to SAWS within fifteen (15) days of determination of same.

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

3.07 If the cost of performing the SAWS Recycled Water Work engineering design fees that is attributed to the County is less than the amount stated in §3.02, SAWS agrees to refund the overpayment to COUNTY within fifteen (15) days of determination of same.

3.08 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 as identified in Exhibit “B”.

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, even though there are minor punch list items that are not completed.
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, the 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 C. 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”

**Engineering Design Fees and Funds Committed by County and SAWS**

Interlocal Agreement for the Huebner Creek Enhanced Conveyance LC17 – Phase III Project

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Design Fee(s) Approved Amounts</th>
<th>SAWS Recycled Water Work&lt;sup&gt;1&lt;/sup&gt;</th>
<th>SAWS Sewer Work</th>
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<td><strong>Total County Professional Services Contribution</strong></td>
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<td>$241,540.75</td>
<td>$285,814.75</td>
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</table>

<sup>1</sup>The County is responsible for the design relocation costs of the recycle water lines that are in a dedicated SAWS Easement. **SAWS Recycled Water Work** includes all design and engineering professional services fees associated with the 36-inch recycle water main as included in the SAWS Recycle Job No. 13-8612-202.

<sup>2</sup>Easement Acquisition costs to be paid by the County includes any and all costs associated with acquiring easements including any and all legal and land costs associated with the 36-inch recycle water main. Costs relate to parcels: P14-303, P14-304, P14-306, P14-308, P14-309, P14-310, P14-312, P14-313T.
### Exhibit “B”

**Construction Costs and Funds Committed by County and SAWS**

Interlocal Agreement for the Huebner Creek Enhanced Conveyance LC17 – Phase III Project

<table>
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<th>Cost Category</th>
<th>SAWS Recycled Water Work</th>
<th>SAWS Sewer Work</th>
<th>Total</th>
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</table>

**Subtotal**

Total County Contribution for Construction = “County Funds” $ 2,751,784.41

Total SAWS Contribution for Construction = “SAWS Funds” $ 6,894,524.82

¹ Approx. 3,817 LF of 36-inch Recycled Water Main
² Approx. 783 LF of 8-inch and 10-inch Sanitary Sewer Main
³ Approx. 4,624 LF of 42-inch Sanitary Sewer Main Upsizing
TO: San Antonio Water System Board of Trustees

FROM: Philip C. Campos, Jr., Director, Contracting, and Nancy Belinsky, Vice President and General Counsel

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

SUBJECT: APPROVAL OF THE SAN ANTONIO WATER SYSTEM SMALL MINORITY WOMAN AND VETERAN-OWNED BUSINESS ENTERPRISE PROGRAM POLICY

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves the San Antonio Water System (SAWS) Small, Minority, Woman, and Veteran-owned Business Enterprise Program Policy.

- In February 2016, the SAWS Board of Trustees approved the Minority and Woman-owned Business Enterprise (M/WBE) Disparity Study for the purpose of policy development.

- A Small, Minority, Woman, and Veteran-owned Business (SMWVB) Enterprise Program Policy largely memorializes our award-winning program, while also making updates that are narrowly-tailored around Disparity Study data.

- In advance of the Board’s consideration of this SMWVB Policy, an information outreach effort was initiated via presentations made to area chambers of commerce and trade associations.

- The SMWVB Policy shall become effective on January 1, 2017, and shall sunset on December 31, 2021, unless the SAWS Board of Trustees affirmatively decides that the program should continue.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

There is no current fiscal impact to the System Fund.
SAWS SMWVB Policy

Philip C. Campos, Jr.
Director, Contracting

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Nancy Belinsky
Vice President and General Counsel
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING THE SAN ANTONIO WATER SYSTEM SMALL MINORITY WOMAN AND VETERAN-OWNED BUSINESS ENTERPRISE PROGRAM POLICY; AND DIRECTING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO IMPLEMENT THE POLICY; 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 October 2013, the San Antonio Water System (the “System”) Board of Trustees approved a contract with MGT of America, Inc. (MGT) to conduct the System’s Minority and Woman-owned Business Enterprise Program (M/WBE) Disparity Study (the “Disparity Study”); and

WHEREAS, on February 9, 2016, the San Antonio Water System Board of Trustees accepted the San Antonio Water System Minority and Woman-owned Business Enterprise Program Disparity Study findings for purposes of policy development; and

WHEREAS, based on information derived from the Disparity Study, the System has created a Small Minority Woman and Veteran-owned Business Enterprise Program Policy; and

WHEREAS, staff has gathered positive feedback from the local business community regarding the System’s proposed Small Minority Woman and Veteran-owned Business Enterprise Program Policy; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the San Antonio Water System Small Minority Woman and Veteran-owned Business Enterprise Program Policy, and (ii) to direct the President/Chief Executive Officer or his duly appointed designee to implement the policy; now, therefore:

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

1. That the San Antonio Water System Small Minority Woman and Veteran-owned Business Enterprise Program Policy in substantially the form attached hereto as Exhibit A and incorporated herein is hereby approved.

2. That the President/Chief Executive Officer or his duly appointed designee is hereby directed to implement the Small Minority Woman and Veteran-owned Business Enterprise
Program Policy, effective January 1, 2017.

3. That the Small Minority Woman and Veteran-owned Business Enterprise Program Policy shall sunset on December 31, 2021, unless the System’s Board of Trustees affirmatively decides that the program should continue.

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 13th day of September, 2016.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

___________________________
Ernesto Arrellano, Jr., Secretary

EXHIBIT A:
Small, Minority, Woman, and Veteran-owned Business (SMWVB) Enterprise Program Policy
Small, Minority, Woman, and Veteran-owned Business (SMWVB) Enterprise Program Policy

1. PURPOSE

It is the policy of San Antonio Water System (SAWS) to provide equal opportunities to all contractors, and to redress the discrimination found in the relevant marketplace and in public procurement against minority and woman-owned business enterprises. SAWS seeks to encourage full participation in all phases of procurement activities and to afford a full and fair opportunity to all vendors to compete for SAWS contracts. The purposes and objectives of these policies are therefore as follows:

(1) To ensure that SAWS is not a passive participant in a discriminatory marketplace.
(2) To ensure that the program is narrowly tailored.
(3) To provide opportunities for SMWVBs to broaden and enhance their capacities to do business with SAWS.
(4) To administer this program in a manner consistent with applicable federal and state law.

2. FINDINGS

The SAWS Board of Trustees hereby makes the following findings:

(1) SAWS regularly enters into contracts for the procurement of goods and services of many kinds, including for construction.
(2) In 1989, the U.S. Supreme Court, in the case styled City of Richmond v. J.A. Croson Co., held that a local government may redress race discrimination in its contracting activities if it can demonstrate through relevant evidence a compelling governmental interest sought to be remedied, and that the remedies adopted are narrowly tailored to promote that interest.
(3) In response to Croson, SAWS participated in the 2009 San Antonio Regional Business Disparity Causation Analysis Study (the 2009 Study), conducted by MGT of America, Inc. (MGT). The 2009 disparity study reviewed procurement activity from 2002 through 2006.
(4) The 2009 Study found evidence of ongoing effects of past discrimination in the local marketplace and in SAWS purchases of goods and services.
(5) The 2009 Study examined Public Use Micro Sample data from 2002 to 2006 for the San Antonio Metropolitan Statistical Area, and determined that there were statistically significant disparities in entry into, and earnings from, self-employment by women and minorities even after controlling for factors such as education, age, wealth and other variables as compared to non-minority males.
(6) The 2009 Study also conducted an econometric analysis of data in the 2003 National Survey of Small Business Finance and found a statistically significant positive relationship between the probability of loan denial and African American ownership.

(7) The 2009 Study also found evidence of negative stereotypes against M/WBEs and public testimony confirmed exclusionary practices of prime contractors to avoid utilizing M/WBE subcontractors and subconsultants.

(8) In 2011, SAWS implemented the B2Gnow software application (also called the Subcontractor Payment & Utilization Reporting [S.P.U.R.] System) to capture actual payments made to prime contractors and their subcontractors.

(9) In September 2013, SAWS again contracted with MGT of America, Inc., (MGT) to conduct a new M/WBE Program Disparity Study (the “2015 Study”) in order to update to the 2009 Study. Since the time that the prior study was approved by the SAWS Board of Trustees, SAWS has collected board-award, contract payment, and vendor registration data at the prime and subcontractor levels. The study reviewed procurement activity from January 1, 2011 through December 31, 2013. The final study was completed in October 2015.

(10) The 2015 Study found the following:

a) In heavy civil/utility Construction prime contracts, there was disparity for all M/WBE groups except African American-owned firms, for whom there was no Construction prime availability.

b) In Engineering prime contracts, there was disparity for all M/WBE groups except Native American-owned firms, for whom there was no Engineering prime availability.

c) In other Professional Services prime contracts, there was disparity for Hispanic Americans. There was no prime availability for African American and Asian American-owned firms.

d) In Procurement prime contract Awards (Commodity Procurement and General Services contracting), there was disparity for all M/WBE groups although African American-owned disparity was not substantial.

e) In heavy civil/utility Construction subcontracting, there was disparity for all MBE groups except Native American-owned firms, for whom there was no heavy civil/utility Construction subcontracting availability.

f) In Engineering subconsulting, there was disparity for Hispanic American-owned firms.

h) In other Professional Services subconsulting, no disparity was calculated because of the small amount of subconsultant spending.

i) In Procurement subcontracting and subconsulting (Commodity Procurement and General Services contracting), no disparity was calculated because of the small amount of subcontractor and subconsultant spending.

i) The 2015 Study also found that M/WBE utilization in private sector commercial construction in the San Antonio Metropolitan Statistical Area (MSA) was very low, as measured by data from building permits.
j) The 2015 Study also analyzed data from the 2012 American Community Survey U.S. Census Bureau data for the San Antonio area and found statistically significant disparities for entry into self-employment for African Americans, Hispanic Americans and nonminority women. There were statistically significant disparities in earnings from self-employment for Hispanic Americans, Asian Americans, and Nonminority Women.
k) The 2015 Study also analyzed data in the National Survey of Small Business Finance (NSSBF) and found a statistically significant positive relationship between the probability of loan denial and African American ownership.
l) The evidence continues to demonstrate that business MBEs and WBEs have been underutilized in contracting opportunities on SAWS Contracts as a result of private sector discrimination.

(11) Although SAWS has made substantial progress in eliminating discrimination in its own contracting practices, discrimination exists in private companies that contract on public projects. As a result of this discrimination, SAWS has been in the past a passive participant in a system of discrimination and, in the absence of programs to eliminate disparity in utilization, would continue to be a passive participant in such a system.

(12) Despite SAWS' efforts to create equal opportunities in its marketplace, the evidence continues to indicate that, absent the programs authorized under this policy, MBEs and WBEs would be underutilized on SAWS Contracts relative to their availability.

(13) Under these circumstances and based on the factual predicate which has been established after careful study and review, SAWS has a compelling governmental interest in remedying the racial and gender discrimination that exists in the market segments in which SAWS does business, and in ensuring that SAWS is not a participant in such discrimination.

(14) The program adopted herein is narrowly tailored to remedy that discrimination.

3. ESTABLISHMENT OF PROGRAM

3.1 Based on the foregoing findings, it is the policy of SAWS to establish this Small, Minority, Woman, and Veteran-owned Business (SMWVB) Program to remedy the ongoing effects of marketplace discrimination that continue to adversely affect the participation of M/WBE firms in SAWS Contracts.

3.2 SAWS seeks to exercise its spending powers in a manner that promotes economic inclusion of all segments of the business population that it serves, regardless of race or gender, so as to maximize the economic vitality and development of the San Antonio region, to expand and diversify SAWS’ supplier base in order to maximize competition, and to obtain the best value on behalf of its customers for its purchased goods and services.
3.3 Based upon the foregoing findings and pursuant to the foregoing declaration of policy, there hereby is established an updated Small, Minority, Woman, and Veteran-owned Business Program for SAWS.

4. PROGRAM ELIGIBILITY

4.1 Only Business Enterprises that meet the criteria of Small Business Enterprises (SBE), Minority-owned Business Enterprises (MBE), Woman-owned Business Enterprises (WBE), or Veteran-owned Business Enterprises (VBE) may participate in the SMWVB Program.

4.2 All SBEs, MBEs, WBEs, and VBEs must be certified prior to participating in the Program.

4.3 Only Business Enterprises with a Significant Local Business Presence in the San Antonio Metropolitan Statistical Area (SAMSA) may participate in the SMWVB Program. The exception is the Procurement and industry. According to the 2015 Study, approximately half of SAWS’ Procurement purchasing market is located outside of the SAMSA. Therefore, SAWS will continue to count SMWVB participation for Commodity Procurement and General Services Contracts with SMWVBs outside of the San Antonio Metropolitan Statistical Area.

4.4 Only Business Enterprises which do not exceed size limits established by the United States Small Business Administration (i.e. “small” businesses) may participate in the SMWVB Program;

4.5 Certification shall be conducted by the South Central Texas Regional Certification Agency or another entity designated by SAWS.

4.6 If state law requires the owner(s) to have a particular license or other credential to own and/or control a certain type of Firm, then the owner(s) must possess the required license or credential. If state law does not require that the owner possess the license or credential, the fact that the owner(s) lacks such license or credential is only a factor in the certification decision.

5. DEFINITIONS

Annual Aspirational Goal. A non-mandatory annual aspirational percentage goal for M/WBE prime and subcontractor or subconsultant participation in SAWS Contracts is established each year for Construction, Engineering, Professional Services, and Commodity Procurement, and General Services. This Annual Aspirational Goal is to be set (and may thereafter adjusted) by the SMWVB Program Manager on an annual basis.
**Awarded.** The final selection by the SAWS Board of Trustees to a Respondent for a specified Prime Contract. Contract awards are made by SAWS to Prime Contractors or Prime Consultants, and by Prime Contractors or Prime Consultants to Subcontractors or Subconsultants, usually pursuant to a solicitation process.

**Best Value Contracting.** A purchasing solicitation process which may evaluate factors other than price. Evaluation criteria for selection may include a Respondent’s previous experience, location, SMWB participation, and quality of product or services procured, and other factors identified in the applicable state law.

**Bid.** A complete, properly signed response to a competitive bidding Solicitation issued by SAWS, submitted on the prescribed forms required by SAWS, to perform or provide labor, materials, equipment, supplies or services to or for the SAWS for a stated price.

**Bidder.** A person, Firm, or Business Enterprise that submits a Bid in response to a Solicitation (Invitation for Bid, Best Value Bid, Request for Competitive Sealed Proposal, Construction Manager at Risk, Design-Build). A Bidder may be represented by an agent if such agent provides evidence demonstrating the agent’s authority.

**Business Enterprise or Firm.** A corporation, partnership, sole proprietorship, Joint Venture, joint stock company, professional association, or any other legal entity, that is properly licensed and/or otherwise authorized to do business in the State of Texas.

**Certification.** The process by which the South Central Texas Regional Certification Agency or another designated entity determines a firm to be a bona-fide small, minority-, or woman-owned business enterprise that is located in the San Antonio Metropolitan Statistical Area. Any firm may apply for multiple Certifications that cover each category (e.g., MBE, or WBE) for which it is able to satisfy eligibility standards.

**Commercially Useful Function.** An SMWVB firm performs a Commercially Useful Function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, staffing, managing and supervising the work involved. To perform a Commercially Useful Function, the SMWVB firm must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quantity and quality, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether an SMWVB firm is performing a Commercially Useful Function, an evaluation must be performed of the amount of work subcontracted (or subconsulted), normal industry practices, whether the amount the SMWVB firm is to be paid under the contract is commensurate with the work it is actually performing, the SMWVB credit claimed for its performance of the work, and other relevant factors. Specifically, an SMWVB firm does not perform a Commercially Useful Function if its role is limited to that of an extra participant in a Contract through which funds are passed in order to obtain the appearance of meaningful and useful
SMWVB participation, when in similar transactions in which SMWVB firms do not participate, there is no such role performed.

**Consultant.** A person or Business Enterprise that submits a Proposal or statement of qualifications to provide Engineering, Professional, or General services to SAWS by Contract, and any person or Business Enterprise who is Awarded a Contract to provide Engineering, Professional or General services to SAWS.

**Contract.** The entire and integrated binding legal agreement between SAWS and a Contractor or Consultant to provide or procure labor, materials, equipment, supplies or services to, for or on behalf of SAWS. Except as otherwise specifically defined in this section, an SMWVB-available Contract does not include:

1. Sales transactions where SAWS sells its personal or real property;
2. A loan transaction where SAWS is acting as a debtor or a creditor;
3. Lease and franchise agreements;
4. Gifts of materials, equipment, supplies or services to SAWS;
5. Interlocal or intergovernmental agreements between or among political subdivisions or quasi-governmental organizations;
6. Procurements of commodities or services that are sole-source by virtue of intellectual property rights or other exclusive rights and for which there are no other subcontracting opportunities.
7. Purchases or leases water rights.

**Contractor.** A person or Business Enterprise that submits a response to an Invitation for Bid, a Best Value Bid, a Request for Competitive Sealed Proposal, Construction Manager at Risk, or Design-Build solicitation with the intention of competing for the Award of a Contract to provide Construction services, Commodities, or General Services to SAWS by Contract, and any person or Business Enterprise who is Awarded a Contract to provide Construction services, Commodities, or General Services to SAWS.

**Control.** The authority of a person or business owner to sign responses to solicitations and Contracts, make price negotiation decisions, sell or liquidate the business, and have the primary authority to direct the day-to-day management and operation of a business enterprise without interference from others.

**Formal Solicitation.** An invitation for bids, request for proposals, request for competitive sealed proposals, request for qualifications or other solicitation documents issued by a SAWS department for a Contract that requires Board approval, in accordance with the procurement rules adopted by SAWS through an official Policy or Standard Operating Procedure under the authority of Board of Trustees or pursuant to statutory requirements.
Goals. The targeted participation percentage of MBEs and WBEs established for a particular Solicitation or Contract,

Good Faith Efforts. Documentation of the Respondent’s intent to comply with M/WBE Program Goals and procedures including, but not limited to, the efforts set forth in Section 10.

Good Faith Effort Plan. The plan submitted with the Submittal detailing the Respondent's plan to achieve the Goals or documenting its Good Faith Efforts to meet the Goals for all elements of the Solicitation. A Good Faith Effort Plan must be submitted with a Submittal for any SAWS project for which Goals have been established.

Industry Categories. Four Contract Solicitation and Award groupings for SAWS inclusive of Construction, Engineering, Professional Services, and Procurement (Commodities and General Services, i.e., non-professional services, manufacturing, wholesale and retail distribution of commodities).

Marketplace. The geographic market defined as the San Antonio Metropolitan Statistical Area (SAMSA).

Minority Business Enterprise (MBE). A business structure that is Certified as being 51% owned, operated, and controlled by an owner female ethnic minority group member(s) who is legally residing in or a citizen of the United States. The ethnic minority group members recognized by SAWS are African Americans, Hispanic Americans, Asian Americans, and Native Americans.

Minority Group Members. African-Americans, Hispanic Americans, Asian Americans and Native Americans legally residing in, or that are citizens of, the United States or its territories, as defined below:

African-Americans: Persons having origins in any of the black racial groups of Africa.

Hispanic-Americans: Persons of Mexican, Puerto Rican, Cuban, Spanish or Central or South American origin.

Asian-Americans: Persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands, including India, Pakistan, Bangladesh, Sri Lanka, Maldives Islands, Bhutan, or Nepal.

Native Americans: Persons having no less than 1/16th percentage origin in any of the Native American Tribes, as recognized by the U.S. Department of the Interior, Bureau of Indian Affairs and as demonstrated by possession of personal tribal role documents.
Payment. Dollars actually paid to Prime Contractors or Prime Consultants and/or Subcontractors or Subconsultants for SAWS contracted goods and/or services.

Prime Contractor. The Respondent to whom a purchase order or Contract is issued by SAWS for purposes of providing Commodities, General Services, or Construction services to SAWS.

Prime Consultant. The Respondent to whom a purchase order or Contract is issued by SAWS for purposes of providing Engineering services, General Services, or Professional Services to SAWS.

Proposal. A complete, properly signed response to a Solicitation that, if accepted and awarded, would bind the Respondent to perform the resultant Contract.

Relevant Marketplace. The geographic market area affecting the M/WBE Program as determined for purposes of collecting data for the prior and any future Disparity Study, and for determining eligibility for participation under various programs established by this Policy, is defined as the San Antonio Metropolitan Statistical Area (SAMSA).

Respondent. A contractor, consultant, distributor, manufacturer, or supplier submitting a bid, a best value bid, a Request for Competitive Sealed Proposals submittal, a Construction Manager at Risk, or Design-Build submittal, a statement of qualifications, or a proposal in response to a solicitation issued by SAWS.

Responsible. A firm that is capable in all respects to fully perform contract requirements, and has the integrity and reliability which will assure good faith performance of contract specifications.

Responsive. A firm’s submittal (Bid or Proposal) that conforms in all material respects to a solicitation (Invitation for Bid, Best Value Bid, Request for Qualifications, Request for Proposal, or Request for Competitive Sealed Proposal, Construction Manager at Risk, Design-Build) and shall include compliance with SMWVB Program requirements.

SMWVB Program Manager. The individual responsible for oversight, tracking, monitoring, administration, implementation, and reporting of the SAWS SMWVB Program. The SMWVB Program Manager is also responsible for enforcement of Contractor and Consultant compliance with subcontractor and subconsultant participation requirements, and ensuring that overall program objectives are met.

San Antonio Metropolitan Statistical Area (SAMSA). Also known as the Relevant Marketplace, the geographic market area from which the prior Disparity Study analyzed contract utilization and availability data for disparity (currently including the counties of Atascosa, Bander, Bexar, Comal, Frio, Guadalupe, Kendall, Kerr, McMullen, Medina, Uvalde and Wilson).
**Significant Local Business Presence.** A Firm has a Significant Local Business Presence if it has an established place of business in the San Antonio Metropolitan Statistical Area, at which one or more of its employees is regularly based. Such place of business must have a substantial role in the SBE’s/MBE’s/WBE’s/VBE’s performance of a Commercially Useful Function. A location utilized solely as a post office box, mail drop, or telephone message center or any combination thereof, with no other substantial work function, shall not be construed to constitute a Significant Local Business Presence.

**Small Business Enterprise (SBE) Certification.** A business structure that is formed with the purpose of making a profit, which is independently owned and operated and which meets the United States Small Business Administration (SBA) size standard for a small business.

**Small Business Enterprise (SBE) Annual Aspirational Goal.** A non-mandatory annual aspirational percentage goal for SBE prime and subcontract participation in SAWS Contracts is established each year for Construction, Engineering, and Professional Services. This SBE Annual Aspirational Goal is to be set (and may thereafter adjusted) by the SMWVB Program Manager on an annual basis.

**Small, Minority, Woman, and Veteran-owned Business Program Office (SMWVB Program Office).** The office within SAWS that is primarily responsible for general oversight and administration of the SMWVB Program.

**Solicitation.** A Solicitation means, as the case may be, an Invitation for Bids, a Request for Proposals, a Request for Qualifications, a Request for Competitive Sealed Proposals Construction Manager at Risk, Design Build, or such other request as defined by SAWS.

**Subconsultant.** A person, Firm, or Business Enterprise providing Engineering Services, Professional Services, or General Services to a Prime Consultant if such professional or nonprofessional services are procured or used in fulfillment of the Prime Consultant's obligations arising from a Contract and including every level of subconsulting required to fulfill a Contract with SAWS.

**Subcontractor.** A person, Firm, or Business Enterprise that is providing Construction services, Commodities, or General Services to a Prime Contractor in furtherance of the Prime Contractor's performance, including every level of subcontracting required to fulfill a Contract or purchase order with SAWS.

**Submittal.** A response to an Invitation for Bids, a Request for Proposals, a Request for Qualifications, a Request for Competitive Sealed Proposals, a Construction Manager at Risk solicitation, Design Build solicitation, or such other request as defined by SAWS, that has been submitted to SAWS for the purpose of competing for the Award of a Contract.
**Utilization Documentation.** A Prime Contractor or Prime Consultant will be required to report the actual payments to all Subcontractors and Subconsultants by using the Subcontractor Payment and Utilization Reporting (S.P.U.R.) System, in the time intervals and format prescribed by SAWS. This information will be utilized for subcontractor and subconsultant payment tracking purposes, regardless of a subcontractor’s or subconsultant’s SMWVB certification status. Any unjustified failure to comply with the committed SMWVB levels may be considered breach of contract. Additions, substitutions, deletions, or a modification of the utilization amounts of Subcontractors/Subconsultants requires a hard copy request to be submitted to the SMWVB Program Manager, and approval by the SMWVB Program Manager and the Director of Contractor or the Director of Purchasing before any changes can be made.

**Woman-owned Business Enterprises (WBEs).** A business structure that is certified as being 51% owned, operated, and controlled by a woman or women who are legally residing in or are citizens of the United States, that is ready, willing and able to sell goods or services that are purchased by SAWS.

**Veteran-owned Business Enterprises (VBEs).** A business structure that is at least 51% owned, operated and controlled by an individual who served in the United States Armed Forces, and who was discharged or released under conditions other than dishonorable. Please note: This certification type should not be confused with the Service Disabled Veteran designation available through the Small Business Administration.

### 6. **ANNUAL ASPIRATIONAL GOALS**

6.1 The Annual M/WBE Participation Goals for the Program are as follows:

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<thead>
<tr>
<th></th>
<th>Construction</th>
<th>Engineering</th>
<th>Professional Services</th>
<th>Procurement (Commodities and General Services)</th>
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</thead>
<tbody>
<tr>
<td>Minority-owned and Woman-owned Business Enterprises (Combined Goals)</td>
<td>20%</td>
<td>40%</td>
<td>40%</td>
<td>19%</td>
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6.2 For each fiscal year, the SMWVB Program Manager may establish non-mandatory annual aspirational percentage goals for overall MBE and WBE contract participation on SAWS Construction contracts and associated subcontracts.

6.3 These Annual Aspirational Goals shall be reviewed and may be adjusted hereafter by the SMWVB Program Manager on an annual basis based upon
the relative M/WBE availability data to be collected by SAWS through its S.P.U.R. System and other available data.

6.4 Annual Aspirational Goals are not to be routinely applied to individual Solicitations, but are intended to serve as a benchmark against which to measure the overall effectiveness of the M/WBE Program on an annual basis.

6.5 Annual Aspirational Goals may be stated only in those SAWS solicitations that do not contain contract-specific M/WBE Goals.

6.6 SAWS shall review its progress in its contracting activities and revise the SMWVB Program Policy as necessary to meet legal requirements. Annual Participation Goals may be revised for the balance of the term of the SMWVB Program if SAWS finds that the SMWVB Program has yet to redress the effects of discrimination in the Marketplace against MBEs and WBEs, and that in the absence of race and gender-conscious remedial measures, SAWS would necessarily be a passive participant in a discriminatory marketplace.

7. ESTABLISHMENT OF MBE AND WBE (M/WBE) PARTICIPATION GOALS FOR INDIVIDUAL CONTRACTS

7.1 For ease of SMWVB Program administration, individual Solicitations may contain Goals, if applicable, expressed as round numbers using mathematical rounding principles.

7.2 Based on the size of the Contract, the type of work of the Contract, and the availability of each group of M/WBEs to perform elements of the work of the Contract, SAWS may utilize the M/WBE Goal.

7.3 SAWS recognizes that the availability of M/WBEs is not uniformly present across all areas of procurement. Therefore, where appropriate, the SMWVB Program Manager may establish project participation Goals for individual Contracts, based on any or all of the following guidelines:

(1) normal industry practice;
(2) the availability of at least three certified MBEs or WBEs to perform the functions of those individual Contracts;
(3) SAWS utilization of MBEs and WBEs to-date, so as to achieve the Annual Aspirational Goals; and
(4) any additional relevant factors.

7.4 The Goals on any individual contract shall be the M/WBE goal.
7.5 In the absence of the data necessary to calculate project specific goals, the SMWVB Program Manager may use the Annual Aspirational Goals on individual contracts.

8. PAYMENT REPORTING

8.1 Contractors and Consultants shall be required to electronically submit Subcontractor or Subconsultant utilization and payment information by reporting payment data into the Subcontractor Payment and Utilization Reporting (S.P.U.R.) System, beginning with the first SAWS payment for services under the Contract, and with every payment thereafter (for the duration of the Contract).

9. COUNTING PARTICIPATION OF MBES AND WBES

9.1 When an M/WBE participates in a Contract as a Contractor, a Consultant, or a Subcontractor or Subconsultant, count the value of the work actually performed by the M/WBE toward the M/WBE Goals.

9.2 The entire amount of that portion of a Contract that is performed by the MBE's/WBE's own forces shall be counted, including the cost of supplies and materials obtained by the M/WBE for the work of the Contract, and supplies purchased or equipment leased by the M/WBE (except supplies and equipment the MBE/WBE Subcontractor purchases or leases from the Prime Contractor or its Affiliate).

9.3 Notwithstanding clause (1) above, on a single Contract, an MBE that is also a WBE may only be counted once (i.e., toward the WBE Goal).

9.4 The entire amount of fees or commissions charged by a M/WBE Firm for providing a bona fide service, such as professional, technical, Consultant, or managerial services, or for providing bonds or insurance specifically required for the performance of a Contract will count toward M/WBE Goals, provided the fee is reasonable and not excessive as compared with fees customarily allowed for similar services shall be counted.

9.5 When an M/WBE subcontracts part of the work of its Contract to another Firm, the value of the subcontracted work may be counted toward Goals only if the M/WBE Subcontractor is itself a M/WBE. Work that an M/WBE subcontracts to a non-MBE/non-WBE Firm does not count toward M/WBE Goals.

9.6 If a Subcontractor contracts part of its work to an MBE/WBE Firm, the value of that work may be counted toward M/WBE Goals. Work that an
M/WBE Subcontractor contracts to another M/WBE Firm shall not be counted twice towards the Goal.

9.7 When an M/WBE performs as a participant in a Joint Venture, only the portion of the total dollar value of the Contract equal to the distinct, clearly defined portion of the work of the Contract that the M/WBE performs with its own forces and for which it is at risk shall be counted towards M/WBE Goals.

9.8 Only expenditures to an M/WBE Contractor or Consultant or a Subcontractor or Subconsultant that is performing a Commercially Useful Function shall be counted.

9.9 When an M/WBE is presumed not to be performing a Commercially Useful Function as provided in this section, the M/WBE may present evidence to rebut this presumption. The SMWVB Program Manager may determine that the Firm is performing a Commercially Useful Function given the type of work involved and normal industry practices.

9.10 Expenditures with M/WBEs for materials or supplies shall be counted toward MBE/WBE Goals as follows:

1. If the materials or supplies are obtained from an M/WBE manufacturer or distributor, 100 percent of the cost of the materials or supplies toward MBE/WBE Goals shall be counted.

2. With respect to materials or supplies purchased from a M/WBE that is neither a manufacturer nor a distributor, count the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, fees or transportation charges for the delivery of materials or supplies required on a job site, toward M/WBE Goals only if the payment of such fees are a customary industry practice and such fees are reasonable and not excessive as compared with fees customarily allowed for similar services. Do not count any portion of the cost of the materials and supplies themselves toward M/WBE Goals, however.

3. If a Firm ceases to be a certified M/WBE during a Contract, the dollar value of work performed under a Contract with that Firm after it has ceased to be certified shall not be counted.

4. In determining achievement of M/WBE Goals, the participation of an M/WBE Subcontractor shall not be counted until the amount being counted toward the Goal has begun to be paid to the M/WBE.

10. PROGRAM REQUIREMENTS AND GOOD FAITH EFFORTS

10.1 In all Solicitations Awarded, for which a Goal has been established for Contracts, SAWS shall indicate its Goals for the use of M/WBEs in the
solicitation documents. Respondents must meet the stated Goals or, in the alternative, demonstrate a documented Good Faith Effort to meet the stated Goals.

10.2 All Solicitation and Contract documents for which a Goal has been established shall contain:

(1) the requirements related to achieving the Goals;
(2) if Goals are not achieved, the requirement of documentation of the Respondent's Good Faith Efforts of outreach toward M/WBEs for the purpose of achieving the Goals.

10.3 Achievement of Goals or, in the alternative, the documentation of Good Faith Efforts, applies to every Contract for which Goals are established.

10.4 M/WBE lists that may be provided by SAWS to a Respondent shall establish the minimum universe from which a Respondent may solicit Subcontractors to meet the Goals.

10.5 The Respondent's Good Faith Effort Plan to meet the Goals shall be due, in most instances, at the time set out in the Solicitation documents.

10.6 Any agreement between a Respondent and an M/WBE Subcontractor or Subconsultant, in which the Respondent requires that the M/WBE Subcontractor or Subconsultant not provide quotations to other Respondents, is prohibited.

10.7 M/WBE Subcontractors and Subconsultants must be competitive with non-MBE/non-WBE Subcontractors and Subconsultants on price, quality, and delivery. M/WBE Subcontractors and Subconsultants shall respond to relevant requests for quotations.

10.8 The SMWVB Program Manager will determine whether the Respondent has made Good Faith Efforts. In making this determination, the SMWVB Program Manager will consider, at a minimum, the Respondent's efforts to do the following:

(1) Soliciting M/WBEs within the Marketplace who have the capability to perform the Contract work. The Respondent must solicit this interest within sufficient time to allow the M/WBEs to respond to the Solicitation. The Respondent must take appropriate steps to follow up initial Solicitations with interested M/WBEs. The Respondent must state a specific and verifiable reason for not contacting each certified Firm with a Significant Local Business Presence.
(2) Providing interested M/WBEs with adequate information about the plans, specifications, and requirements of the Contract, including addenda, in a timely manner to assist them in responding to a Solicitation.

(3) Negotiating in good faith with interested M/WBEs that have submitted Bids or Proposals to the Respondent.

10.9 That there may be some additional costs involved in soliciting and using MBEs and WBEs is not a sufficient reason for a Respondent’s failure to meet the Goals, as long as such costs are reasonable.

10.10 M/WBEs may not be rejected without sound reasons based on a thorough investigation of their capabilities and qualifications. The M/WBE’s standing within its industry, membership (or presumed membership) in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for rejecting or not soliciting M/WBEs to meet the Goals.

10.11 The ability or desire of a Respondent to perform the work of a Contract with its own organization does not relieve the Respondent of the responsibility to make Good Faith Efforts. A Respondent who desires to self-perform the work of a Contract must demonstrate Good Faith Efforts unless the Goals have been met.

10.12 Respondents are not required to accept higher quotes in order to meet the Goals.

10.13 Effectively using the services of M/WBE-oriented community organizations; M/WBE-oriented Contractors groups; local, state, and federal M/WBE business assistance offices; and other organizations to provide assistance in solicitation and utilization of M/WBEs.

10.14 The performance of other Respondents in meeting the Contract Goals. For example, when other Respondents meet the Goals, it may be reasonably questioned whether, with additional reasonable efforts, the apparent successful Respondent could have met the Goals. Similarly, if the apparent successful Respondent fails to meet the Goals, but meets or exceeds the average MBE/WBE participation obtained by other Respondents, this may be evidence that the apparent successful Respondent made Good Faith Efforts.

10.15 The SMWVB Program Manager shall review the Good Faith Effort Plan prior to award, including the scope of work, within a reasonable time so as not to unduly delay award of the Contract.
10.16 If the SMWVB Program Manager determines that the Good Faith Effort Plan demonstrates that the Goals have been achieved, then the SMWVB Program Manager shall recommend award of the Contract.

10.17 In the event the applicable Goals have not been achieved, then the SMWVB Program Manager shall evaluate the Respondent's Good Faith Efforts to achieve those Goals as documented in the Good Faith Effort Plan. The SMWVB Program Manager may request clarification in writing of items listed in the Good Faith Effort Plan.

10.18 If the SMWVB Program Manager finds that a Respondent did not make sufficient Good Faith Efforts, the SMWVB Program Manager shall communicate the finding to the SAWS Director of Contracting or Director of Purchasing. The SMWVB Program Manager shall recommend that the Bid/Proposal be rejected as non-responsive based on failure to comply with this Policy.

10.19 The SAWS Director of Contracting or Director of Purchasing may reject the Submittal as not being in compliance with this Policy, or may advise the SMWVB Manager of additional considerations which may form the basis for accepting the Submittal as being in the best overall interest of the Policy and SAWS.

10.20 The rejection of Submittals in compliance with this section does not affect the ability of the SAWS Contracting Department or SAWS Purchasing Department to continue to evaluate and consider the remaining Submittals that achieve the Goals or demonstrate Good Faith Efforts and to develop a recommendation to SAWS for award of the Contract.

11. EVALUATION OF CONSTRUCTION CONTRACTS PROCURED THROUGH ALTERNATIVE DELIVERY METHODS

11.1 For an alternative delivery contract that is let pursuant to construction alternative delivery methods (e.g., Requests for Competitive Sealed Proposals, Design-Build, and Construction Manager At Risk), the SMWVB Program Manager may reserve up to 10% of the total points awarded in weighted selection criteria to be awarded in connection with a Respondents’ community outreach efforts, including the evaluation of the Respondents’ proposed team. In determining whether to reserve up to the 10% of the total points for an evaluation of the Respondents’ community outreach efforts, the SMWVB Program Manager shall consider whether there are at least three M/WBEs that are available and capable to perform as Prime Contractors or Subcontractors for the contract.
12. POST-AWARD CONTRACT ADMINISTRATION AND COMPLIANCE PROCEDURES

12.1 Upon award of a Contract by SAWS that includes Goals that are met, the Goals become covenants of performance by the Contractor in favor of SAWS.

12.2 Prior to Contract expiration or closeout, the SMWVB Program Manager shall evaluate the Contractor's fulfillment of the contracted Goals, taking into account all approved substitutions, terminations and changes to the Contract's scope of work. Should the SMWVB Program Manager find the Contractor has not fulfilled the contracted Goals, the SMWVB Program Manager shall provide the reasons for such conclusion and shall state in writing to the Prime Consultant or Prime Contractor, and request justification for why the Goal was not met, and whether there will be any rectification for the M/WBE Subcontractors or Subconsultants.

12.3 The Contractor cannot make changes to the Good Faith Effort Plan or substitute Subcontractors listed in the Good Faith Effort Plan without the prior written approval of the SMWVB Program Manager. Unauthorized changes or substitutions shall be a violation of this Policy, and may constitute grounds for termination of the executed Contract for breach, and/or subject the Prime Contractor or Prime Consultant to penalties or other sanctions.

12.4 All requests for changes or substitutions of the Subcontractors listed in the Good Faith Effort Plan shall be made to the SMWVB Program Manager in writing, and shall clearly and fully set forth the basis for the request. A Contractor shall not substitute a Subcontractor or perform the work designated for a Subcontractor in the Good Faith Effort Plan with its own forces unless and until the SMWVB Program Manager approves such substitution in writing. A Contractor shall not allow a substituted Subcontractor to begin work until both the SMWVB Program Manager and SAWS' Contracting or Purchasing director have approved the substitution.

12.5 Substitutions of the Subcontractor shall be permitted only on the following bases:

1. unavailability after receipt of reasonable notice to proceed;
2. failure of performance;
3. financial incapacity;
4. refusal by the Subcontractor to honor the Bid or Proposal price;
5. mistake of fact or law about the elements of the scope of work of a Solicitation where a reasonable price cannot be agreed;
(6) failure of the Subcontractor to meet insurance, licensing or bonding requirements; or
(7) the Subcontractor's withdrawal of its Bid or Proposal.

13. PROGRAM RESPONSIBILITIES

13.1 Administration: SAWS’ SMWVB Program Office has overall responsibility to interpret, administer, and enforce SMBWVB Program policies, standards, definitions, criteria, and procedures to govern the implementation, interpretation, and application of this program in a manner to achieve its stated objectives and purposes.

13.2 Reporting: The SMWVB Program Manager shall be responsible for reporting to the SAWS Board of Trustees on at least an annual basis regarding SAWS’ progress toward satisfying the SMWVB Program policy objectives, and to make recommendations for any necessary adjustments or amendments to the policy and administration of the SMWVB Program to fully effectuate its purposes. To this end, the SMWVB Program Manager shall also have oversight responsibility to ensure that appropriate data tracking systems are maintained by SAWS to enable accurate reporting on the relative availability and utilization of SAWS Prime Contractors, Prime Consultants, Subcontractors, and Subconsultants by race and gender of business ownership, and by industry.

13.3 Certification: The SMWVB Program Manager shall be appointed by the SAWS Director of Contracting to serve as the official SAWS representative on the South Central Texas Regional Certification Agency (SCTRCA) Board, and shall represent SAWS’ interests in SMWVB certification standards and program eligibility criteria so as to maintain the integrity of this Policy without unduly burdening certification applicants. An alternate employee representative shall also be appointed, who will represent SAWS on the South Central Texas Regional Certification Agency (SCTRCA) Board in the SMWVB Program Manager’s absence.

13.4 Contract Administration:

(1) SAWS’ Contracting and Purchasing Departments shall have primary responsibility for ensuring that contract specifications provided by the SMWVB Program Manager relating to the SMWVB Program requirements are included in all appropriate solicitation documents. Compliance with such SMWVB Program bid specifications shall be material in determining whether a bid or proposal is responsive.

(2) The Contracting and Purchasing Departments are also responsible for ensuring that such specified SMWVB Program requirements are appropriately incorporated and included in all contract documents.
(3) The Contracting and Purchasing Departments shall be primarily responsible for informing the SMWVB Program Manager of change orders and contract amendments, including proposed changes to Subcontractors’ or Subconsultants’ participation on a contract.

13.5 Complaints: SMWVB Program abuse, suspected fraud, or any violation of this program’s rules and standards may be referred to the SMWVB Program Manager for investigation, review, and appropriate sanctions or resolution.

14. RACE AND GENDER NEUTRAL MEASURES TO ENSURE EQUAL OPPORTUNITY FOR ALL CONTRACTORS

14.1 SAWS shall develop and use measures to facilitate the participation of all Business Enterprises in SAWS contracting activities with respect to Construction, Professional Services, and Purchasing. These measures shall include, but are not limited to:

1. Arranging Solicitation times for the presentations of Requests for Bids, Requests for Competitive Sealed Proposals, Design-Build, Construction Manager at Risk, Requests for Information, Requests for Proposals, Best Value Bids, and Cooperative Contracts, so as to facilitate the participation of interested Contractors and Subcontractors;
2. Segmenting Contracts as to facilitate the participation of Business Enterprises;
3. Providing timely information programs on contracting procedures, Solicitation preparation, and specific contracting opportunities;
4. Holding pre-bid and pre-Proposal conferences, where appropriate, to explain the projects and to encourage other Contractors to use all available Business Enterprises as Subcontractors;
5. Adopting prompt payment procedures, including requiring by Contract that Prime Contractors pay Subcontractors (and Consultants pay Subconsultants, as the case may be) within 10 calendar days of receipt of payment from SAWS;
6. Collecting information for expenditures to Subcontractors (or Subconsultants) utilized by Prime Contractors (or Consultants) on SAWS Contracts;
7. Maintaining a continuous process for information flow between Contractors or Consultants and SAWS;
8. Reviewing bonding and insurance requirements to eliminate unnecessary barriers to contracting with SAWS; and
9. Referring complaints of discrimination to the appropriate state or federal agency for investigation and resolution, or taking other action as appropriate.
14.2 SAWS has received feedback from the business community requesting the recognition of Veteran-owned Business Enterprise (VBE) certification, as we are located in “Military City USA”. VBE certification offered by the South Central Texas Regional Certification Agency is race-neutral. Recognition of VBEs shall include:

(1) Tracking Veteran-owned Business Enterprises (VBEs) who submit and/or are awarded contracts that were procured through bids, best value bids, Requests for Competitive Sealed Proposals, Design-Build solicitations, Construction Manager at Risk Solicitations, Requests for Proposals, and Requests for Qualifications. Tracking will be implemented with the purpose of gathering data and determining whether preference for VBEs can be applied at a later date.

15. ESTABLISHMENT OF SBE PARTICIPATION GOALS FOR INDIVIDUAL CONTRACTS

15.1 For ease of Program administration, individual Solicitations may contain Goals, if applicable, expressed as round numbers using mathematical rounding principles.

15.2 Based on the race and gender neutrality of SBE certification, SAWS may utilize the SBE Goal.

15.3 The Goals on any individual contract may be the M/WBE goal, or the combined M/WBE goal plus the SBE goal.

16. COUNTING PARTICIPATION OF SBEs

16.1 When an SBE participates in a Contract as a Contractor, a Consultant, or a Subcontractor or Subconsultant, count the value of the work actually performed by the SBE toward the SBE Goal.

16.2 The entire amount of that portion of a Contract that is performed by the SBE’s own forces shall be counted, including the cost of supplies and materials obtained by the SBE for the work of the Contract, and supplies purchased or equipment leased by the SBE (except supplies and equipment the SBE Subcontractor purchases or leases from the Prime Contractor or its Affiliate).

16.3 Notwithstanding clause (1) above, on a single Contract, an SBE may only be counted once (i.e., toward the SBE Goal).

16.4 The entire amount of fees or commissions charged by an SBE Firm for providing a bona fide service, such as professional, technical, Consultant,
or managerial services, or for providing bonds or insurance specifically required for the performance of a Contract will count toward the SBE Goal, provided the fee is reasonable and not excessive as compared with fees customarily allowed for similar services shall be counted.

16.5 When an SBE subcontracts or subconsults part of the work of its Contract to another Firm, the value of the subcontracted or subconsulted work may be counted toward Goals only if the SBE Subcontractor or Subconsultant is itself an SBE. Work that an SBE subcontracts or subconsults to a non-SBE Firm, the value of the work performed by the non-SBE does not count toward SBE Goals.

16.6 If a Subcontractor contracts part of its work to an SBE Firm, the value of that work may be counted toward the SBE Goal. Work that an SBE Subcontractor contracts to another SBE Firm shall not be counted twice towards the Goal.

16.7 When an SBE performs as a participant in a Joint Venture, only the portion of the total dollar value of the Contract equal to the distinct, clearly defined portion of the work of the Contract that the SBE performs with its own forces and for which it is at risk shall be counted towards SBE Goals.

16.8 Only expenditures to an SBE Contractor, Consultant or Subcontractor or Subconsultant that is performing a Commercially Useful Function shall be counted.

16.9 When an SBE is presumed not to be performing a Commercially Useful Function as provided in this section, the SBE may present evidence to rebut this presumption. The SMWVB Program Manager may determine that the Firm is performing a Commercially Useful Function given the type of work involved and normal industry practices.

16.10 Expenditures with SBEs for materials or supplies shall be counted toward SBE Goals as follows:

16.11 If the materials or supplies are obtained from an SBE Manufacturer or Regular Dealer, 100 percent of the cost of the materials or supplies toward the SBE Goal shall be counted.

16.12 With respect to materials or supplies purchased from an SBE that is neither a manufacturer nor a distributor, count the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on a job site, toward the SBE Goals only if the payment of such fees are a customary industry practice and such fees are reasonable
and not excessive as compared with fees customarily allowed for similar services. Do not count any portion of the cost of the materials and supplies themselves toward the SBE Goals, however.

16.13 If a Firm ceases to be a certified SBE during a Contract, the dollar value of work performed under a Contract with that Firm after it has ceased to be certified as an SBE shall not be counted.

16.14 In determining achievement of SBE Goals, the participation of an SBE Subcontractor shall not be counted until the amount being counted toward the Goal has begun to be paid to the SBE.

17. **RACE AND GENDER NEUTRAL (SBE) PROGRAM REQUIREMENTS AND GOOD FAITH EFFORTS**

17.1 In all Solicitations Awarded, for which a Goal has been established for Contracts, SAWS shall indicate its Goal for the use of SBEs in the Solicitation documents. Respondents must meet the stated Goals or, in the alternative, demonstrate a documented Good Faith Effort to meet the stated Goals.

17.2 All Solicitation and Contract documents for which a Goal has been established shall contain:

   (1) The requirements related to achieving the Goals;

17.3 The Respondent's Good Faith Effort Plan to meet the Goals shall be due, in most instances, at the time set out in the Solicitation documents.

17.4 Any agreement between a Respondent and an SBE subcontractor or subconsultant, in which the Respondent requires that the SBE not provide subcontracting or subconsulting quotations to other Respondents, is prohibited.

17.5 SBE Subcontractors must be competitive with non-SBE Subcontractors on price, quality, and delivery. SBEs shall respond to relevant requests for quotations.

17.6 The SMWVB Program Manager will determine whether the Respondent has made Good Faith Efforts. In making this determination, the SMWVB Program Manager will consider, at a minimum, the Respondent's efforts to do the following:

   (4) Soliciting SBEs within the Marketplace who have the capability to perform the Contract work. The Respondent must solicit this interest within
sufficient time to allow the SBEs to respond to the Solicitation. The Respondent must take appropriate steps to follow up initial Solicitations with interested SBEs. The Respondent must state a specific and verifiable reason for not contacting each certified Firm with a Significant Local Business Presence.

(5) Providing interested SBEs with adequate information about the plans, specifications, and requirements of the Contract, including addenda, in a timely manner to assist them in responding to a Solicitation.

(6) Negotiating in good faith with interested SBEs that have submitted Bids or Proposals to the Respondent.

17.7 That there may be some additional costs involved in soliciting and using SBEs is not a sufficient reason for a Respondent's failure to meet the Goals, as long as such costs are reasonable.

17.8 SBEs may not be rejected without sound reasons based on a thorough investigation of their capabilities. The SBE's standing within its industry, membership (or presumed membership) in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for rejecting or not soliciting SBEs to meet the Goals.

17.9 The ability or desire of a Respondent to perform the work of a Contract with its own organization does not relieve the Respondent of the responsibility to make Good Faith Efforts. A Respondent who desires to self-perform the work of a contract must demonstrate Good Faith Efforts unless the Goals have been met.

17.10 Respondents are not required to accept higher quotes in order to meet the Goals.

17.11 The performance of other Respondents in meeting the Contract Goal. For example, when other Respondents meet the Goal, it may be reasonably questioned whether, with additional reasonable efforts, the apparent successful Respondent could have met the Goal. Similarly, if the apparent successful Respondent fails to meet the Goal, but meets or exceeds the average SBE participation obtained by other Respondents, this may be evidence that the apparent successful Respondent made Good Faith Efforts.

17.12 The SMWVB Program Manager shall review the Good Faith Effort Plan prior to award, including the scope of work, within a reasonable time so as not to unduly delay award of the Contract.
17.13 If the SMWVB Program Manager determines that the Good Faith Effort Plan demonstrates that the Goals have been achieved, then the SMWVB Program Manager shall recommend award of the Contract.

17.14 In the event the applicable Goal has not been achieved, then the SMWVB Program Manager shall evaluate the Respondent's Good Faith Efforts to achieve the Goal as documented in the Good Faith Effort Plan. The SMWVB Program Manager may request clarification in writing of items listed in the Good Faith Effort Plan.

17.15 If the SMWVB Program Manager finds that a Respondent did not make sufficient Good Faith Efforts, the SMWVB Program Manager shall communicate the finding to the SAWS Director of Contracting or Director of Purchasing. The SMWVB Program Manager may recommend that the Respondent be rejected as non-responsive based on failure to comply with this Policy.

17.16 The SAWS Director of Contracting or Director of Purchasing may reject the Submittal as not in compliance with this Policy, or may advise the SMWVB Manager of additional considerations which may form the basis for accepting the Submittal as best in the best overall interest of the Policy and SAWS.

17.17 The rejection of Submittals in compliance with this section does not affect the ability of the Contract Awarding Authority to continue to evaluate and consider the remaining Submittals that achieve the Goal or demonstrate Good Faith Efforts and to develop a recommendation to SAWS for award of the Contract.

18. VIOLATIONS AND SANCTIONS

18.1 It is a violation of this Policy to:

(1) Fraudulently obtain, retain or attempt to obtain, retain or aid another in fraudulently obtaining, retaining or attempting to obtain or retain Certification status as an SBE, MBE, VBE, or WBE.

(2) Falsify, conceal or cover up a material fact or make any false, fictitious or fraudulent statements, reports, or representations, or make use of any false writing, document, or electronic report knowing the same to contain any false, fictitious or fraudulent statement or entry pursuant to the terms of this Policy.

(3) Make false statements to any entity that another entity is or is not certified as an SBE, MBE, VBE, or WBE.

(4) Make false reports regarding payments made to subcontractors/subconsultants in the Subcontractor Payment & Utilization Reporting (S.P.U.R.) System.
18.2 Any person who violates the provisions of this section shall be subject to the following sanctions and to the maximum penalty provided by law:

(1) A Respondent, Prime Contractor, Prime Consultant, Subcontractor, or Subconsultant is subject to being barred, suspended, or deemed non-responsible in future SAWS Solicitations and contracts for a period up to five years after notice and an opportunity to submit a formal protest.

(2) Prior Subcontractor or Subconsultant utilization compliance averages for the past two years may be considered when totaling the SMWB score, based upon data from the Subcontractor Payment & Utilization Reporting (S.P.U.R.) System. This applies to SMWB and Non-SMWB Prime Contractors’ and Prime Consultants’ utilization of their SMWB Subcontractors or Subconsultants. Up to 3 points may be deducted from the SMWB score for discrepancies between the pledged SMWB goal, and the current/ongoing actual utilization of SMWB Subcontractors or Subconsultants on recent SAWS projects. This option does not apply to work order/unspecified contracts.

(3) Where appropriate and lawful, SAWS may revoke or otherwise amend any Contract to such extent as may be necessary to withhold monies to protect the Owner from loss on account of persistent and uncured contractor non-compliance with the SMWVB Policies, including, but not limited to, failure to electronically submit monthly subcontractor payment information utilizing the Subcontractor Payment and Utilization Reporting (S.P.U.R.) System.

(4) In addition to other sanctions available to SAWS, the violation of any provision of this Policy may be included as an incident of breach in each Contract.

19. MISCELLANEOUS TERMS

19.1 Graduation. SBE, MBE, WBE, and VBE firms shall be graduated from participation when the firms are no longer eligible based upon the Certification standards and definitions set forth in this Policy, or are no longer “small” as defined in the regulations of the United States Small Business Administration.

19.2 Severability. If any section, paragraph, sentence, clause, phrase or word of this SMWVB Program Policy, or the application thereof, to any person or circumstance is for any reason held by a Court of competent jurisdiction to be unconstitutional, inoperative, invalid or void, such holding shall not affect the remainder of this Policy or the application of any other provisions of this Policy which can be given effect without the invalid provision or application, and to this end, all the provisions of this Policy are hereby declared to be severable.
20. **EFFECTIVE DATE**

20.1 The SMWVB Policy shall become effective January 1, 2017.

21. **SUNSET DATE**

21.1 This policy shall sunset on December 31, 2021 unless the SAWS Board of Trustees affirmatively decides that the program should continue.
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 REQUESTING CITY COUNCIL TAKE CERTAIN ACTIONS WITH RESPECT TO THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS, (NO RESERVE FUND)” AS FURTHER DESIGNATED BY SERIES

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution requests City Council authorize the issuance and sale of one or more obligations designated as City of San Antonio, Texas Water System Junior Lien Revenue Refunding Bonds, (No Reserve Fund) to 1) advance and/or currently refund outstanding City of San Antonio, Texas Water System debt for debt service savings; 2) refund currently outstanding Tax-Exempt Commercial Paper Notes; and 3) provide new money to fund a portion of the Capital Improvements Program through a “Q” authorization.

- The funding for the Capital Improvements Program (the “CIP”) includes funds from revenues, impact fees, and debt proceeds. The CIP budget includes debt proceeds totaling $166.6 million. A portion of the debt proceeds will be issued through the Texas Water Development Board at subsidized interest rates (to be approved in a separate resolution) with the remaining portion funded through the capital markets.

- Based on current market conditions, the following bonds could be refunded for debt service savings through an advance refunding and/or current refunding: City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2007 (the “Series 2007 Bonds”); City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2007A (the “Junior Lien Series 2007A Bonds”); and City of San Antonio, Texas Water System Revenue and Refunding Bonds, Series 2009 (the “Series 2009 Bonds”). Below are the projected savings based on current market conditions:
<table>
<thead>
<tr>
<th>Bond Series</th>
<th>Call Date</th>
<th>Refunding Par</th>
<th>Refunding Type</th>
<th>Projected Savings*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2007 Bonds</td>
<td>May 15, 2017</td>
<td>$ 69,405,000</td>
<td>Advance Refunding</td>
<td>17.3%</td>
</tr>
<tr>
<td>Series 2009 Bonds</td>
<td>November 15, 2018</td>
<td>$ 132,860,000</td>
<td>Advance Refunding</td>
<td>19.0%</td>
</tr>
<tr>
<td>Series 2007 Bonds</td>
<td>May 15, 2017</td>
<td>$ 73,810,000</td>
<td>Current Refunding</td>
<td>16.9%</td>
</tr>
<tr>
<td>Junior Lien Series 2007A Bonds</td>
<td>May 15, 2017</td>
<td>$ 18,315,000</td>
<td>Current Refunding</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

*Rates as of August 17, 2016

- Under a separate resolution, the $100,000,000 City of San Antonio, Texas Water System Variable Rate Junior Lien Revenue and Refunding Bonds, Series 2013F (No Reserve Fund) (the “Series 2013F Bonds”), having an expiration date of October 31, 2016, are expected to be remarketed in a term mode for a period of three to five years. However, should a market disruption occur at the time of pricing, the Series 2013F Bonds are included as refunding candidates under this resolution and are included in the not to exceed amounts listed below.

- The resolution provides the authorization for the SAWS Designated Financial Officers, (defined below), to issue one or more series of bonds to effectuate the bond refundings and procure the new money bond proceeds to fund the CIP. It is anticipated that the new money portion will not exceed $142,000,000, which includes the refunding of any outstanding Tax-Exempt Commercial Paper, and the refunding portion to not exceed $394,390,000 to refund the above referenced bonds for a total amount not to exceed $536,390,000. **Please note: the total bonds to be issued under the three resolutions considered today will not exceed $536,390,000.**

- It is expected that two refunding series of bonds will be issued in addition to the remarketing of the Series 2013F Bonds. The first is expected to price in October 2016 to provide the new money to fund the CIP, and to advance refund the Series 2007 and Series 2009 Bonds. The second series of bonds is expected to price in January/February 2017 to provide for a current refunding of the remaining Series 2007 and Junior Lien Series 2007A Bonds.

- On August 2, 2016, the Board of Trustees approved the selection of a pool of investment banking firms to serve as underwriters. The standard process of requesting and evaluating proposals based on experience and qualifications using the SAWS decision analysis tool was used. The pool is comprised of the following firms:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backstrom McCarley Berry &amp; Co., LLC</td>
<td>Non-Local/AABE</td>
</tr>
<tr>
<td>Bank of America/ Merrill Lynch</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Barclays Capital</td>
<td>Non-Local/Non-SMWB</td>
</tr>
</tbody>
</table>
Based on the review of financing proposals submitted to SAWS by the investment banking firms, past performance, other services provided to SAWS, rotation of firms within the pool, and structure of proposed financings, in consultation with SAWS’ co-financial advisors, the following firms are recommended to serve in the underwriting syndicate for the transaction scheduled for October 2016:

<table>
<thead>
<tr>
<th>ROLE</th>
<th>FIRM</th>
<th>LOCAL/SMWBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Manager</td>
<td>Citigroup Global Markets, Inc.</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Co-Senior Manager</td>
<td>Bank of America/Merrill Lynch</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Co-Manager</td>
<td>Loop Capital Markets</td>
<td>Non-Local/AABE</td>
</tr>
<tr>
<td>Co-Manager</td>
<td>Ramirez &amp; Co., Inc.</td>
<td>Local/MBE-Hispanic</td>
</tr>
<tr>
<td>Co-Manager</td>
<td>Stifel, Nicolaus &amp; Co., Inc.</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Co-Manager</td>
<td>William Blair &amp; Company</td>
<td>Local/Non-SMWB</td>
</tr>
</tbody>
</table>

The following underwriting syndicate is recommended for the transaction expected to price in January/February 2017:

<table>
<thead>
<tr>
<th>ROLE</th>
<th>FIRM</th>
<th>LOCAL/SMWBE</th>
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<td>Senior Manager</td>
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<td>Local/WBE-AABE</td>
</tr>
<tr>
<td>Co-Senior Manager</td>
<td>Frost Bank Capital Markets</td>
<td>Local/Non-SMWB</td>
</tr>
<tr>
<td>Co-Manager</td>
<td>Backstrom McCarley Berry &amp; Co.</td>
<td>Non-Local/AABE</td>
</tr>
<tr>
<td>Co-Manager</td>
<td>Coastal Securities</td>
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</tr>
<tr>
<td>Co-Manager</td>
<td>Raymond James &amp; Assoc., Inc.</td>
<td>Local/Non-SMWB</td>
</tr>
</tbody>
</table>

A “Q” authorization is also being requested. A “Q” authorization permits the City
Council to delegate to the SAWS Designated Financial Officers, defined as either the President/Chief Executive Officer or the Senior Vice President/Chief Financial Officer, the authority to issue and set pricing on the bonds. This authorization permits the adoption of the Ordinance authorizing the bonds without interest rates, which will be formally set upon the execution of the Pricing Certificate. This approach is recommended to take advantage of market conditions.

Staff recommends approval of this Resolution.

**FINANCIAL IMPACT:**

- The debt service for the bonds will be paid from revenues of SAWS and are included in the current budget.

**SUPPLEMENTAL INFORMATION:**

The System's co-financial advisory team of Public Financial Management (PFM) and Estrada Hinojosa assisted staff in the formulation of this recommendation.

Douglas P. Evanson  
Senior Vice President/Chief Financial Officer

APPROVED:

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

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM RECOMMENDING AND REQUESTING THAT THE SAN ANTONIO CITY COUNCIL TAKE CERTAIN ACTIONS WITH RESPECT TO THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS (NO RESERVE FUND)” AS FURTHER DESIGNATED BY SERIES; THE APPROVAL OF AN OFFERING DOCUMENT RELATING TO EACH SERIES OF THE ABOVE-MENTIONED SERIES OF OBLIGATIONS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; ESTABLISHING AN EFFECTIVE DATE; AND OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, pursuant to the authority contained in (i) Chapter 1502, as amended, Texas Government Code, (ii) certain ordinances (the “Senior Lien Bond Ordinances”) previously adopted by the City Council (the “City Council”) of the City of San Antonio, Texas (the “City”) authorizing the issuance of the currently outstanding senior lien revenue bonds (the “Currently Outstanding Senior Lien Bonds”), (iii) certain ordinances (the “Junior Lien Bond Ordinances”) authorizing the issuance of the currently outstanding junior lien revenue bonds (the “Currently Outstanding Junior Lien Bonds”), (iv) certain ordinances (the “Subordinate Lien Bond Ordinances”) previously adopted by the City Council authorizing the issuance of subordinate lien revenue bonds and obligations arising under a related credit agreement, and (v) an ordinance adopted by the City Council relating to the implementation of a commercial paper program (the “Commercial Paper Ordinances”) under which is issued from time to time subordinate lien commercial paper notes (the “Commercial Paper Notes”), the complete management and control of the water system (the “System”) of the City is vested in a Board of Trustees known as the San Antonio Water System (the “Board”), during the period of time any of such foregoing obligations are outstanding and unpaid; and

WHEREAS, the Board has determined that one or more series of junior lien revenue refunding bonds in an amount not to exceed $536,390,000 to be designated as “City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds (No Reserve Fund)”, and as further designated by series (the “Proposed Bonds”), should now be issued by the City to provide funds to (i) acquire, purchase, construct, improve, extend, enlarge, equip, and repair the System, (ii) discharge and make final payment of certain Previously Issued Senior Lien Obligations (which may include refinancing of outstanding Commercial Paper Notes initially issued as interim financing for such purposes) and (iii) pay certain costs of issuance; and

WHEREAS, the Board has determined that the new money portion of the Proposed Bonds (inclusive of any refinancing of Commercial Paper Notes) shall not exceed $142,000,000 in principal amount and the refunding portion of the Proposed Bonds shall not exceed $394,390,000 in principal amount; and
WHEREAS, by virtue of the authority and power vested in the Board with reference to the expenditure and application of the revenues of the System and to comply with the terms and conditions prescribed in the Senior Lien Bond Ordinances and Junior Lien Bond Ordinances, respectively, for the issuance of additional bonds payable from and secured by a junior and inferior lien on and pledge of the Net Revenues of the System, it is necessary and proper for the Board to formally request the City Council to authorize and sell the Proposed Bonds, consent to the issuance of the same, approve the respective ordinances authorizing each series of the Proposed Bonds, including the approval of the respective disclosure documents relating thereto and the purchase of bond insurance, if any, along with approving, to the extent applicable or required, and agree to comply with all the terms and provisions of such ordinances, including, but not limited to, those relating to the operation of the System and the handling of the proceeds of each series of the Proposed Bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM THAT:

1. The City Council is hereby formally requested to authorize and sell junior lien revenue and refunding bonds, earlier defined herein as the Proposed Bonds, in a principal amount not to exceed the resultant amount upon application of the limitations described in the preamble hereof, payable from a junior and inferior lien on and pledge of the Net Revenues of the System and as Additional Junior Lien Bonds that are Junior Lien Obligations – No Reserve Fund (being obligations that are issued without the additional security provided by a lien on and pledge of the Reserve Fund); and the Board by the adoption of this Resolution hereby evidences its consent to the issuance and sale of one or more series of junior lien revenue and refunding bonds and the payment thereof from the Net Revenues of the System on the level of priority specified above, as well as its approval of an ordinance (the “Proposed Bond Ordinance”) authorizing the issuance of the Proposed Bonds, substantially in the form attached to this Resolution as Exhibit A, and incorporated herein by reference for all purposes, including the delegation of the terms of sale, if any, to each Authorized Official as set forth in the Proposed Bond Ordinance; and the Board hereby agrees to comply with all of the terms and provisions of the Proposed Bond Ordinance with relation to the administration and operation of the System and the disposition of the revenues therefrom.

2. The offering document relating to each series of the Proposed Bonds (being an Official Statement relating to the Proposed Bonds), each substantially in the forms presented at this meeting, are hereby approved, the Chairman or Secretary of the Board is authorized to prepare or approve any changes or additions to these disclosure documents which shall be deemed appropriate or necessary, and the Chairman or Vice Chairman and Secretary of the Board is authorized to execute each final Official Statement on behalf of the Board.

3. The Purchase Contract among the Senior Managing Underwriter or group of Underwriters named in such Purchase Contract (the “Purchase Contract”), the Board, and the City relating to the Proposed Bonds, will be approved by the Chairman or Vice Chairman of the Board or other Authorized Official, and any of them is authorized to execute the final Purchase Contract on behalf of the Board. Each Authorized Official is hereby authorized to execute the “Approval Certificate” for the Proposed Bonds evidencing final terms of sale thereof, if such Authorized Official, based upon the advice of the authorized representatives of the System
(including its co-financial advisors), determines that the interest rates negotiated with the Senior Managing Underwriter or group of Underwriters named in the Purchase Contract are acceptable and within the limits authorized by the Proposed Bond Ordinance, as described in such ordinance, pursuant to Chapters 1207, 1502, and 1371, as amended, Texas Government Code.

4. The Board recognizes that Section 37 of the Proposed Bond Ordinance entitled “Covenants to Maintain Tax Exempt Status” contain covenants of the City relating each series of Proposed Bonds. Since the proceeds of each series of the Proposed Bonds will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Council in that Section of the Proposed Bond Ordinance.

5. The Board recognizes that Section 52 of the Proposed Bond Ordinance entitled “Continuing Disclosure of Information” contain covenants of the City relating to each series of Proposed Bonds. Since certain financial information, financial status, operating data, and annual audits of the System will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Council in that Section of the Proposed Bond Ordinance.

6. The Board approves the delegation to each Authorized Official of the selection of the bond insurer, if any, for the Proposed Bonds, and to otherwise comply with the conditions precedent to the issuance of any series of Proposed Bonds, as authorized by the Proposed Bond Ordinance and any other matter to effectuate the intent and purpose the Proposed Bond Ordinance.

7. The professionals appointed by the Board, Public Financial Management and Estrada Hinojosa & Company, Inc., as the co-financial advisors, and Norton Rose Fulbright US LLP and any such other qualified firms serving as co-bond counsel, if any (collectively, “Co-Bond Counsel”), as hereafter approved by an Authorized Official, are authorized, upon consultation with System and City staff, to coordinate the legal and financial aspects relating to these transactions including, but not limited to, preparation of related bond documents, and to otherwise coordinate the legal and financial aspects of these matters with the national rating services and bond insurance companies (if applicable) to ensure that the System and the City receives the lowest possible interest rate for the issuance of any series of Proposed Bonds. In addition, the Board authorizes the payment of the national rating agency fees, bond insurance premiums (if any), and any and all professional fees and expenses associated with the issuance of any series of Proposed Bonds upon the approval of written invoices by any Authorized Officials, or his or her designee.

8. In order to comply with various provisions of Texas law and for the interest on the Proposed Bonds to be tax-exempt, various certificates must be provided to Co-Bond Counsel and to the Attorney General for the State of Texas; therefore, upon obtaining the advice and consent of legal counsel, the Chairman, Vice Chairman, or Secretary of the Board and each other Authorized Official are authorized to execute any certificate (including but not limited to a Certificate of Tax Exemption relating to any series of Proposed Bonds), or other documents, relating to the issuance, sale, and delivery of any series of the Proposed Bonds.
9. The Board delegates to each Authorized Official the authority to take any and all other actions consistent with the provisions of this Resolution and the Proposed Bond Ordinance to effectuate the sale, issuance and delivery of any series of the Proposed Bonds.

10. The recitals contained in the preamble hereof are hereby found to be true, and such recitals 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.

11. All ordinances and resolutions, 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 resolved herein.

12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

13. 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.

14. 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.

15. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

[The remainder of this page intentionally left blank.]
PASSED AND APPROVED this the 13th day of September, 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


Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution authorizes the Designated Financial Officers of the San Antonio Water System (“SAWS”) as defined below, to remarket the City of San Antonio, Texas Water System Variable Rate Junior Lien Revenue and Refunding Bonds, Series 2013F (No Reserve Fund) (the “Series 2013F Bonds”) into a new interest rate mode, and requests City Council amend the Series 2013F Bonds Ordinance to cap the interest rate at 8.00%, through a “Q” authorization.

- In November 2013, SAWS issued the Series 2013F Bonds in a SIFMA Index Mode to take advantage of historically low short-term interest rates. The interest rate for the Series 2013F Bonds are reset weekly based on the SIFMA Index plus a spread of 0.68%. The average interest rate over the life of the bonds through July 2016 has been 0.77%. The Series 2013F Bonds were issued for an initial period of three years, expiring October 31, 2016. Upon the expiration of the initial period, the ordinance of the Series 2013F Bonds allows the Board of Trustees to authorize the remarketing of the Series 2013F Bonds into a successive SIFMA Index Mode, or other mode as provided in the ordinance to include other variable rate modes, a Term Mode or Fixed Mode.

- Based on current market conditions and to provide a fixed interest rate for the next term of the Series 2013F Bonds, it is recommended to remarket the Series 2013F Bonds effective November 1, 2016 into a Term Mode for a period of three to five years. As of July 28, 2016, the estimated all in interest rate on a Term Mode bond is between 1.24% - 1.64%. Remarketing the Series 2013F Bonds in a Term Mode continues to take advantage of the historically low interest rates on...
the short end of the yield curve, while providing interest rate certainty for the term of the remarketing. **Please note: the total bonds to be issued under the three resolutions considered today will not exceed $536,390,000.**

- The resolution also requests City Council amend the original ordinance of the Series 2013F Bonds to provide a maximum interest rate not to exceed 8.00% for bonds remarketed in a Term Mode from a maximum rate of 15% in the current ordinance.

- On August 2, 2016, the Board of Trustees approved the selection of a pool of investment banking firms to serve as underwriters. The standard process of requesting and evaluating proposals based on experience and qualifications using the SAWS decision analysis tool was used. The pool is comprised of the following firms:

<table>
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<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
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<tbody>
<tr>
<td>Backstrom McCarley Berry &amp; Co., LLC</td>
<td>Non-Local/AABE</td>
</tr>
<tr>
<td>Bank of America/ Merrill Lynch</td>
<td>Local/Non-SMWB</td>
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<tr>
<td>Barclays Capital</td>
<td>Non-Local/Non-SMWB</td>
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<td>Cabrera Capital Markets</td>
<td>Non-Local/MBE-Hispanic</td>
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<td>Citigroup Global Markets, Inc.</td>
<td>Local/Non-SMWB</td>
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<td>Coastal Securities</td>
<td>Local/Non-SMWB</td>
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<td>Frost Bank Capital Markets</td>
<td>Local/Non-SMWB</td>
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<td>Hilltop Securities Inc.</td>
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<td>J.P. Morgan Securities, LLC.</td>
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<td>Jefferies &amp; Company, Inc.</td>
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<td>Loop Capital Markets, LLC.</td>
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<td>Mesirow Financial, Inc.</td>
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<td>Piper Jaffray &amp; Co.</td>
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<td>Stifel, Nicolaus &amp; Co., Inc.</td>
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<td>Wells Fargo Bank</td>
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<td>William Blair &amp; Company</td>
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- Based on the review of financing proposals submitted to SAWS by the investment banking firms, past performance, other services provided to SAWS, rotation of firms within the pool, and structure of proposed financings, in consultation with SAWS’ co-financial advisors, the following firm is recommended to serve as the sole remarketing agent for the Series 2013F Bonds:

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<td>RBC Capital Markets</td>
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• A “Q” authorization is also being requested. A “Q” authorization permits the City Council to delegate to the SAWS Designated Financial Officers, defined as either the President/Chief Executive Officer or the Senior Vice President/Chief Financial Officer, the authority to issue and set pricing on the bonds. This authorization permits the adoption of the Ordinance authorizing the bonds without interest rates, which will be formally set upon the execution of the Pricing Certificate. This approach is recommended to take advantage of market conditions.

Staff recommends approval of this Resolution.

FINANCIAL IMPACT:

• The debt service for the bonds will be paid from revenues of SAWS and are included in the current budget.

SUPPLEMENTAL INFORMATION:

The System’s co-financial advisory team of Public Financial Management (PFM) and Estrada Hinojosa assisted staff in the formulation of this recommendation.

Douglas P. Evanson
Senior Vice President/Chief Financial Officer

APPROVED:

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

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM RELATING TO THE REMARKETING OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM VARIABLE RATE JUNIOR LIEN REVENUE AND REFUNDING BONDS, SERIES 2013F (NO RESERVE FUND)” INTO A NEW INTEREST MODE; AUTHORIZING CERTAIN SAWS REPRESENTATIVES TO EXECUTE AN APPROVAL CERTIFICATE MEMORIALIZING THE TERMS OF SUCH REMARKETING; APPROVING A REMARKETING AGREEMENT AND REMARKETING MEMORANDUM RELATING TO THESE OBLIGATIONS; REQUESTING THAT THE SAN ANTONIO CITY COUNCIL TAKE CERTAIN ACTION EFFECTUATING AMENDMENT TO THE ORDINANCE AUTHORIZING THE ISSUANCE OF THESE OBLIGATIONS; AND OTHER MATTERS IN CONNECTION WITH THE FOREGOING

WHEREAS, pursuant to the authority contained in (i) Chapter 1502, as amended, Texas Government Code, (ii) certain ordinances (the Senior Lien Bond Ordinances) previously adopted by the City Council (the City Council) of the City of San Antonio, Texas (the City) authorizing the issuance of the currently outstanding senior lien revenue bonds (the Previously Issued Senior Lien Bonds), (iii) certain ordinances (the Junior Lien Bond Ordinances) authorizing the issuance of the currently outstanding junior lien revenue bonds (the Previously Issued Junior Lien Bonds), (iv) certain ordinances (the Subordinate Lien Bond Ordinances) previously adopted by the City Council authorizing the issuance of subordinate lien revenue bonds and obligations arising under a related credit agreement, and (v) an ordinance adopted by the City Council relating to the implementation of a commercial paper program (the Commercial Paper Ordinances) under which is issued from time to time subordinate lien commercial paper notes (the Commercial Paper Notes), the complete management and control of the water system (the System) of the City is vested in a Board of Trustees known as the San Antonio Water System (the Board), during the period of time any of such foregoing obligations are outstanding and unpaid; and

WHEREAS, pursuant to the provisions of Chapters 1207, 1371 and 1502, as amended, Texas Government Code (Chapter 1207, Chapter 1371, and Chapter 1502 respectively, and, together, the Act), the City Council, on September 19, 2013, adopted an ordinance (the 2013F Bond Ordinance) authorizing the issuance of the “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM VARIABLE RATE JUNIOR LIEN REVENUE AND REFUNDING BONDS, SERIES 2013F (NO RESERVE FUND)” (the 2013F Bonds), which 2013F Bonds were initially issued on November 6, 2013 and the proceeds therefrom used for the purpose of (i) building, improving, extending, enlarging, and repairing the System, (ii) refunding certain then-outstanding Commercial Paper Notes and (iii) paying the costs of their issuance; and

WHEREAS, the 2013F Bonds are variable rate demand obligations, initially issued in a SIFMA Index Mode expiring on October 31, 2016, and as a result thereof, the 2013F Bonds are
subject to mandatory tender by the current Holders thereof, without right of retention, on November 1, 2016; and

WHEREAS, the Board has determined, and the 2013F Bond Ordinance allows, that the 2013F Bonds that are subject to mandatory tender on November 1, 2016 shall be remarketed into a new Interest Mode of fixed duration (as finally determined in the manner hereafter provided); and

WHEREAS, by virtue of the authority and power vested in the Board, generally, with reference to the expenditure and application of the revenues of the Systems as prescribed in the City ordinances authorizing the prior issuance of the Senior Lien Obligations, the Junior Lien Obligations, the Commercial Paper Obligations, and the Inferior Lien Obligations, and specifically, regarding the manner of remarketing the 2013F Bonds as provided in the 2013F Bond Ordinance, the Board hereby finds and determines that it is now authorized and empowered to proceed with the passage and adoption of this Resolution authorizing (i) the remarketing of the 2013F Bonds in the manner described herein and in the 2013F Bond Ordinance, (ii) the execution and delivery of a Remarketing Agreement relating to the 2013F Bonds, (iii) the distribution of a Remarketing Memorandum relating to the 2013F Bonds, and (iv) the exercise and performance of certain powers and duties to be exercised and performed by the Board, acting through its Authorized Official (hereinafter defined), including the execution of an Approval Certificate of the type described herein and in the 2013F Bond Ordinance; and

WHEREAS, the Board also finds that the operational and financial efficiency derived thereby while the 2013F Bonds remain outstanding may be improved through the technical modification of the 2013F Bond Ordinance by amendment, which amendment requires City Council approval of an ordinance amending the 2013F Bond Ordinance (such amending ordinance, the Amending Ordinance); and

WHEREAS, the Board hereby finds and determines that the remarketing of the 2013F Bonds and the adoption of this Resolution is in the best interest of the ratepayers of the Systems; now, therefore,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM THAT:

SECTION 1: Conversion to New Interest Mode; Delegation of Obligations to Authorized Officials. Pursuant to Section 2.2B of the 2013F Bond Ordinance, the 2013F Bonds, in the principal amount not to exceed $100,000,000, shall be converted to a new Interest Mode that is a Fixed Mode, a SIFMA Index Mode, or a Term Mode (the period of any such mode, the New Interest Period), during which the 2013F Bonds shall bear interest at Fixed Rates, a SIFMA Index Rate, or a Term Rate. The New Interest Period shall commence on November 1, 2016 and shall conclude, if the 2013F Bonds during such New Interest Period bear interest at (i) a SIFMA Index Rate or a Term Rate, not later than October 31, 2026 and (ii) Fixed Rates, not later than the 2013F Bonds’ stated maturity date, as specified in the 2013F Bond Ordinance. If the 2013F Bonds in the New Interest Period bear interest at a SIFMA Index Rate, the Applicable Spread to the SIFMA Index for use in calculating the SIFMA Index Rate that is applicable to such 2013F Bonds during such New Interest Period shall not exceed 200 basis points. If the 2013F Bonds in
the New Interest Period bear interest at a Term Rate, the Term Rate and the Stepped Rate applicable to the 2013F Bonds during such New Interest Period shall not exceed 5.00% and 8.00%, respectively, per annum. If the 2013F Bonds in the New Interest Period bear interest at Fixed Rates, the true interest cost (federal arbitrage yield) applicable to the Series 2013F Bonds during such New Interest Period shall not exceed 5.00%. Determination of the foregoing shall be made by an Authorized Official, within his or her discretion (but subject to the limitations described above).

In the event that the establishment of the Term Rate or Fixed Rate applicable to the 2013F Bonds in the New Interest Period, determined in accordance with Section 2.2E of the 2013F Bond Ordinance, generates a premium (being an amount in excess of the Purchase Price of those 2013F Bonds tendered for purchase on the next occurring Purchase Date (such 2013F Bonds, the Tendered Bonds), then the Authorized Official shall provide for the disposition of such premium in a manner permitted under the 2013F Bond Ordinance, this Resolution, and applicable Texas law (which may include redemption of Tendered Bonds in accordance with Section 5 hereof). Such Tendered Bonds that remain Outstanding after accomplishing the remarketing that is the subject of this Resolution (which includes any redemption of Tendered Bonds) are referred to herein as the Remarketed Bonds.

Each Authorized Official, acting by and through the Board for and on behalf of the City, is authorized to execute the Certificate for Conversion of Interest Rate, in substantially the form attached hereto as Exhibit A, establishing the final terms of the Remarketed Bonds. This Certificate for Conversion of Interest Rate is an “Approval Certificate” under the 2013F Bond Ordinance, including particularly Section 2.2C thereof. Within such Certificate for Conversion of Interest Rate, the Authorized Official shall, within the limitations of the paragraph above and the 2013F Bond Ordinance, evidence the Applicable Spread, Term Rate, Stepped Rate, or Fixed Rates, as applicable, for the Remarketed Bonds, the duration of the New Interest Period (including the commencement date thereof), and the disposition of any premium resulting from the remarketing of the Remarketed Bonds. Upon execution of the Certificate of Conversion of Interest Rate, Co-Bond Counsel is authorized to complete this Resolution to reflect such final terms of the Remarketed Bonds, as evidenced in the Certificate for Conversion of Interest Rate.

The Purchase Date for the Tendered Bonds and the Rate Adjustment Date for the Remarketed Bonds, respectively, shall be November 1, 2016. Accordingly the New Interest Period applicable to the 2013F Bonds during which the Remarketed Bonds are outstanding in a ___ Mode shall commence on November 1, 2016 and end on October 31, 20__. The Purchase Date for the Remarketed Bonds shall be November 1, 2016. During the New Interest Period, the Remarketed Bonds shall bear interest at a ____ Rate of _.__%, which ____ Rate has been determined in accordance with the provisions of Sections 2.2C and 2.2E of the 2013F Bond Ordinance; the Stepped Rate applicable to the Remarketed Bonds shall be ___.%, which Stepped Rate has been determined in accordance with the provisions of paragraph (k) of Section 2.2B of the 2013F Bond Ordinance. The remarketing of the Remarketed Bonds has resulted in a premium of $__________, including an amount (when added to the par amount of the Remarketed Bonds) that is in excess of the Purchase Price of the Tendered Bonds (excluding the accrued but unpaid interest on the Tendered Bonds, which will be paid directly by the City from lawfully available funds) in the amount of $__________, which premium will be utilized in the manner specified in the Certificate for Conversion of Interest Rate.
SECTION 2: Amendments to the 2013F Bond Ordinance Authorized. The Board hereby determines that the 2013F Bond Ordinance should be amended to accommodate changes in the terms governing the 2013F Bonds, which amendments will become effective as to the designated 2013F Bonds upon the Rate Adjustment Date applicable to the 2013F Bonds that are remarketed into the New Interest Period pursuant to 2013F Bond Ordinance, that notice of such amendment be delivered to the Paying Agent/Registrar, that 2013F Bonds reflected such amended term, as applicable or necessary, are delivered to the Paying Agent/Registrar in accordance with Section 7.2(B) of the 2013F Bond Ordinance, and that any other prerequisites to the effectiveness of such amendments as specified in Article VII of the 2013F Bond Ordinance are satisfied. To accomplish the foregoing the Board requests that the City Council adopt the Amending Ordinance, in substantially the form attached hereto as Exhibit B. In addition, the Board assumes all responsibility for accomplishment of such actions as are necessary or required to cause the implementation and effectiveness of the terms and provisions of the Amending Ordinance. All references to the 2013F Bond Ordinance shall mean the 2013F Bond Ordinance, as amended by the Amending Ordinance.

SECTION 3: Notices. (a) Notice of Mandatory Tender and Conversion of Interest Rate. Each Authorized Official is hereby authorized and directed to cause to be delivered to the Tender Agent a Notice of Mandatory Tender and Conversion of Bonds, in substantially the form attached hereto as Exhibit C, and in accordance with and as required by Section 2.5B of the 2013F Bond Ordinance. The Tender Agent is hereby authorized and directed to provide this Notice of Mandatory Tender and Conversion of Bonds to the Holders of all 2013F Bonds currently Outstanding in accordance with and as required by the 2013F Bond Ordinance. In addition to the foregoing, each Authorized Official (or the designee thereof) is authorized and directed to deliver or cause to be delivered any notice of the remarketing of the 2013F Bonds and conversion of Interest Mode that is the subject of this Resolution that may be required by the 2013F Bond Ordinance or that is otherwise determined by the Authorized Official to be necessary or desirable (including a notice of the type attached hereto as Exhibit G).

(b) Material Event Notice. Each Authorized Official (or the designee thereof) is hereby authorized and directed to take any action, and to execute and deliver any and all documents, certificates or other instruments as are necessary or appropriate, for the filing of any material event notice required as a result of the transactions authorized by this Resolution and the City’s and the Board’s continuing disclosure undertaking under United States Securities and Exchange Commission Rule 15c2-12 (the Rule) and the 2013F Bond Ordinance.

SECTION 4: Reoffering Memorandum. The Board hereby approves, ratifies and confirms the form and content of the remarketing memorandum (the Remarketing Memorandum) presented to the Board with this Resolution, in substantially the same form attached hereto as Exhibit D, and prepared for use by the Remarketing Agent (defined herein) in connection with the remarketing of the 2013F Bonds and the determination of the ____ Rate for the Remarketed Bonds in the New Interest Period, and authorizes the preparation of any addenda, supplements or amendments thereto as a Authorized Official may deem appropriate; and the Board further ratifies and approves the use and distribution of such Remarketing Memorandum in connection with the remarketing of the 2013F Bonds and the determination of the [____ Rate/Applicable Spread.] The Authorized Officials are individually authorized and directed to execute and
deliver any certificates, instruments, affidavits or other documents as may be necessary or appropriate in connection with the Remarketing Memorandum. It is hereby officially found, determined and declared that the descriptions, statements and information contained in the Remarketing Memorandum are true and correct in all material respects, to the best knowledge and belief of the Board.

SECTION 5: 2013F Bonds Subject to Mandatory Tender Without Right of Retention. The Board hereby determines that, at the end of the New Interest Period into which the Remarketed Bonds are remarketed pursuant to Section 1 hereof, such Remarketed Bonds shall be subject to mandatory tender, without right of retention by the Holders; provided, however, that a failure of the Remarketing Agent to remarket the 2013F Bonds at the end of such New Interest Period shall result in the holders of the 2013F Bonds retaining such 2013F Bonds until the same are remarshaled or redeemed pursuant to the applicable provisions of the 2013F Bond Ordinance (including Section 2.5E thereof).

SECTION 6: Redemption of Certain 2013F Bonds. As described in Section 1 hereof, the remarketing of the Tendered Bonds in the manner specified in Section 2.2E of the 2013F Bond Ordinance may result in excess proceeds, which excess proceeds can be used to redeem certain of the Tendered Bonds. The 2013F Bonds are subject to redemption, in whole or in part, on any Rate Adjustment Date. If the remarketing of the 2013F Bonds produces proceeds in excess of the amount necessary to pay the Purchase Price of the Tendered Bonds, and an Authorized Official determines that such excess proceeds shall be used to optionally redeem certain of the Tendered Bonds, then such Tendered Bonds determined to be optionally redeemed by the Authorized Official (to be evidenced in the Certificate for Conversion of Interest Rate) are hereby called for redemption.

The City shall give written notice to the Paying Agent/Registrar of any 2013F Bonds that have been called for redemption. A copy of the notice of redemption pertaining to any 2013F Bonds is attached hereto as Exhibit E, and such notice is incorporated herein by reference for all purposes. The Paying Agent/Registrar is authorized and instructed to provide notice of this redemption to the holders of any redeemed 2013F Bonds in the form and manner described in the 2013F Bond Ordinance.

SECTION 7: Appointment of Remarketing Agent. In recognition and satisfaction of its obligations under the 2013F Bond Ordinance (including Section 2.5G thereof), the Board hereby appoints RBC Capital Markets, LLC, to serve as the Remarketing Agent for the 2013F Bonds (the Remarketing Agent) to accomplish the remarketing of the 2013F Bonds into the New Interest Period, during which the Remarketed Bonds will bear interest in a ____ Mode, in the manner contemplated under this Resolution. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed thereon by such appointment by execution of the Remarketing Agreement, in substantially the form attached hereto as Exhibit F (the Remarketing Agreement). Each Authorized Official is hereby authorized and directed to execute and deliver the Remarketing Agreement, for and on behalf of this Board, and such agreement, as executed by the Board and the Remarketing Agent, shall be deemed to be the Remarketing Agreement herein approved and authorized to be executed and delivered for and on behalf of this Board. The Remarketing Agreement shall specify the compensation to be paid to the Remarketing Agent for its service in connection with accomplishing the remarketing of the Remarketed Bonds into the
New Interest Period, payment of which is hereby authorized to be made from any lawful source of funds available to the Board (including proceeds derived from the remarketing of the Remarketed Bonds). Upon completion of the foregoing, the Remarketing Agent shall constitute the “Remarketing Agent” and the Remarketing Agreement shall constitute the “Remarketing Agreement”, respectively, under the 2013F Bond Ordinance for purposes of remarketing the Remarketed Bonds into the New Interest Period.

SECTION 8: Additional Actions Authorized; Authorized Officials. Pursuant to the authority provided by Chapter 1371 and the 2013F Bond Ordinance, the Board’s President/Chief Executive Officer, or the Board’s Senior Vice President/Chief Financial Officer, each of whom were identified as Authorized Officials under the 2013F Bond Ordinance, are hereby identified and designated as Authorized Officials under this Resolution, as well. The Authorized Officials, and all other appropriate officers, agents and representatives of the Board, are hereby authorized and directed to take any and all other actions as may be necessary and appropriate to provide for the (i) payment of the Purchase Price of the Tendered Bonds, the redemption of any Tendered Bonds, and the conversion and remarketing of the Remarketed Bonds into the New Interest Period; (ii) execution of the Remarketing Agreement with the Remarketing Agent; and (iii) preparation and distribution of replacement definitive 2013F Bonds and the Remarketing Memorandum, as contemplated by this Resolution and the 2013F Bond Ordinance. In addition and with respect to accomplishing the foregoing matters, each Authorized Official is hereby authorized and directed to execute, deliver, and accept on behalf of the City (acting by and through the Board) all agreements certificates, consents, waivers, receipts, notices, requests and other documents as may be necessary or appropriate to carry out the actions contemplated by this Resolution.

SECTION 9: Definition of Terms. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the 2013F Bond Ordinance.

SECTION 10: Ratification of Prior Actions. The actions of the Authorized Officials, as well as their agents, designees, and representatives, taken prior to the date of this Resolution to accomplish the conversion and remarketing of 2013F Bonds that is the subject of this Resolution are hereby ratified, confirmed and approved as the act and deed 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: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Resolution are hereby found to be true, and such recitals 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 13: Coordination of Transaction Matters; Further Procedures. The Board hereby authorizes Public Financial Management, Inc., and Estrada Hinojosa & Company, Inc., its Co-Financial Advisors, to coordinate these financial matters in consultation with Board staff, Norton Rose Fulbright US LLP and Escamilla & Poneck, LLP, its Co-Bond Counsel, the Tender
Agent, the Paying Agent/Registrar, and the Remarketing Agent. In addition, the Board authorizes the payment of the professional fees and expenses associated with this transaction upon the approval by an Authorized Official of written invoices for any such services, which payments are hereby authorized to be made from any lawful source of funds available to the Board (including proceeds derived from the remarketing of the Remarketed Bonds).

Each Authorized Official and Co-Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution and as described in the Reoffering Memorandum or (ii) obtain a rating from any of the national bond rating agencies. In case any officer of the Board whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 14: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.
PASSED AND APPROVED this the 13th day of September, 2016.

________________________________________
Berto Guerra, Jr., Chairman

Attest:

________________________________________
Ernesto Arrellano, Jr., Secretary
EXHIBIT A

Form of Approval Certificate
EXHIBIT C

Notice of Mandatory Tender
EXHIBIT E

Notice of Redemption
EXHIBIT G

Notice to Working Group of Remarketing
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 REQUESTING CITY COUNCIL TAKE CERTAIN ACTIONS WITH RESPECT TO THE ISSUANCE AND SALE OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2016D” AND CITY OF SAN ANTONIO, TEXAS WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2016E”

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution requests City Council authorize the issuance and sale of City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016D (the “Series 2016D Bonds”) and City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016E (the “Series 2016E Bonds”) to the Texas Water Development Board at subsidized interest rates through a “Q” authorization.

- The funding for the Capital Improvements Program (the “CIP”) includes funds from revenues, impact fees, and debt proceeds. The CIP budget includes debt proceeds totaling $166.6 million. A portion of the debt proceeds will be issued through the Texas Water Development Board at subsidized interest rates with the remaining portion funded through the capital markets (approval requested under a separate resolution).

- SAWS has benefited from participation in the Clean Water State Revolving Fund of the Texas Water Development Board (the “TWDB”) for wastewater and recycle water projects, the Water Infrastructure Fund for water supply projects, and the Drinking Water State Revolving Fund for water delivery projects. Since 1999, SAWS has placed more than $782 million in junior lien bonds with the TWDB under these programs. SAWS recently submitted applications for financial assistance under the Drinking Water State Revolving Fund (the “DWSRF”) to fund water delivery projects and the Clean Water State Revolving Fund (the “CWSRF”) to fund wastewater projects.

- On August 25, 2016, TWDB authorized a loan in the amount of $12.5 million under the DWSRF program to fund the 34th Street Pump Station Improvements Project. The TWDB provides interest rate savings through subsidized interest
rates at closing. A discount of 1.25% is provided under the DWSRF program. Based on market rate as of August 8, 2016, the true interest rate is estimated at 1.09% for a 30 year final maturity bond.

- On August 25, 2016, TWDB authorized a loan in the amount of $14.36 million under the CWSRF program to fund the Dos Rios Electrical Rehabilitation Phase I Project. The TWDB provides interest rate savings through subsidized interest rates at closing. A discount of 1.20% is provided under the CWSRF (Non-Equivalency, Tier II) program. Based on market rate as of August 8, 2016, the true interest rate is estimated at 1.11% for a 30 year final maturity bond.

- The Series 2016D Bonds and Series 2016E Bonds interest rates and closing will occur in the November/December 2016 timeframe in coordination with TWDB. Please note: the total bonds to be issued under the three resolutions considered today will not exceed $536,390,000.

- A “Q” authorization is also being requested. A “Q” authorization permits the City Council to delegate to the SAWS Designated Financial Officers, defined as either the President/Chief Executive Officer or the Senior Vice President/Chief Financial Officer, the authority to issue and set pricing on the bonds. This authorization permits the adoption of the Ordinance authorizing the bonds without interest rates, which will be formally set upon the execution of the Pricing Certificate. This approach is recommended to take advantage of market conditions.

Staff recommends approval of this Resolution.

FINANCIAL IMPACT:

- The debt service for the bonds will be paid from revenues of SAWS and are included in the current budget.

SUPPLEMENTAL INFORMATION:

The System’s co-financial advisory team of Public Financial Management (PFM) and Estrada Hinojosa assisted staff in the formulation of this recommendation.

Douglas P. Evanson
Senior Vice President/Chief Financial Officer
APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO. 16-___

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM RECOMMENDING AND REQUESTING THAT THE SAN ANTONIO CITY COUNCIL TAKE CERTAIN ACTIONS WITH RESPECT TO THE ISSUANCE AND SALE OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2016D” AND “CITY OF SAN ANTONIO, TEXAS WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2016E”; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; ESTABLISHING AN EFFECTIVE DATE; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, pursuant to the authority contained in (i) Chapter 1502, as amended, Texas Government Code, (ii) certain ordinances (the “Senior Lien Bond Ordinances”) previously adopted by the City Council (the “City Council”) of the City of San Antonio, Texas (the “City”) authorizing the issuance of the currently outstanding senior lien revenue bonds (the “Previously Issued Senior Lien Bonds”), (iii) certain ordinances (the “Junior Lien Bond Ordinances”) authorizing the issuance of the currently outstanding junior lien revenue bonds (the “Previously Issued Junior Lien Bonds”), (iv) certain ordinances (the “Subordinate Lien Bond Ordinances”) previously adopted by the City Council authorizing the issuance of subordinate lien revenue bonds and obligations arising under a related credit agreement, and (v) an ordinance adopted by the City Council relating to the implementation of a commercial paper program (the “Commercial Paper Ordinances”) under which is issued from time to time subordinate lien commercial paper notes (the “Commercial Paper Notes”), the complete management and control of the water system (the “System”) of the City is vested in a Board of Trustees known as the San Antonio Water System (the “Board”), during the period of time any of such foregoing obligations are outstanding and unpaid; and

WHEREAS, the Board has determined that approximately $12,500,000 in junior lien revenue bonds to be designated as “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016D” (the “Series 2016D Bonds”) should now be issued by the City and sold to the Texas Water Development Board (the “TWDB”) pursuant to its Drinking Water State Revolving Fund Program, which Series 2016D Bonds the TWDB has committed to purchase by resolution of its governing body, to provide funds to (i) build, improve, extend, enlarge, equip, and repair the System, (ii) to fund the increase in the required reserve amount attributable to the issuance of such Series 2016D Bonds, and (iii) pay certain costs of their issuance; and

WHEREAS, the Board has determined that not more than $14,360,000 in junior lien revenue bonds, to be designated as “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016E” (the “Series 2016E Bonds” and together with the Series 2016E Bonds, the “Proposed Bonds”) should now be issued by the City and sold to the Texas Water Development Board (the “TWDB”) pursuant to its Clean Water State Revolving Fund Program,
which Series 2016E Bonds the TWDB has committed to purchase by resolution of its governing body, to provide funds to (i) build, improve, extend, enlarge, equip, and repair the System, (ii) to fund the increase in the required reserve amount attributable to the issuance of such Series 2016E Bonds, and (iii) pay certain costs of their issuance; and

WHEREAS, by virtue of the authority and power vested in the Board with reference to the expenditure and application of the revenues of the System and to comply with the terms and conditions prescribed in the Senior Lien Bond Ordinances and Junior Lien Bond Ordinances, respectively, for the issuance of additional bonds payable from and secured by a junior and inferior lien on and pledge of the Net Revenues of the System, it is necessary and proper for the Board to formally request the City Council to authorize and sell the Proposed Bonds, consent to the issuance of the same, approve the respective ordinances authorizing each series of the Proposed Bonds, including the approval of the respective disclosure documents relating thereto and the purchase of bond insurance, if any, along with approving, to the extent applicable or required, the manner of funding the respective Required Reserve Amount relating to the Proposed Bonds, with cash (whether deposited to the Reserve Fund at transaction closing or over time) or to purchase a surety or other insurance policy, if any, and agree to comply with all the terms and provisions of such ordinances, including, but not limited to, those relating to the operation of the System and the handling of the proceeds of each series of the Proposed Bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN ANTONIO WATER SYSTEM THAT:

1. The City Council is hereby formally requested to authorize and sell fixed rate junior lien revenue bonds, earlier defined herein as the Series 2016D Bonds in a principal amount not to exceed the resultant amount upon application of the limitations described in the preamble hereof, payable from a junior and inferior lien on and pledge of the Net Revenues of the System; and the Board by the adoption of this Resolution hereby evidences its consent to the issuance and sale of such series of junior lien revenue bonds and the payment thereof from the Net Revenues of the System on the level of priority specified above, as well as its approval of an ordinance (the “Series 2016D Bond Ordinance”) authorizing the issuance of the “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016D”, substantially in the form of the Series 2016D Bond Ordinance attached to this Resolution as Exhibit A and incorporated herein by reference for all purposes, including delegation of the authority to finalize the terms of sale to each Authorized Official as set forth in the Series 2016D Bond Ordinance; and the Board hereby agrees to comply with all of the terms and provisions of the 2016D Bond Ordinance with relation to the administration and operation of the System and the disposition of the revenues therefrom.

2. The City Council is hereby formally requested to authorize and sell fixed rate junior lien revenue bonds, earlier defined herein as the Series 2016E Bonds in a principal amount not to exceed the resultant amount upon application of the limitations described in the preamble hereof, payable from a junior and inferior lien on and pledge of the Net Revenues of the System; and the Board by the adoption of this Resolution hereby evidences its consent to the issuance and sale of such series of junior lien revenue bonds and the payment thereof from the Net Revenues of the System on the level of priority specified above, as well as its approval of an ordinance (the
“Series 2016E Bond Ordinance” and, together with the Series 2016D Bond Ordinance, the “Ordinances”) authorizing the issuance of the “City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016E”, substantially in the form of the Series 2016E Bond Ordinance attached to this Resolution as Exhibit B and incorporated herein by reference for all purposes, including delegation of the authority to finalize the terms of sale to each Authorized Official, as set forth in the Series 2016E Bond Ordinance; and the Board hereby agrees to comply with all of the terms and provisions of the 2016E Bond Ordinance with relation to the administration and operation of the System and the disposition of the revenues therefrom.

3. The Board recommends that the City Council approve the sale of the Series 2016D Bonds to the TWDB at the purchase price of par, less the TWDB’s fee (as specified in the 2016D Bond Ordinance), if any, and no accrued interest, and to authorize an Authorized Official to execute an “Approval Certificate” relating to the Series 2016D Bonds evidencing final terms of sale thereof, if such Authorized Official, based upon the advice of the officials, employees, consultants and other representatives of the System (including its co-financial advisors), determines that the interest rates offered by the TWDB are acceptable and within the limits authorized by the Series 2016D Bond Ordinance, as described in such Ordinance and pursuant to Chapters 1371 and 1502, as amended, Texas Government Code.

4. The Board recommends that the City Council approve the sale of the Series 2016E Bonds to the TWDB at the purchase price of par, less the TWDB’s fee (as specified in the 2016E Bond Ordinance), if any, and no accrued interest, and to authorize an Authorized Official to execute an “Approval Certificate” relating to the Series 2016E Bonds evidencing final terms of sale thereof, if such Authorized Official, based upon the advice of the officials, employees, consultants and other representatives of the System (including its co-financial advisors), determines that the interest rates offered by the TWDB are acceptable and within the limits authorized by the Series 2016E Bond Ordinance, as described in such Ordinance and pursuant to Chapters 1371 and 1502, as amended, Texas Government Code.

5. The offering document relating to each series of the Proposed Bonds (being a Private Placement Memorandum relating to each series of the Proposed Bonds), each substantially in the form presented at this meeting, are hereby approved, the Chairman or Secretary of the Board is authorized to prepare or approve any changes or additions to these disclosure documents which shall be deemed appropriate or necessary, and the Chairman or Vice Chairman and Secretary of the Board is authorized to execute each final Official Statement on behalf of the Board.

6. The Board recognizes that Section 36 of each of the Ordinances relating to “Covenants to Maintain Tax Exempt Status” contain covenants of the City relating to the respective series of Proposed Bonds. Since the proceeds of each series of the Proposed Bonds will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Council in Section 36 of each of the Ordinances.

7. The Board recognizes that Section 53 of each of the Ordinances relating to “Continuing Disclosure of Information” contain covenants of the City relating to the respective series of Proposed Bonds. Since certain financial information, financial status, operating data, and annual audits of the System will be entirely within the control and disposition of the Board,
the Board specifically adopts the covenants to be made by the City Council in Section 53 of each of the Ordinances.

8. The Board approves the delegation to each Authorized Official of the selection of the bond insurer, if any, for the Proposed Bonds, and to otherwise comply with the conditions precedent to the issuance of either series of the Proposed Bonds, as authorized, respectively, by each of the Ordinances and any other matter to effectuate the respective intent and purpose of each of the Ordinances. In addition to the foregoing, each Authorized Official is hereby delegated the authority to execute any reimbursement, credit, or similar agreement governing the terms and conditions by which the City will be obligated to repay the provider of a debt service reserve surety policy in the event that such policy is ever drawn upon, a substantially final copy of which is attached hereto as Exhibit C and is hereby approved by the Board.

9. The professionals appointed by the Board, Public Financial Management and Estrada Hinojosa & Company, Inc., as the co-financial advisors, and Norton Rose Fulbright US LLP and any such other qualified firm serving as co-bond counsel, if any, as hereafter approved by an Authorized Official, are authorized, upon consultation with System and City staff, to coordinate the legal and financial aspects relating to these transactions, including, but not limited to, preparation of related bond documents, and to otherwise coordinate the legal and financial aspects of these matters with the national rating services and bond insurance companies (if applicable) to ensure that the System and the City receives the lowest possible interest rate for the respective issuance of the Proposed Bonds. In addition, the Board authorizes the payment of the national rating agency fees, bond insurance and surety bond premiums (if any), and any and all professional fees and expenses associated with the respective issuance of the Proposed Bonds upon the approval of written invoices by any Authorized Officials, or his or her designee.

10. In order to comply with various provisions of Texas law and for the interest on the Proposed Bonds to be tax-exempt, various certificates must be provided to Co-Bond Counsel and to the Attorney General for the State of Texas; therefore, upon obtaining the advice and consent of legal counsel, the Chairman, Vice Chairman, or Secretary of the Board and each other Authorized Official are authorized to execute any certificate (including but not limited to a Certificate of Tax Exemption relating to each series of Proposed Bonds), or other documents, relating to the issuance, sale, and delivery of any series of the Proposed Bonds.

11. The Board delegates to each Authorized Official the authority to take any and all other actions consistent with the provisions of this Resolution and the Ordinances to effectuate the sale, issuance and delivery of each series of the Proposed Bonds.

12. The recitals contained in the preamble hereof are hereby found to be true, and such recitals 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.

13. All ordinances and resolutions, 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 resolved herein.
14. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

15. 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.

16. 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.

17. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

[The remainder of this page intentionally left blank.]
PASSED AND APPROVED this the 13th day of September, 2016.

Berto Guerra, Jr., Chairman

Attest:

Pat Merritt, Secretary
EXHIBIT A

Series 2016D Bond Ordinance

See Tab No. __
EXHIBIT B

Series 2016E Bond Ordinance

See Tab No. __
EXHIBIT C

Form of Debt Service Reserve Surety Policy

See Tab No. ___
TO: San Antonio Water System Board of Trustees

FROM: Joshua J. Dean, Director, Security, and Jeffrey J. Haby, P.E, Vice President, Production and Treatment

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

SUBJECT: AWARD OF A SERVICE CONTRACT FOR SECURITY SERVICES AND SECURITY PROTECTION FOR THE SAN ANTONIO WATER SYSTEM

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution awards a service contract to Securitas Security Services (USA), Inc., a local, non-SMWB vendor, in an amount not to exceed $15,934,049.91 for security services. The contract is for a three-year period, beginning September 13, 2016, and ending September 12, 2019 with the option to extend the term for two one-year terms.

- The San Antonio Water System (SAWS) requires professional security protection and services for the safety of its employees and facilities. SAWS last went out for best value bid in 2011.

- The scope of the contract is for security services at various SAWS properties in an amount not to exceed $15,934,049.91 for the three-year contract period.

- The contract is for a total annual price of $5,311,349.97.

- SAWS issued a Best Value Bid for security services in which eight responsive “Best Value” bids were received. An “Evaluation Committee” was selected that included representatives from SAWS’ Security and Customer Service Departments.

- Selection criteria included similar experience, level of training, policy and procedures, price, capability to respond to emergencies, pricing and SMWB participation. The Evaluation Committee after reviewing the initial material presented, determined that G4S Secure Solutions (USA), Inc. was the respondent that offered to provide the services to SAWS for the best value.

- Subsequent to the review of the initial material presented, a criminal incident involving an off duty G4S Secure Solutions (USA), Inc. employee occurred. This incident was cause for
SAWS to re-evaluate the determination of the best value respondent and subsequent to that re-evaluation by executive management, SAWS staff recommends the award of the contract to Securitas Security Services (USA), Inc.

Staff recommends that the Board approve this Resolution.

**FINANCIAL IMPACT:**

Services will be paid from System funds budgeted in the 2016 budget (Company: 1000; Accounting Unit: 5020700; Account: 511212) for a total estimated amount not to exceed $15,934,049.91 for the three-year contract period.

Funds for the three-year contract services to be provided will be paid from System funds budgeted in those budget years pursuant to and contingent upon Board approval of the FY 2017, 2018, and 2019 budgets with a line item for such expenditure (Company: 1000; Accounting Unit: 5020700; Account: 511212).

Additional funds for the contract services to be provided for the two, one-year extension options will be paid from System funds budgeted in those budget years pursuant to and contingent upon Board approval of the FY 2020 and 2021 budgets with a line item for such expenditure (Company: 1000; Accounting Unit: 5020700; Account: 511212).

Total amount of the three-year contract period is $15,934,049.91.

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Award of Contract
Security Services

Joshua J. Dean
Director, Security

Approved:

Robert R. Puente
President/Chief Executive Officer

Jeffrey J. Haby, P.E
Vice President, Production & Treatment
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE “BEST VALUE” BID AND AWARDING A THREE-YEAR CONTRACT ENDING SEPTEMBER 12, 2019, TO SECURITAS SECURITY SERVICES (USA), INC. IN CONNECTION WITH A SERVICE CONTRACT FOR SECURITY SERVICES AND SECURITY PROTECTION FOR THE SAN ANTONIO WATER SYSTEM; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT NOT TO EXCEED $15,934,049.91 FOR SECURITY SERVICES AND SECURITY PROTECTION, AND THAT THE SUBSEQUENT YEARS’ EXPENDITURES ARE PURSUANT TO AND CONTINGENT UPON THE BOARD’S APPROVAL OF THE SUBSEQUENT YEARS’ BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A SERVICES CONTRACT WITH SECURITAS SECURITY SERVICES (USA), INC., AND TO PAY SECURITAS SECURITY SERVICES (USA), INC. A TOTAL AMOUNT NOT TO EXCEED $15,934,049.91 FOR SECURITY SERVICES AND SECURITY PROTECTION; FINDING THIS 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 security protection and services for the safety of its employees, customers and facilities; and

WHEREAS, the System subsequently issued a “Best Value” Bid on April 7, 2016 to provide security services in which eight responsive “Best Value” Bids were received; and

WHEREAS, Securitas Security Services (USA), Inc. has submitted the “Best Value” Bid to provide security services; and

WHEREAS, Securitas Security Services (USA), Inc., a local, non-SMWB vendor, has been determined to be the respondent that will provide the services to the System for the best value; and

WHEREAS, the scope of the contract is for Security Services and Security Protection at various System properties in an amount not to exceed $15,934,049.91 for the three-year contract period; and
WHEREAS, the contract is for a total annual price of $5,311,349.97; and

WHEREAS, the amount of $15,934,049.91 is available from the System Fund for security services; and

WHEREAS, the contract provides for a three-year term, with two, one-year extension options; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) accept the bid of Securitas Security Services (USA), Inc. in an amount not to exceed $15,934,049.91, for a service contract for a three-year period with two additional one-year terms, in connection with a Service Contract for Security Services and Security Protection for the System, (ii) award a service contract for a three-year period ending September 12, 2019, to Securitas Security Services (USA), Inc. in the amount not to exceed $15,934,049.91 for Security Services and Security Protection, (iii) approve the expenditure and make available from the System Fund the amount of $15,934,049.91 for security services and security protection, and that subsequent years’ expenditures are pursuant to and contingent upon the Board’s approval of the subsequent years’ budgets 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 with Securitas Security Services (USA), Inc. for the period ending September 12, 2019, to execute an option to extend the contract for two additional one-year terms with Securitas Security Services (USA), Inc., and to pay Securitas Security Services (USA), Inc. the amount not to exceed $15,934,049.91 for the initial three-year term for Security Services and Security Protection; now, therefore:

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

1. That the “Best Value” Bid of Securitas Security Services (USA), Inc. in the amount not to exceed $15,934,049.91 for a service contract for a three-year period ending September 12, 2019 with two additional one-year terms, in connection with a Service Contract for Security Services and Security Protection for the System is hereby accepted.

2. That a service contract for the period ending September 12, 2019 with the option to extend the contract for two additional one-year terms, in the amount of $15,934,049.91 for the initial term for security and security protection services is hereby awarded to Securitas Security Services (USA), Inc.

3. That the expenditure of System funds in the amount not to exceed $15,934,049.91 for security and security protection services is hereby approved.

4. That the amount of $15,934,049.91 is hereby made available to be expended from the System Fund for the initial term, and that the subsequent years’ expenditures are pursuant to and contingent upon Board approval of the subsequent years’ budgets 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 September 12, 2019, and execute an option to extend the contract for two additional one-year terms with Securitas Security Services (USA), Inc., and to pay Securitas Security Services (USA), Inc. the amount not to exceed $15,934,049.91 for the initial term for security and protection services.

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 13th day of September, 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: Joshua J. Dean, Director, Security, and Jeffrey J. Haby, P.E, Vice President, Production and Treatment

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

SUBJECT: APPROVAL OF AN EXTENSION OF A SERVICE CONTRACT FOR SECURITY SERVICES FOR THE SAN ANTONIO WATER SYSTEM

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution extends a contract for security services with U.S. Security Associates, Inc., a local, non-SMWB firm, in an amount not to exceed $400,000.00 for security services through November 13, 2016.

- The San Antonio Water System (SAWS) requires professional security protection and services for the safety of its employees and facilities.

- SAWS recently issued a best value bid for security services and will recommend an award of a contract to a new provider at the September 13, 2016 Board Meeting.

- Transition of security services requires an overlap of providers in order to insure a smooth transition. The startup/transition period is important in establishing a viable contracted security services project. The startup/transition functions and activities must be planned and implemented in such a manner as not to negatively impact the ongoing security services of the incumbent contractor or SAWS employees.

- The scope of the extension is for security services at various SAWS properties in an amount not to exceed $400,000.00 for the period through November 13, 2016.

Staff recommends that the Board approve this Resolution.

FINANCIAL IMPACT:

Services will be paid from System funds budgeted in the 2016 budget (Company: 1000; Accounting Unit: 5020700; Account: 511212) for a total estimated amount not to exceed $400,000.00 through November 13, 2016.
Approval of Extension of a Service Contract for Security Services

Joshua J. Dean,
Director, Security

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Jeffrey J. Haby, P.E
Vice President, Production & Treatment
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A CONTRACT EXTENSION TO U.S. SECURITY ASSOCIATES, INC. TO PROVIDE SECURITY SERVICES FOR A TOTAL AMOUNT NOT TO EXCEED $400,000.00 FROM THE SYSTEM FUND THROUGH NOVEMBER 13, 2016; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT EXTENSION WITH U.S. SECURITY ASSOCIATES, INC. AND TO PAY U.S. SECURITY ASSOCIATES, INC. A TOTAL AMOUNT NOT TO EXCEED $400,000.00 TO PROVIDE SECURITY SERVICES THROUGH NOVEMBER 13, 2016; FINDING THIS 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 security protection and services for the safety of its employees and facilities; and

WHEREAS, the System recently issued a best value bid for security services and will recommend an award of a contract to a new provider at the September 13, 2016 Board Meeting; and

WHEREAS, transition of security services requires an overlap of providers in order to insure a smooth transition. The startup/transition period is important in establishing a viable contracted security services project. The startup/transition functions and activities must be planned and implemented in such a manner as not to negatively impact the ongoing security services of the incumbent contractor or System employees; and

WHEREAS, the scope of the extension is for U.S. Security Associates, Inc. to provide security services at various System properties in an amount not to exceed $400,000.00 for the period through November 13, 2016; and

WHEREAS, the amount of $400,000.00 is available from the System Fund for security services; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the extension of the security service contract with U.S. Security Associates, Inc. to provide security services for an amount not to exceed $400,000.00 for a period through November 13, 2016, (ii) to authorize total expenditures in an amount not to exceed $400,000.00 from the System Fund for the security service, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract extension with U.S. Security Associates, Inc. for a
total amount not to exceed $400,000.00 through November 13, 2016, and to pay U.S. Security Associates, Inc. an amount not to exceed $400,000.00 for the security service; now, therefore:

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

1. That the extension of the service contract to U.S. Security Associates, Inc. to provide security services through November 13, 2016 for a total amount not to exceed $400,000.00 is hereby approved.

2. That the total expenditure not to exceed $400,000.00 through November 13, 2016 from the System Fund is hereby approved.

3. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract extension with U.S. Security Associates, Inc., and to pay U.S. Security Associates, Inc., a total amount not to exceed $400,000.00 through November 13, 2016.

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 13th day of September, 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: APPROVING THE FILING OF A REQUEST FOR PARTY STATUS AND NON-PARTY BRIEFING IN CONNECTION WITH THE CONTESTED CASE HEARING AND ADMINISTRATIVE AND JUDICIAL PROCEEDINGS RELATING TO APPLICATION NO. 12469 FILED BY NEW BRAUNFELS UTILITIES BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Board Action Date: September 13, 2016

SUMMARY AND RECOMMENDATION:

The attached resolution approves the filing of a request for party status and non-party briefing in the contested case hearing and administrative and judicial proceedings relating to New Braunfels Utilities (NBU) Application No. 12469 with the Texas Commission on Environmental Quality (TCEQ).

- NBU has filed Application No. 12469 with the TCEQ for a permit to appropriate state water from the Guadalupe River (the “NBU Application”).

- The NBU Application includes a request for authorization under Texas Water Code § 11.042(b) to use the bed and banks of the Guadalupe River and its tributaries to transport and indirectly reuse certain treated effluent derived from groundwater and owned by NBU.

- The Guadalupe-Blanco River Authority (GBRA) has opposed the NBU Application and asserted, among other arguments, that NBU has no legal right to use the bed and banks of the Guadalupe River and its tributaries to transport and indirectly reuse treated effluent derived from Edwards Aquifer groundwater outside the boundaries of the Edwards Aquifer Authority (EAA).

- The San Antonio Water System (SAWS) currently discharges from its wastewater treatment facilities an average of approximately 130,000 acre feet per year of treated effluent derived from groundwater (the “SAWS Return Flows”) into the San Antonio River Basin.

- SAWS has filed Application No. 13098 with TCEQ (“SAWS Bed and Banks Application”) for authorization pursuant to Texas Water Code §11.042(b) to convey the SAWS Return Flows through state water courses for subsequent diversion and reuse.
• A large percentage of the SAWS Return Flows are derived from Edwards Aquifer groundwater.

• Arguments asserted by GBRA and the resolution of issues involved in connection with the NBU Application may impact the outcome of the SAWS Bed and Banks Application.

• Staff believes that SAWS interests can be best protected if SAWS participates in the contested case hearing and any related administrative and judicial proceedings in connection with the NBU Application as a party or through non-party briefing.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

Preparation of the request for contested case hearing and participation in subsequent proceedings may require the services of contract legal counsel. Funds for these services to be provided in FY 2016 were included in the FY 2016 Annual Operating Budget and will be financed with revenue from the System Fund. Company: 1000, Accounting Unit: 5000500, Account: 511320.

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 APPROVING THE FILING OF A REQUEST FOR PARTY STATUS AND NON-PARTY BRIEFING IN THE CONTESTED CASE HEARING AND ADMINISTRATIVE AND JUDICIAL PROCEEDINGS RELATING TO APPLICATION NO. 12469 FILED BY NEW BRAUNFELS UTILITIES BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY; FURTHER AUTHORIZING THE SYSTEM’S PRESIDENT/CHIEF EXECUTIVE OFFICER AND/OR LEGAL COUNSEL TO TAKE ALL NECESSARY LEGAL ACTION TO PROTECT THE SYSTEM’S INTERESTS RELATING TO SAID APPLICATION, CONTESTED CASE HEARING, AND ADMINISTRATIVE AND JUDICIAL PROCEEDINGS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, New Braunfels Utilities (NBU) has filed Application No. 12469 with the Texas Commission on Environmental Quality (TCEQ) for a permit to appropriate state water from the Guadalupe River (the “NBU Application”); and

WHEREAS, the NBU Application includes a request for authorization under Texas Water Code § 11.042(b) to use the bed and banks of the Guadalupe River and its tributaries to transport and indirectly reuse certain treated effluent derived from groundwater and owned by NBU; and

WHEREAS, the Guadalupe-Blanco River Authority (GBRA) has opposed the NBU Application and asserted, among other arguments, that NBU has no legal right to use the bed and banks of the Guadalupe River and its tributaries to transport and indirectly reuse treated effluent derived from Edwards Aquifer groundwater outside the boundaries of the Edwards Aquifer Authority (EAA); and

WHEREAS, the San Antonio Water System (the “System”) currently discharges from its wastewater treatment facilities an average of approximately 130,000 acre feet per year of treated effluent derived from groundwater (the “SAWS Return Flows”) into the San Antonio River Basin; and

WHEREAS, a large percentage of the SAWS Return Flows are derived from Edwards Aquifer groundwater; and
WHEREAS, the System has filed Application No. 13098 with TCEQ for authorization pursuant to Texas Water Code §11.042(b) to convey the SAWS Return Flows through state water courses for subsequent diversion and reuse (“SAWS Bed and Banks Application”); and

WHEREAS, arguments asserted by GBRA and the resolution of issues involved in connection with the NBU Application may impact the outcome of the SAWS Bed and Banks Application; and

WHEREAS, the San Antonio Water System Water Board of Trustees believes that the System’s interests can be best protected if the System participates in a contested case hearing and any related administrative and judicial proceedings in connection with the NBU Application as a party or through non-party briefing; and

WHEREAS, the System’s Board of Trustees desires (i) to authorize the filing of a request for party status and non-party briefing in the contested case hearing and any related administrative and judicial proceedings in connection with the NBU Application and (ii) to further authorize the System’s President/Chief Executive Officer and/or Legal Counsel to take all necessary legal action relating to the NBU Application and any related contested case hearing and administrative and judicial proceedings; now, therefore:

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

1. That the filing of a Request for Party Status and non-party briefing in the contested case hearing and any related administrative and judicial proceedings in connection with the NBU Application is hereby authorized.

2. That the System’s President/Chief Executive Officer and/or Legal Counsel is hereby authorized to take all necessary legal action relating to the NBU Application and any related contested case hearing and administrative and judicial proceedings.

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 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 13th day of September, 2016.

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Berto Guerra, Jr., Chairman

ATTEST:

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Ernesto Arrellano, Jr., Secretary